

99th Congress, 2d Session

Economic Indicators

JANUARY 1986

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

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1986

JOINT ECONOMIC COMMITTEE

(Created pursuant to Sec. 5(a) of Public Law 304, 79th Cong.)

DAVID R. OBEY, Wisconsin, *Chairman*
JAMES ABDNOR, South Dakota, *Vice Chairman*

HOUSE OF REPRESENTATIVES

LEE H. HAMILTON (Indiana)
PARREN J. MITCHELL (Maryland)
AUGUSTUS F. HAWKINS (California)
JAMES H. SCHEUER (New York)
FORTNEY H. (PETE) STARK (California)
CHALMERS P. WYLIE (Ohio)
DAN LUNGREN (California)
OLYMPIA J. SNOWE (Maine)
BOBBI FIEDLER (California)

SENATE

WILLIAM V. ROTH, JR. (Delaware)
STEVEN D. SYMMS (Idaho)
MACK MATTINGLY (Georgia)
ALFONSE M. D'AMATO (New York)
PETE WILSON (California)
LLOYD BENTSEN (Texas)
WILLIAM PROXMIRE (Wisconsin)
EDWARD M. KENNEDY (Massachusetts)
PAUL S. SARBANES (Maryland)

SCOTT LILLY, *Executive Director*

ROBERT J. TOSTERUD, *Deputy Director*

COUNCIL OF ECONOMIC ADVISERS

BERYL W. SPRINKEL, *Chairman*
THOMAS G. MOORE, *Member*

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

JOINT RESOLUTION [S.J. Res. 55]

To print the monthly publication entitled "Economic Indicators"

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

Charts drawn by Art Production Branch, Office of the Secretary, Department of Commerce.

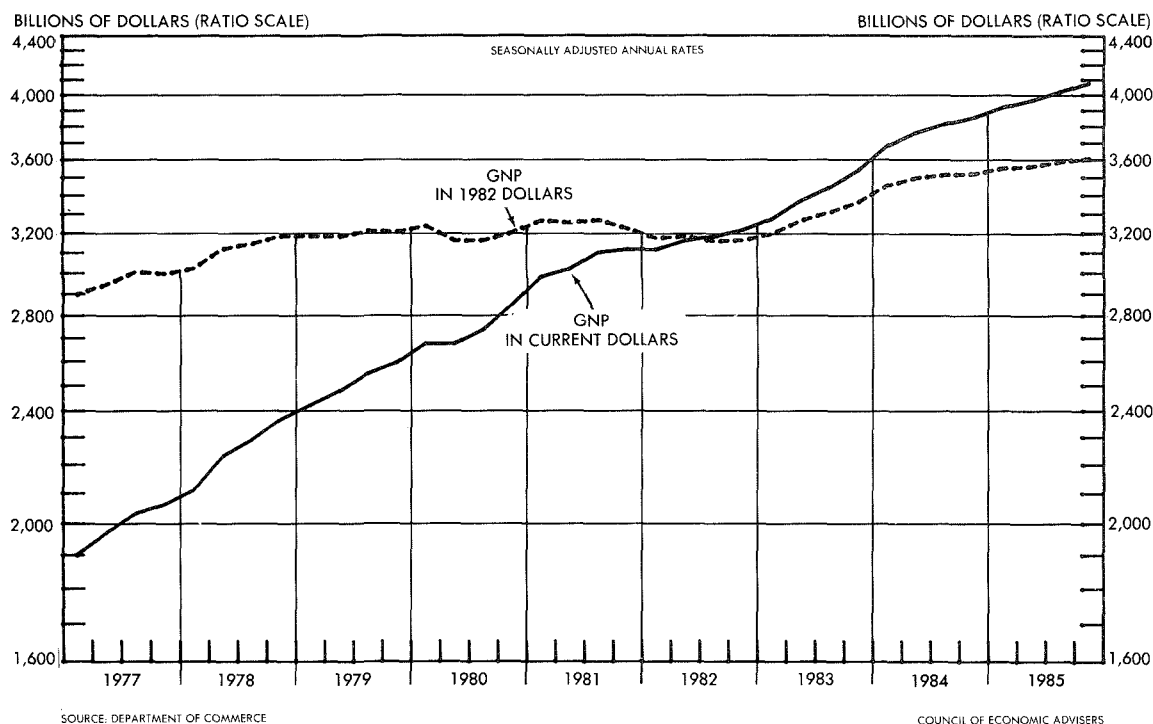
Economic Indicators, published monthly, is available at \$2.50 a single copy (\$3.13 foreign), or by subscription at \$27.00 per year (\$33.75 for foreign mailing) from:

SUPERINTENDENT OF DOCUMENTS
GOVERNMENT PRINTING OFFICE
WASHINGTON, D.C. 20402

TOTAL OUTPUT, INCOME, AND SPENDING

GROSS NATIONAL PRODUCT

According to preliminary estimates, current-dollar gross national product (GNP) rose 5.9 percent (annual rate) or \$58.2 billion in the fourth quarter of 1985. Real GNP (GNP adjusted for price changes) rose 2.4 percent and the implicit price deflator rose 3.3 percent.



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

Period	Gross national product	Personal consumption expenditures	Gross private domestic investment	Exports and imports of goods and services			Government purchases of goods and services					Final sales
				Net exports	Exports	Imports	Total	Federal			State and local	
								Total	National defense	Non-defense		
1977	1,990.5	1,257.2	344.1	1.9	191.6	189.7	387.3	151.1	100.9	50.3	236.2	1,969.2
1978	2,249.7	1,403.5	416.8	4.1	227.5	223.4	425.2	161.8	108.9	52.9	263.4	2,221.0
1979	2,508.2	1,566.8	454.8	18.8	291.2	272.5	467.8	178.0	121.9	56.1	289.9	2,495.2
1980	2,732.0	1,732.6	437.0	32.1	351.0	318.9	530.3	208.1	142.7	65.4	322.2	2,740.3
1981	3,052.6	1,915.1	515.5	33.9	382.8	348.9	588.1	242.2	167.5	74.8	345.9	3,028.6
1982	3,166.0	2,050.7	447.3	26.3	361.9	335.6	641.7	272.7	193.8	78.9	369.0	3,190.5
1983	3,401.6	2,229.3	501.9	-5.3	354.1	359.4	675.7	284.8	215.7	69.2	390.9	3,408.0
1984	3,774.7	2,423.0	674.0	-59.2	384.6	443.8	736.8	312.9	237.0	76.0	423.9	3,707.6
1985 ^p	^r 3,992.5	2,581.9	670.4	-74.4	370.4	444.8	814.6	353.9	262.0	91.9	460.7	3,983.4
1982: III	3,179.4	2,065.6	452.2	14.5	359.9	345.4	647.1	275.3	197.3	78.0	371.8	3,188.4
IV	3,212.5	2,117.0	409.6	14.1	335.9	321.9	671.8	293.2	205.4	87.7	378.7	3,272.4
1983: I	3,268.7	2,146.0	425.0	28.4	344.6	316.2	669.3	287.1	209.4	77.8	382.2	3,311.4
II	3,365.1	2,210.1	483.7	-2.6	345.0	347.5	673.8	287.0	214.5	72.5	386.9	3,370.6
III	3,437.5	2,254.9	521.2	-19.7	358.0	377.6	681.1	286.0	215.8	70.2	395.1	3,440.3
IV	3,535.0	2,306.3	577.6	-27.4	368.8	396.2	678.6	279.2	222.9	56.2	399.4	3,509.5
1984: I	3,676.5	2,358.6	658.8	-37.4	375.4	412.8	696.5	285.6	228.3	57.3	410.9	3,584.4
II	3,757.5	2,414.4	673.3	-65.3	382.3	447.6	735.1	314.8	235.8	79.0	420.3	3,688.7
III	3,812.2	2,439.0	687.9	-61.9	391.4	453.3	747.3	318.5	236.2	82.2	428.8	3,743.9
IV	3,852.5	2,480.1	676.2	-72.2	389.5	461.7	768.4	332.9	247.5	85.4	435.5	3,813.5
1985: I	3,917.5	2,525.0	657.6	-42.3	379.6	421.9	777.2	334.4	249.5	84.9	442.8	3,899.0
II	3,960.6	2,563.3	672.8	-70.3	369.2	439.5	794.8	337.8	256.0	81.7	457.1	3,945.0
III	4,016.9	2,606.1	666.1	-87.8	363.2	451.0	832.5	364.8	269.9	95.0	467.7	4,016.7
IV ^p	^r 4,075.1	2,633.3	685.2	-97.2	369.7	466.9	853.7	378.6	272.5	106.1	475.2	4,073.0

NOTE.—Data reflect the recent comprehensive revision of the national income and product accounts. For details, see *Survey of Current Business*, December 1985.

Source: Department of Commerce, Bureau of Economic Analysis.

GROSS NATIONAL PRODUCT IN 1982 DOLLARS

[Billions of 1982 dollars; quarterly data at seasonally adjusted annual rates]

Period	Gross national product	Personal consumption expenditures	Gross private domestic investment			Exports of goods and services			Government purchases of goods and services				Final sales	
			Nonresidential fixed	Residential fixed	Change in business inventories	Net exports	Exports	Imports	Total	Federal				State and local
										Total	National defense	Non-defense		
1977.....	2,958.6	1,883.8	324.0	168.1	29.1	-35.5	281.6	317.1	589.1	231.8	159.2	72.7	357.2	2,929.5
1978.....	3,115.2	1,961.0	362.1	178.0	36.8	-26.8	312.6	339.4	604.1	233.7	160.7	73.0	370.4	3,078.4
1979.....	3,192.4	2,004.4	389.4	170.8	15.0	3.6	356.8	353.2	609.1	236.2	164.3	71.9	373.0	3,177.4
1980.....	3,187.1	2,000.4	379.2	137.0	-6.9	57.0	388.9	332.0	620.5	246.9	171.2	75.7	373.6	3,194.0
1981.....	3,248.8	2,024.2	395.2	126.5	23.9	49.4	392.7	343.4	629.7	259.6	180.3	79.3	370.1	3,225.0
1982.....	3,166.0	2,050.7	366.7	105.1	-24.5	26.3	361.9	335.6	641.7	272.7	193.8	78.9	369.0	3,190.5
1983.....	3,277.7	2,145.9	360.1	148.7	-5.5	-19.4	349.4	368.8	647.8	275.5	207.3	68.3	372.2	3,283.1
1984.....	3,492.0	2,239.9	430.3	168.3	62.7	-85.0	370.9	455.9	675.9	292.5	220.3	72.3	383.3	3,429.3
1985 ^p	3,573.5	2,312.6	471.8	171.5	7.3	-105.1	360.2	465.3	715.4	321.3	236.0	85.2	394.2	3,566.2
1982: III.....	3,154.5	2,051.8	358.0	100.1	-9.4	11.7	359.5	347.8	642.5	273.8	197.0	76.9	368.6	3,164.0
1982: IV.....	3,159.3	2,078.7	352.3	115.8	-59.3	11.7	336.0	324.3	660.1	289.5	201.4	88.2	370.6	3,218.6
1983: I.....	3,190.6	2,096.4	337.5	127.2	-42.2	22.5	342.8	320.3	649.1	279.2	203.8	75.4	369.9	3,232.8
1983: II.....	3,259.3	2,137.2	346.9	145.8	-3.7	-15.0	342.4	357.4	648.2	277.6	206.9	70.6	370.6	3,263.0
1983: III.....	3,303.4	2,161.8	363.4	161.6	1.4	-36.2	353.1	389.3	651.5	277.4	206.5	70.9	374.1	3,302.1
1983: IV.....	3,357.2	2,188.1	392.9	160.4	22.6	-48.9	359.1	408.0	642.2	267.9	211.8	56.1	374.3	3,334.6
1984: I.....	3,449.4	2,210.9	398.8	166.6	83.6	-60.6	362.7	423.3	650.1	271.4	214.1	57.3	378.6	3,365.7
1984: II.....	3,492.6	2,243.0	426.8	170.0	66.0	-90.4	366.6	457.0	677.1	294.8	219.6	75.2	382.4	3,426.6
1984: III.....	3,510.4	2,243.4	437.6	170.8	64.9	-88.7	376.9	465.6	682.4	296.7	219.6	77.1	385.7	3,445.5
1984: IV.....	3,515.6	2,262.0	457.8	166.0	36.1	-100.2	377.3	477.5	693.9	307.3	227.9	79.5	386.6	3,479.5
1985: I.....	3,547.8	2,288.6	457.2	166.7	15.8	-71.8	368.7	440.5	691.4	304.3	226.7	77.6	387.1	3,532.0
1985: II.....	3,557.4	2,303.5	470.9	169.6	15.1	-101.1	358.2	459.3	699.4	305.9	231.5	74.3	393.6	3,542.3
1985: III.....	3,584.1	2,329.6	473.7	173.1	-1.8	-119.8	353.5	473.3	729.2	331.1	243.3	87.9	398.1	3,585.8
1985: IV ^p	3,605.0	2,328.7	485.4	176.7	.1	-127.6	360.4	488.0	741.7	343.7	242.6	101.1	398.0	3,604.8

NOTE.—Data reflect the recent comprehensive revision of the national income and product accounts. For details, see *Survey of Current Business*, December 1985.

Source: Department of Commerce, Bureau of Economic Analysis.

IMPLICIT PRICE DEFLATORS FOR GROSS NATIONAL PRODUCT

[1982=100; quarterly data are seasonally adjusted]

Period	Gross national product	Personal consumption expenditures				Gross private domestic investment		Exports and imports of goods and services		Government purchases of goods and services			
		Total	Durable goods	Nondurable goods	Services	Nonresidential fixed	Residential fixed	Exports	Imports	Federal			State and local
										Total	National defense	Non-defense	
1977.....	67.3	66.7	72.7	67.1	64.8	66.1	64.6	68.0	59.8	65.2	63.4	69.1	66.1
1978.....	72.2	71.6	76.9	71.9	69.8	71.5	72.6	72.8	65.8	69.2	67.8	72.4	71.1
1979.....	78.6	78.2	82.1	80.0	75.6	77.8	81.4	81.6	77.1	75.4	74.2	78.0	77.7
1980.....	85.7	86.6	89.2	89.4	83.9	85.1	89.4	90.2	96.0	84.3	83.4	86.4	86.2
1981.....	94.0	94.6	95.7	96.9	92.6	93.4	96.6	97.5	101.6	93.3	92.9	94.3	93.4
1982.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1983.....	103.8	103.9	102.1	102.0	105.7	98.9	102.2	101.4	97.5	103.4	104.0	101.3	105.0
1984.....	108.1	108.2	103.9	105.4	111.5	99.4	106.4	103.7	97.4	107.0	107.6	105.1	110.6
1985 ^p	111.7	111.6	104.7	107.7	116.8	100.8	108.2	102.8	95.6	110.2	111.0	107.9	116.9
1982: III.....	100.8	100.7	100.4	100.5	100.9	100.8	100.4	100.1	99.3	100.5	100.2	101.5	100.9
1982: IV.....	101.7	101.8	100.7	101.0	102.7	100.7	99.1	100.0	99.3	101.3	102.0	99.5	102.2
1983: I.....	102.4	102.4	101.3	100.7	103.9	100.1	102.0	100.5	98.7	102.8	102.7	103.1	103.3
1983: II.....	103.2	103.4	101.6	101.9	105.0	98.9	100.3	100.8	97.2	103.4	103.7	102.6	104.4
1983: III.....	104.1	104.3	102.4	106.2	106.2	98.3	103.2	101.5	97.0	103.1	104.5	99.0	105.6
1983: IV.....	105.3	105.4	103.1	103.1	107.8	98.4	103.1	102.7	97.1	104.2	105.3	100.1	106.7
1984: I.....	106.6	106.7	103.4	104.5	109.2	98.8	103.6	103.5	97.5	105.2	106.6	99.9	108.5
1984: II.....	107.6	107.6	103.9	104.8	110.8	99.2	106.5	104.3	98.0	106.8	107.4	105.0	109.9
1984: III.....	108.6	108.7	104.1	105.5	112.5	99.6	107.6	103.8	97.3	107.3	107.6	106.7	111.2
1984: IV.....	109.6	109.6	104.2	106.6	113.5	100.1	107.9	103.2	96.7	108.3	108.6	107.5	112.7
1985: I.....	110.4	110.3	104.9	106.7	114.7	100.5	107.7	102.9	95.8	109.9	110.1	109.4	114.4
1985: II.....	111.3	111.3	104.8	107.5	116.1	100.7	107.9	103.1	95.7	110.4	110.6	110.0	116.1
1985: III.....	112.1	111.9	104.6	107.6	117.4	101.0	108.2	102.7	95.3	110.2	110.9	108.1	117.5
1985: IV ^p	113.0	113.1	104.3	109.0	118.9	101.1	109.0	102.6	95.7	110.1	112.3	105.0	119.4

NOTE.—Data reflect the recent comprehensive revision of the national income and product accounts. For details, see *Survey of Current Business*, December 1985.

Source: Department of Commerce, Bureau of Economic Analysis.

CHANGES IN GNP, PERSONAL CONSUMPTION EXPENDITURES, AND RELATED PRICE MEASURES

[Percent change from previous period; quarterly data at seasonally adjusted annual rates]

Period	Gross national product					Personal consumption expenditures				
	Current dollars	Constant (1982) dollars	Implicit price deflator	Chain price index	Fixed-weighted price index (1982 weights)	Current dollars	Constant (1982) dollars	Implicit price deflator	Chain price index	Fixed-weighted price index (1982 weights)
1978.....	13.0	5.3	7.3	6.9	6.2	11.6	4.1	7.3	7.2	7.0
1979.....	11.5	2.5	8.9	8.0	8.5	11.6	2.2	9.2	9.2	8.8
1980.....	8.9	— 2	9.0	9.1	9.3	10.6	— 2	10.7	10.9	10.5
1981.....	11.7	1.9	9.7	9.5	9.3	10.5	1.2	9.2	9.2	9.0
1982.....	3.7	— 2.5	6.4	6.4	6.2	7.1	1.3	5.7	5.7	5.6
1983.....	7.4	3.5	3.8	4.0	4.0	8.7	4.6	3.9	4.0	4.0
1984.....	11.0	6.5	4.1	4.2	3.6	8.7	4.4	4.1	4.2	4.3
1985 ^P	5.8	2.3	3.3	3.5	3.6	6.6	3.2	3.1	3.4	3.4
1982: III.....	2.5	— 3.2	5.8	5.7	5.5	8.5	2.1	6.2	6.3	6.3
IV.....	4.2	.6	3.6	3.8	4.0	10.3	5.3	4.4	4.8	4.8
1983: I.....	7.2	4.0	2.8	3.2	3.2	5.6	3.4	2.4	2.2	2.3
II.....	12.3	8.9	3.2	2.8	3.8	12.5	8.0	4.0	4.2	4.2
III.....	8.9	5.5	3.5	4.7	4.0	8.4	4.7	3.5	3.7	3.8
IV.....	11.8	6.7	4.7	2.9	4.3	9.4	5.0	4.3	4.4	4.4
1984: I.....	17.0	11.4	5.0	4.8	5.1	9.4	4.2	5.0	5.1	5.2
II.....	9.1	5.1	3.8	6.1	4.3	9.8	5.9	3.4	3.7	3.8
III.....	6.0	2.1	3.8	3.8	3.7	4.1	.1	4.2	4.1	4.2
IV.....	4.3	.6	3.7	3.9	3.5	6.9	3.4	3.4	3.6	3.6
1985: I.....	6.9	3.7	3.0	3.5	3.5	7.4	4.8	2.6	2.7	2.7
II.....	4.5	1.1	3.3	3.6	3.6	6.2	2.6	3.7	3.7	3.8
III.....	5.8	3.0	2.9	2.5	2.7	6.8	4.6	2.2	2.4	2.6
IV ^P	5.9	2.4	3.3	3.9	4.5	4.2	— 2	4.4	4.7	4.7

NOTE.—Data reflect the recent comprehensive revision of the national income and product accounts. For details, see *Survey of Current Business*, December 1985.

Annual changes are from previous year and quarterly changes are from previous quarter. Source: Department of Commerce, Bureau of Economic Analysis.

NONFINANCIAL CORPORATE BUSINESS—OUTPUT, COSTS, AND PROFITS

[Quarterly data at seasonally adjusted annual rates]

Period	Gross domestic product of nonfinancial corporate business (billions of dollars)		Current-dollar cost and profit per unit of output (dollars) ¹								Output per hour of all employees (1982 dollars)	Compensation per hour of all employees (dollars)
			Total cost and profit ²	Capital consumption allowances with capital consumption adjustment	Indirect business taxes ³	Compensation of employees	Net interest	Corporate profits with inventory valuation and capital consumption adjustments				
	Current dollars	1982 dollars						Total	Profits tax liability	Profits after tax ⁴		
1978.....	1,274.1	1,789.8	0.712	0.073	0.064	0.473	0.020	0.082	0.037	0.044	17.358	8.219
1979.....	1,417.4	1,840.4	.770	.082	.066	.523	.024	.076	.038	.038	17.221	9.002
1980.....	1,540.8	1,807.9	.852	.095	.077	.581	.031	.068	.037	.031	17.096	9.939
1981.....	1,738.4	1,837.2	.946	.109	.090	.632	.037	.078	.035	.044	17.194	10.861
1982.....	1,782.2	1,782.2	1.000	.125	.094	.676	.043	.063	.026	.037	17.318	11.699
1983.....	1,915.9	1,866.9	1.026	.124	.098	.679	.039	.086	.031	.055	17.934	12.175
1984.....	2,153.1	2,039.3	1.056	.119	.099	.687	.042	.108	.035	.073	18.316	12.588
1985 ^P	2,283.3	2,098.4	1.088	.121	.102	.709	.041	.115	.030	.086		
1982: III.....	1,789.0	1,777.8	1.006	.127	.094	.679	.041	.065	.026	.038	17.375	11.804
IV.....	1,779.4	1,760.2	1.011	.131	.096	.685	.042	.057	.023	.034	17.402	11.928
1983: I.....	1,820.0	1,793.1	1.015	.128	.096	.682	.040	.070	.023	.047	17.700	12.070
II.....	1,884.9	1,842.5	1.023	.125	.099	.678	.039	.082	.030	.053	17.887	12.130
III.....	1,946.5	1,891.2	1.029	.124	.099	.676	.039	.092	.035	.057	18.036	12.185
IV.....	2,012.2	1,940.8	1.037	.121	.098	.680	.039	.099	.034	.065	18.109	12.313
1984: I.....	2,088.0	2,005.0	1.041	.119	.098	.679	.039	.106	.038	.068	18.319	12.447
II.....	2,147.0	2,043.0	1.051	.118	.099	.682	.041	.111	.038	.073	18.405	12.544
III.....	2,172.5	2,048.2	1.061	.119	.100	.691	.043	.107	.032	.075	18.298	12.638
IV.....	2,205.2	2,061.0	1.070	.120	.100	.697	.044	.109	.032	.077	18.255	12.730
1985: I.....	2,237.0	2,077.3	1.077	.120	.100	.703	.043	.111	.029	.081	18.260	12.835
II.....	2,265.8	2,087.2	1.086	.121	.103	.709	.042	.111	.028	.083	18.244	12.942
III.....	2,301.6	2,106.9	1.092	.121	.102	.709	.040	.120	.030	.090	18.372	13.034

¹ Output is measured by gross domestic product of nonfinancial corporate business in 1982 dollars.

² This is equal to the deflator for gross domestic product of nonfinancial corporate business with the decimal point shifted two places to the left.

³ Indirect business tax and nontax liability plus business transfer payments less subsidies.

⁴ With inventory valuation and capital consumption adjustments.

NOTE.—Data reflect the recent comprehensive revision of the national income and product accounts. For details, see *Survey of Current Business*, December 1985.

Sources: Department of Commerce (Bureau of Economic Analysis) and Department of Labor (Bureau of Labor Statistics).

NATIONAL INCOME

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

Period	National income	Compensation of employees ¹	Proprietors' income with inventory valuation and capital consumption adjustments		Rental income of persons with capital consumption adjustment	Corporate profits with inventory valuation and capital consumption adjustments					Net interest
			Farm	Nonfarm		Total	Profits with inventory valuation adjustment and without capital consumption adjustment			Capital consumption adjustment	
							Total	Profits before tax	Inventory valuation adjustment		
1979	2,047.3	1,491.4	31.7	160.1	5.6	200.1	214.1	257.2	-43.2	-14.0	158.3
1980	2,203.5	1,638.2	20.5	160.1	6.6	177.2	194.0	237.1	-43.1	-16.8	200.9
1981	2,443.5	1,807.4	30.7	156.1	13.3	188.0	202.3	226.5	-24.2	-14.4	248.1
1982	2,518.4	1,907.0	24.6	150.9	13.6	150.0	159.2	169.6	-10.4	-9.2	272.3
1983	2,718.3	2,025.9	14.3	178.0	12.8	213.8	195.0	205.0	-10.0	18.8	273.6
1984	3,039.3	2,221.3	32.1	201.6	10.8	273.3	232.3	237.6	-5.4	41.0	300.2
1985 ^p	3,215.6	2,372.7	21.0	221.3	14.0	299.0	227.2	227.6	-4	71.8	287.7
1982: III.....	2,528.4	1,918.4	22.9	151.7	12.0	154.3	161.6	171.6	-10.0	-7.3	269.1
IV	2,548.2	1,931.1	28.5	159.8	15.8	146.1	150.7	164.1	-13.4	-4.5	266.9
1983: I.....	2,603.6	1,962.4	18.7	167.2	13.3	173.4	163.7	167.1	-3.4	9.7	268.5
II	2,678.9	2,001.5	11.8	175.5	14.8	205.9	190.5	199.8	-9.3	15.5	269.4
III.....	2,747.4	2,041.8	6.6	182.3	11.9	228.4	207.3	225.4	-18.1	21.0	276.4
IV	2,843.5	2,097.6	20.0	187.1	11.0	247.6	218.7	227.6	-8.9	28.9	280.3
1984: I.....	2,967.7	2,160.9	44.4	195.9	11.6	268.0	234.4	247.4	-13.0	33.5	286.9
II	3,021.1	2,204.8	29.4	199.7	11.9	277.8	241.8	247.4	-5.6	36.0	297.6
III.....	3,064.2	2,241.2	27.8	204.5	10.0	271.2	226.5	227.7	-1.3	44.8	309.5
IV	3,104.4	2,278.5	26.6	206.3	9.7	276.2	226.3	228.0	-1.6	49.8	307.0
1985: I.....	3,155.3	2,320.4	26.5	212.9	11.0	281.7	220.6	220.0	.7	61.1	302.9
II	3,192.2	2,356.9	22.8	218.1	13.8	288.1	220.9	218.7	2.2	67.2	292.4
III.....	3,228.0	2,385.2	12.2	225.3	14.5	309.1	233.2	228.6	4.7	75.9	281.8
IV ^p		2,428.1	22.5	229.1	16.5				-9.0	83.2	273.7

¹ Includes employer contributions for social insurance. (See also p. 5.)

counts. For details, see *Survey of Current Business*, December 1985.

NOTE.—Data reflect the recent comprehensive revision of the national income and product ac-

Source: Department of Commerce, Bureau of Economic Analysis.

PERSONAL CONSUMPTION EXPENDITURES

[Billions of dollars, except as noted; quarterly data at seasonally adjusted annual rates]

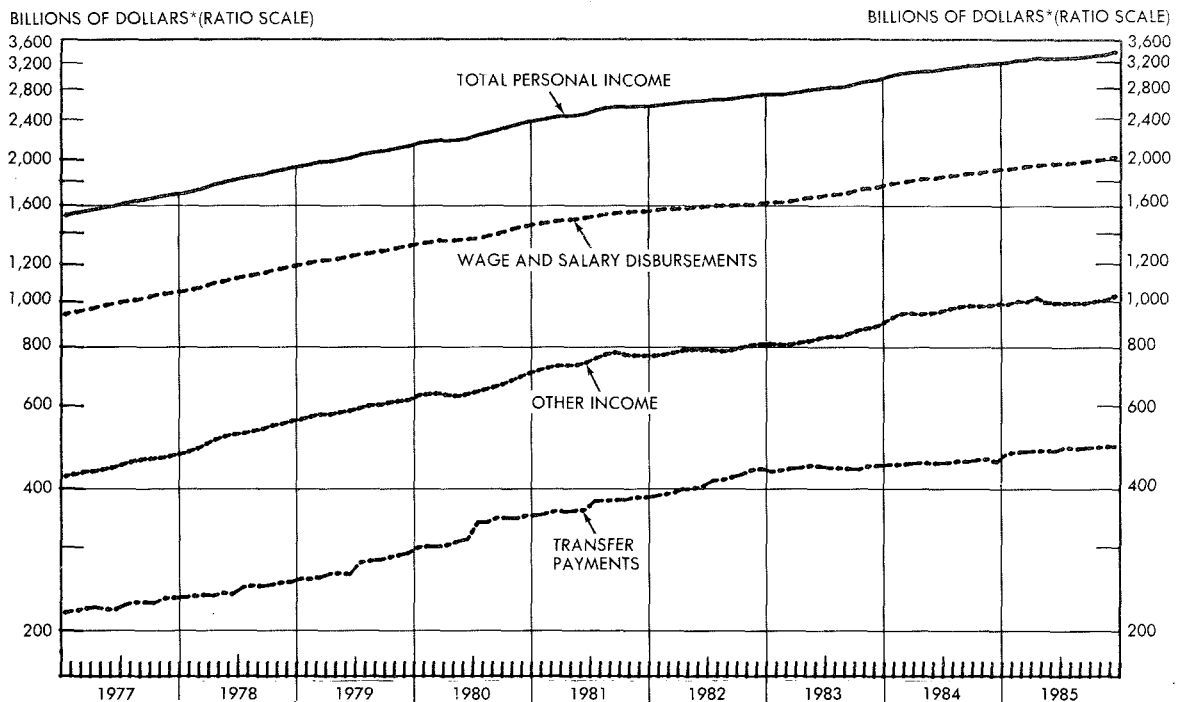
Period	Total personal consumption expenditures	Durable goods				Nondurable goods					Services	Retail sales of new passenger cars (millions of units)	
		Total durable goods	Motor vehicles and parts	Furniture and household equipment	Other	Total non-durable goods	Food	Clothing and shoes	Gasoline and oil	Other		Do-mestics	Im-ports
1979.....	1,566.8	219.0	96.9	82.1	40.0	613.2	317.3	102.2	66.1	127.6	734.6	8.2	2.3
1980.....	1,732.6	219.3	90.3	86.2	42.8	681.4	349.1	109.0	83.7	139.5	831.9	6.6	2.4
1981.....	1,915.1	239.9	100.5	92.7	46.6	740.6	376.5	119.9	92.7	151.6	934.7	6.2	2.3
1982.....	2,050.7	252.7	108.9	95.7	48.1	771.0	398.8	124.4	89.1	158.7	1,027.0	5.8	2.2
1983.....	2,229.3	289.6	130.6	107.4	51.7	817.0	422.0	135.2	90.1	169.6	1,122.7	6.8	2.4
1984.....	2,423.0	331.1	153.8	119.4	57.9	872.4	451.7	147.4	90.7	182.6	1,219.6	8.0	2.4
1985 ^p	2,581.9	360.8	167.7	128.9	64.1	912.5	474.2	156.1	92.0	190.1	1,308.6	8.2	2.8
1982: III.....	2,065.6	252.8	108.3	96.4	48.1	776.7	402.7	125.0	88.6	160.4	1,036.1	5.6	2.2
IV.....	2,117.0	263.8	115.7	99.1	49.0	786.6	407.0	126.5	89.8	163.4	1,066.5	6.0	2.5
1983: I.....	2,146.0	268.5	115.9	102.1	50.4	792.4	413.1	129.4	86.5	163.3	1,085.2	6.0	2.3
II.....	2,210.1	285.3	129.2	105.4	50.7	811.7	419.0	135.0	89.4	168.3	1,113.0	6.9	2.3
III.....	2,254.9	295.3	134.0	109.0	52.2	826.5	426.0	135.5	92.5	172.6	1,133.1	6.9	2.3
IV.....	2,306.3	309.4	143.1	113.0	53.3	837.2	430.0	140.9	92.1	174.1	1,159.6	7.4	2.6
1984: I.....	2,358.6	321.6	150.1	116.1	55.4	856.6	440.0	144.4	92.0	180.2	1,180.4	8.1	2.3
II.....	2,414.4	330.2	154.1	118.8	57.3	873.2	449.9	149.1	91.9	182.3	1,211.1	8.2	2.4
III.....	2,439.0	331.1	153.6	119.3	58.2	876.6	457.1	146.4	89.1	184.0	1,231.3	7.9	2.4
IV.....	2,480.1	341.5	157.4	123.5	60.6	883.1	459.6	149.7	89.8	184.1	1,255.4	7.6	2.7
1985: I.....	2,525.0	351.5	163.1	125.7	62.7	895.7	465.5	152.8	89.3	188.2	1,277.8	8.5	2.4
II.....	2,563.3	356.5	165.4	127.6	63.4	910.2	472.1	156.3	92.9	188.9	1,296.6	8.2	2.7
III.....	2,606.1	376.0	183.0	128.6	64.4	914.5	475.9	155.7	92.2	190.7	1,315.6	9.4	3.0
IV ^p	2,633.3	359.2	159.3	133.9	66.0	929.4	483.3	159.8	93.7	192.6	1,344.6	7.0	3.3

NOTE.—Data reflect the recent comprehensive revision of the national income and product accounts. For details, see *Survey of Current Business*, December 1985.

Source: Department of Commerce, Bureau of Economic Analysis.

SOURCES OF PERSONAL INCOME

Personal income rose \$46.6 billion (annual rate) in December following an increase of \$16.7 billion in November. Wage and salary disbursements rose \$21.6 billion in December, following an increase of \$11.8 billion in November. Farm proprietors' income rose \$13.2 billion in December because of subsidy payments.



* SEASONALLY ADJUSTED ANNUAL RATES
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	Other labor income ^{1 2}	Proprietors' income ³		Rental income of persons ⁴	Personal dividend income	Personal interest income	Transfer payments ⁵	Less: Personal contributions for social insurance	Nonfarm personal income ⁶
				Farm	Nonfarm						
1977	1,607.5	993.9	94.1	20.5	132.4	8.2	38.2	155.4	226.1	61.2	1,572.6
1978	1,812.4	1,119.3	107.7	27.0	149.2	9.3	43.0	182.5	244.0	69.8	1,769.3
1979	2,033.9	1,252.1	122.7	31.7	160.1	5.6	48.1	221.4	273.1	81.0	1,983.1
1980	2,258.4	1,372.0	138.4	20.5	160.1	6.6	52.9	271.9	324.7	88.6	2,215.8
1981	2,520.9	1,510.3	150.3	30.7	156.1	13.3	61.3	335.4	368.1	104.5	2,465.6
1982	2,670.8	1,586.1	163.6	24.6	150.9	13.6	63.9	369.7	410.6	112.3	2,618.7
1983	2,836.4	1,675.8	179.5	14.3	178.0	12.8	68.0	385.7	442.2	119.8	2,795.3
1984	3,111.9	1,834.9	193.4	32.1	201.6	10.8	74.6	442.2	454.7	132.4	3,053.3
1985 ^p	3,294.2	1,960.7	206.4	21.0	221.3	14.0	78.9	456.5	484.5	149.1	3,247.1
1984: Dec	3,207.4	1,901.5	198.4	33.7	207.4	9.8	77.2	459.9	455.4	135.9	3,146.7
1985: Jan	3,217.3	1,905.4	199.7	22.7	210.4	10.3	77.5	461.7	475.1	145.5	3,168.0
Feb	3,247.2	1,916.5	200.9	32.9	213.1	10.9	77.9	463.0	478.2	146.2	3,188.0
Mar	3,258.2	1,930.9	202.2	23.8	215.2	11.7	78.3	463.8	479.5	147.2	3,208.2
Apr	3,288.6	1,940.5	203.5	40.4	216.9	12.8	78.6	462.7	480.9	147.6	3,221.9
May	3,271.2	1,946.8	204.8	14.4	218.6	13.9	78.7	461.0	481.2	148.1	3,230.5
June	3,280.5	1,958.5	206.1	13.8	218.8	14.9	78.8	457.9	480.9	149.1	3,240.5
July	3,290.0	1,959.8	207.3	12.2	222.1	15.5	78.9	453.3	490.0	149.1	3,251.9
Aug	3,295.5	1,969.3	208.5	11.6	224.8	16.2	79.1	449.8	486.0	149.7	3,258.1
Sept	3,309.9	1,981.2	209.5	12.9	228.9	11.7	79.2	448.6	488.4	150.4	3,271.2
Oct ^r	3,330.7	1,991.4	210.5	16.0	228.1	16.6	79.4	450.0	489.8	151.1	3,288.9
Nov ^r	3,347.4	2,003.2	211.5	19.2	228.0	14.0	79.9	452.1	491.4	151.9	3,302.3
Dec ^p	3,394.0	2,024.8	212.4	32.4	231.4	18.9	80.1	454.3	493.0	153.3	3,335.6

¹ The total of wage and salary disbursements and other labor income differs from compensation of employees (see p. 4) 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; workers' injury compensation; directors' fees; and a few other minor items.

³ With inventory valuation and capital consumption adjustments.

⁴ With capital consumption adjustment.

⁵ Consists mainly of social insurance benefits, direct relief, and veterans payments.

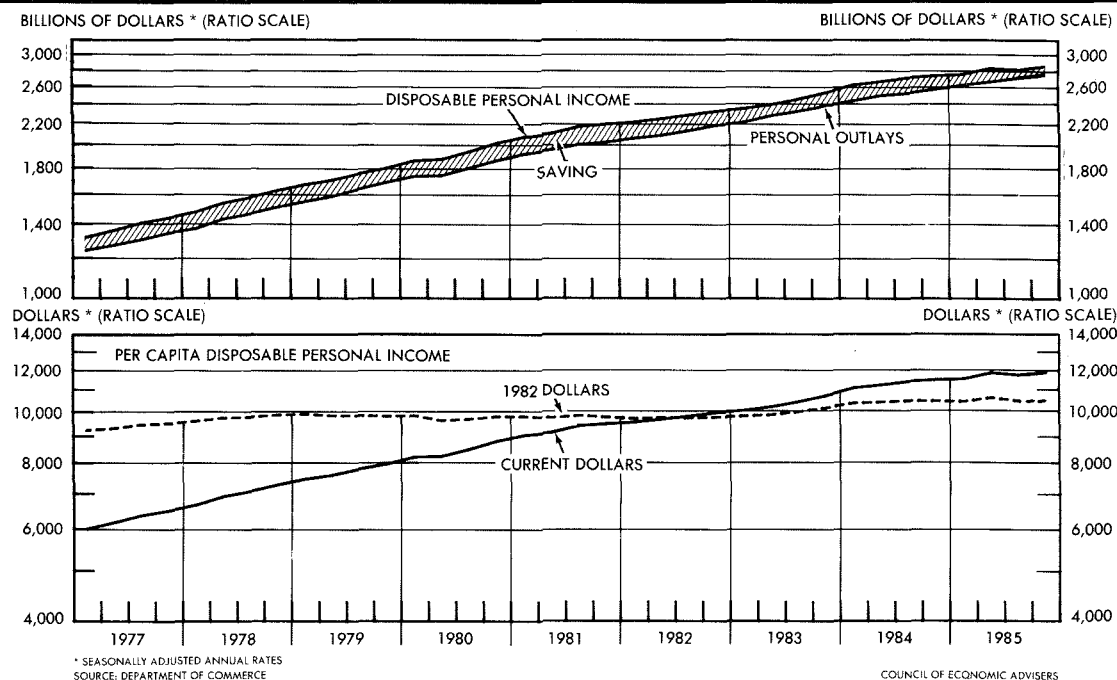
⁶ Personal income exclusive of farm proprietors' income, farm wages, farm other labor income, and agricultural net interest.

NOTE.—Data reflect the recent comprehensive revision of the national income and product accounts. For details, see *Survey of Current Business*, December 1985.

Source: Department of Commerce, Bureau of Economic Analysis.

DISPOSITION OF PERSONAL INCOME

Real per capita disposable personal income rose in the fourth quarter of 1985, after a decline in the third quarter. The decline in the third quarter to a large extent reflected the delay and catchup in income tax refunds in the first and second quarters.



Period	Personal income	Less: Personal tax and nontax payments	Equals: Disposable personal income	Less: Personal outlays ¹	Equals: Personal saving	Per capita disposable personal income		Per capita personal consumption expenditures		Percent change in real per capita disposable personal income	Saving as percent of disposable personal income	Population (thousands) ²
						Current dollars	1982 dollars	Current dollars	1982 dollars			
	Billions of dollars					Dollars				Percent		
1977.....	1,607.5	228.1	1,379.3	1,288.6	90.7	6,262	9,381	5,707	8,551	2.2	6.6	220,289
1978.....	1,812.4	261.1	1,551.2	1,441.1	110.2	6,968	9,735	6,304	8,808	3.8	7.1	222,629
1979.....	2,033.9	304.7	1,729.3	1,611.3	118.0	7,682	9,829	6,960	8,904	1.0	6.8	225,106
1980.....	2,258.4	340.5	1,917.9	1,781.1	136.8	8,422	9,723	7,608	8,784	-1.1	7.1	227,732
1981.....	2,520.9	393.3	2,127.6	1,968.1	159.4	9,247	9,773	8,323	8,798	.5	7.5	230,087
1982.....	2,670.8	409.3	2,261.4	2,107.5	153.9	9,732	9,732	8,825	8,825	- .4	6.8	232,376
1983.....	2,836.4	411.1	2,425.4	2,292.2	133.2	10,339	9,952	9,503	9,148	2.3	5.5	234,579
1984.....	3,111.9	441.8	2,670.2	2,497.7	172.5	11,279	10,427	10,235	9,462	4.8	6.5	236,731
1985 ^p	3,294.2	493.1	2,801.1	2,671.4	129.7	11,727	10,504	10,810	9,682	4.8	.7	238,849
	Seasonally adjusted annual rates											
1982: III.....	2,683.6	405.0	2,278.6	2,122.6	156.0	9,793	9,728	8,878	8,819	-0.6	6.8	232,667
1982: IV.....	2,729.2	411.1	2,318.1	2,174.9	143.1	9,937	9,758	9,075	8,911	1.2	6.2	233,268
1983: I.....	2,752.8	407.4	2,345.5	2,205.2	140.3	10,033	9,802	9,180	8,968	1.8	6.0	233,772
1983: II.....	2,805.7	418.0	2,387.7	2,271.3	116.4	10,192	9,856	9,434	9,123	2.2	4.9	234,268
1983: III.....	2,852.4	404.4	2,447.9	2,319.0	129.0	10,423	9,993	9,601	9,205	5.7	5.3	234,850
1983: IV.....	2,934.8	414.4	2,520.4	2,373.3	147.1	10,706	10,157	9,796	9,294	6.7	5.8	235,425
1984: I.....	3,033.8	423.6	2,610.2	2,428.7	181.6	11,064	10,371	9,997	9,371	8.7	7.0	235,924
1984: II.....	3,083.5	433.6	2,649.9	2,487.4	162.6	11,209	10,413	10,212	9,487	1.6	6.1	236,419
1984: III.....	3,144.2	447.5	2,696.7	2,515.2	181.5	11,379	10,466	10,291	9,466	2.1	6.7	236,998
1984: IV.....	3,186.2	462.4	2,723.8	2,559.4	164.5	11,465	10,457	10,439	9,521	- .3	6.0	237,584
1985: I.....	3,240.9	501.7	2,739.2	2,608.4	130.9	11,506	10,429	10,606	9,613	-1.1	4.8	238,065
1985: II.....	3,280.1	462.4	2,817.7	2,650.6	167.2	11,814	10,617	10,747	9,658	7.4	5.9	238,503
1985: III.....	3,298.5	498.2	2,800.2	2,697.6	102.6	11,710	10,468	10,898	9,742	-5.5	3.7	239,126
1985: IV ^p	3,357.4	510.1	2,847.2	2,729.2	118.1	11,878	10,504	10,986	9,715	1.4	4.1	239,703

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

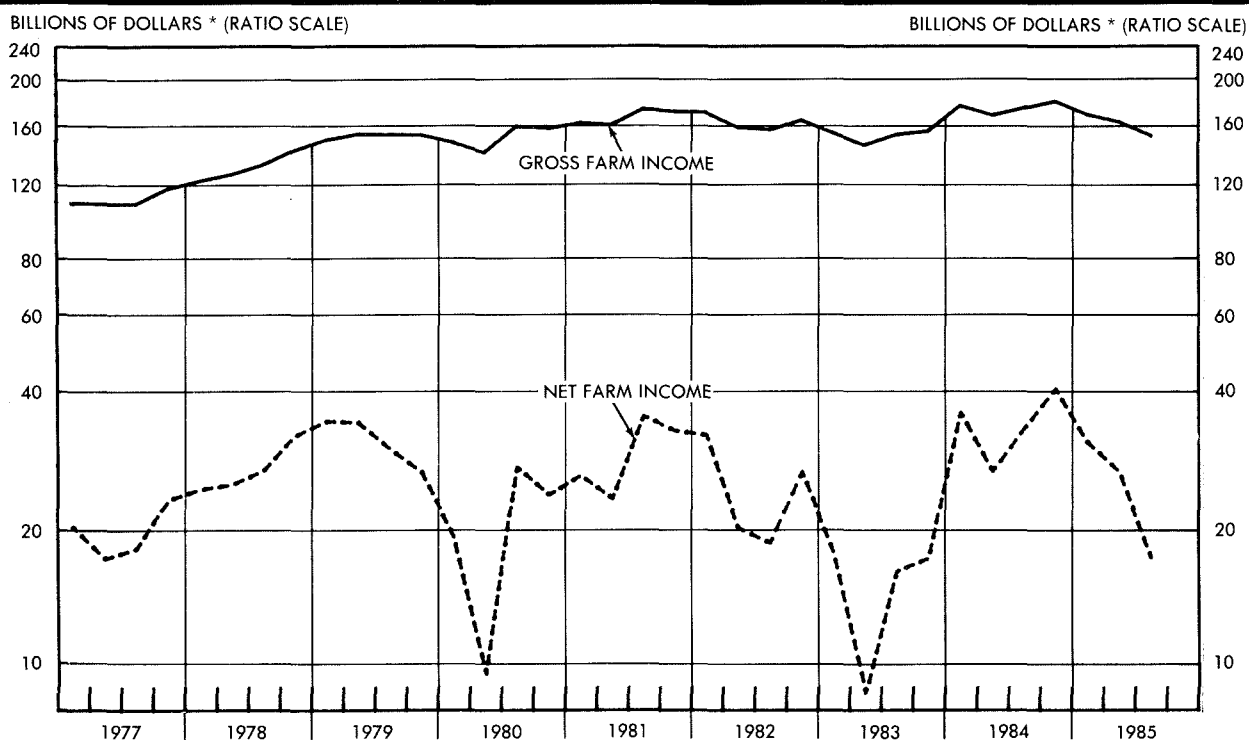
² Includes Armed Forces abroad. Annual data are averages of quarterly data, which are averages for the period.

NOTE.—Date reflect the recent comprehensive revision of the national income and product accounts. For details, see *Survey of Current Business*, December 1985.

Source: Department of Commerce (Bureau of Economic Analysis and Bureau of the Census).

FARM INCOME

In the third quarter of 1985, according to current estimates, gross farm income fell \$11.1 billion (annual rate) and net farm income fell \$9.6 billion.



* SEASONALLY ADJUSTED ANNUAL RATES
SOURCE: DEPARTMENT OF AGRICULTURE

COUNCIL OF ECONOMIC ADVISERS

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

Period	Income of farm operators from farming							
	Gross farm income					Production expenses	Net farm income	
	Total ¹	Cash marketing receipts			Value of inventory changes ²		Current dollars	1967 dollars ³
		Total	Livestock and products	Crops				
1976	102.9	95.4	46.3	49.0	-1.5	82.7	20.1	11.8
1977	108.7	96.2	47.6	48.6	1.1	88.9	19.8	10.9
1978	128.4	112.2	59.2	53.0	2.1	101.0	27.4	14.0
1979	150.7	131.5	69.2	62.3	5.0	119.0	31.7	14.6
1980	149.6	139.8	68.0	71.8	-5.9	129.4	20.2	8.2
1981	166.0	142.1	69.2	72.9	5.8	136.1	29.8	11.0
1982	161.6	142.9	70.3	72.7	-1.4	136.9	24.6	8.5
1983	150.6	136.3	69.4	66.8	-10.6	135.6	15.0	5.0
1984	174.0	141.8	72.7	69.1	7.8	139.5	34.5	11.1
1983: I	152.9	143.2	71.0	72.2	-10.6	135.1	17.8	6.1
II	143.6	133.0	68.9	64.1	-13.9	134.9	8.7	2.9
III	151.7	141.2	67.9	73.3	-12.9	135.5	16.2	5.4
IV	154.3	127.6	70.0	57.6	-4.9	136.9	17.3	5.7
1984: I	175.7	139.3	75.5	63.8	2.0	139.2	36.5	11.9
II	167.3	139.0	70.8	68.2	8.7	140.2	27.0	8.7
III	173.7	141.5	71.2	70.3	10.3	140.0	33.6	10.7
IV	179.8	147.6	73.5	74.2	10.2	138.5	41.2	13.1
1985: I ^r	168.0	137.6	72.3	65.3	3.3	136.6	31.4	9.9
II ^r	161.7	131.3	67.3	64.0	.8	134.7	27.0	8.4
III ^p	150.6	132.6	68.5	64.1	- .8	133.2	17.4	5.4

¹ Cash marketing receipts and inventory changes plus Government payments, other farm cash income, and nonmoney income furnished by farms.

² Physical changes in end-of-year inventory of crop and livestock commodities valued at average prices during the year.

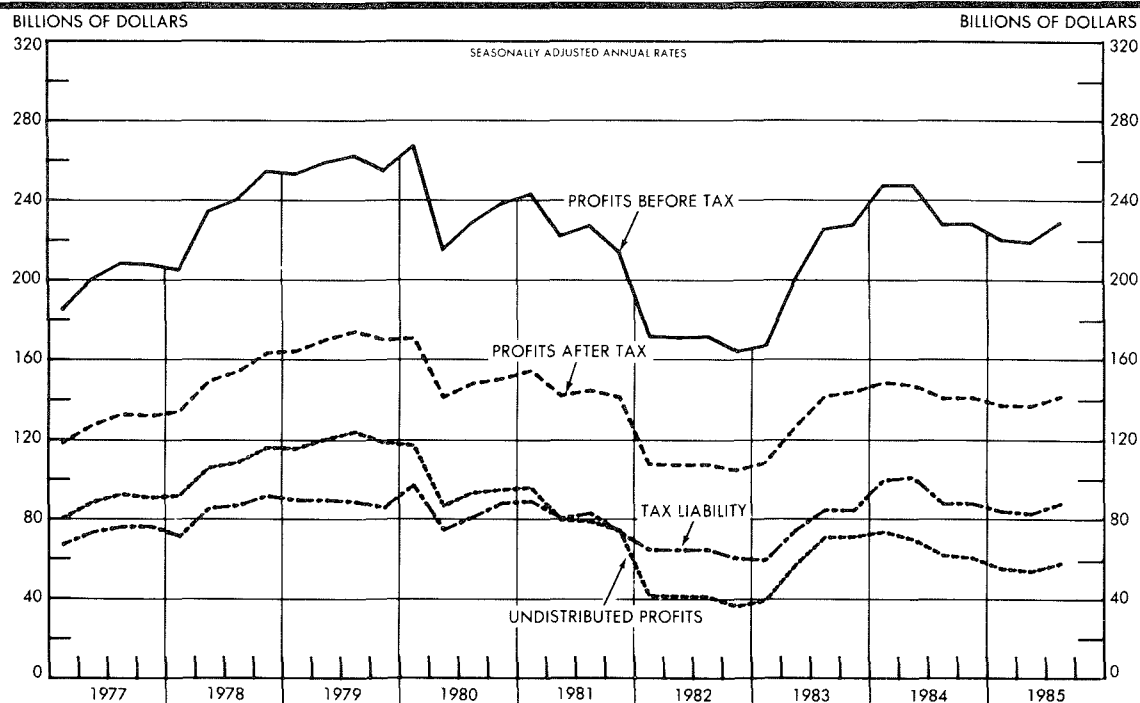
³ Income in current dollars divided by the consumer price index (Department of Labor).

NOTE.—Data include net Commodity Corporation loans and operator households.

Source: Department of Agriculture, except as noted.

CORPORATE PROFITS

In the third quarter of 1985, corporate profits before tax rose \$9.9 billion (annual rate) and after-tax profits rose \$4.7 billion.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

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

Period	Profits (before tax) with inventory valuation adjustment ¹						Profits before tax	Tax liability	Profits after tax			Inventory valuation adjustment
	Total ²	Domestic industries							Total	Dividends	Undistrib- uted profits	
		Total	Financial	Nonfinancial								
				Total ³	Manuf- acturing	Whole- sale and retail trade						
1977.....	183.8	165.5	21.6	143.9	80.6	27.5	200.4	73.0	127.4	39.5	87.9	-16.6
1978.....	208.2	186.0	29.1	156.8	88.7	27.3	233.5	83.5	150.0	44.7	105.2	-25.3
1979.....	214.1	180.4	27.8	152.6	87.5	28.7	257.2	88.0	169.2	50.1	119.1	-43.2
1980.....	194.0	159.6	21.0	138.6	77.1	21.6	237.1	84.8	152.3	54.7	97.6	-43.1
1981.....	202.3	173.8	16.5	157.3	88.5	32.5	226.5	81.1	145.4	63.6	81.8	-24.2
1982.....	159.2	131.2	11.8	119.4	58.0	34.6	169.6	63.1	106.5	66.9	39.6	-10.4
1983.....	195.0	164.2	22.7	141.6	71.3	39.1	205.0	75.2	129.8	70.8	59.0	-10.0
1984.....	232.3	200.1	19.2	180.9	88.5	50.7	237.6	93.6	144.0	78.1	65.9	-5.4
1985 ^p	227.2	195.8	23.5	172.3	77.6	49.9	227.6	85.7	141.9	83.5	58.3	-4
1982: III.....	161.6	133.0	12.4	120.6	64.3	32.9	171.6	64.3	107.3	66.6	40.7	-10.0
IV.....	150.7	121.6	18.7	102.9	46.8	33.6	164.1	59.8	104.3	68.5	35.8	-13.4
1983: I.....	163.7	136.2	22.0	114.2	52.3	32.6	167.1	58.9	108.2	69.3	38.9	-3.4
II.....	190.5	161.1	25.0	136.1	64.6	40.8	199.8	73.8	126.0	69.6	56.4	-9.3
III.....	207.3	174.4	22.4	152.0	78.9	39.9	225.4	84.1	141.3	71.1	70.3	-18.1
IV.....	218.7	185.1	21.2	163.9	89.2	43.1	227.6	84.0	143.6	73.1	70.6	-8.9
1984: I.....	234.4	201.0	20.8	180.2	94.2	46.8	247.4	99.1	148.3	75.3	73.1	-13.0
II.....	241.8	212.3	20.4	191.9	94.9	52.7	247.4	100.6	146.7	77.5	69.2	-5.6
III.....	226.5	193.3	17.2	176.1	82.2	51.5	227.7	87.4	140.3	78.9	61.3	-1.3
IV.....	226.3	193.7	18.4	175.3	82.7	51.8	228.0	87.4	140.6	80.7	60.0	-1.6
1985: I.....	220.6	189.4	19.2	170.2	77.3	48.7	220.0	83.4	136.6	82.0	54.6	.7
II.....	220.9	189.3	22.5	166.7	73.4	50.6	218.7	82.3	136.4	83.1	53.3	2.2
III.....	233.2	203.0	23.8	179.2	79.7	53.6	228.6	87.4	141.1	83.9	57.3	4.7
IV ^p										85.0		-9.0

¹ See p. 4 for profits with inventory valuation and capital consumption adjustments.

² Includes rest of the world, not shown separately.

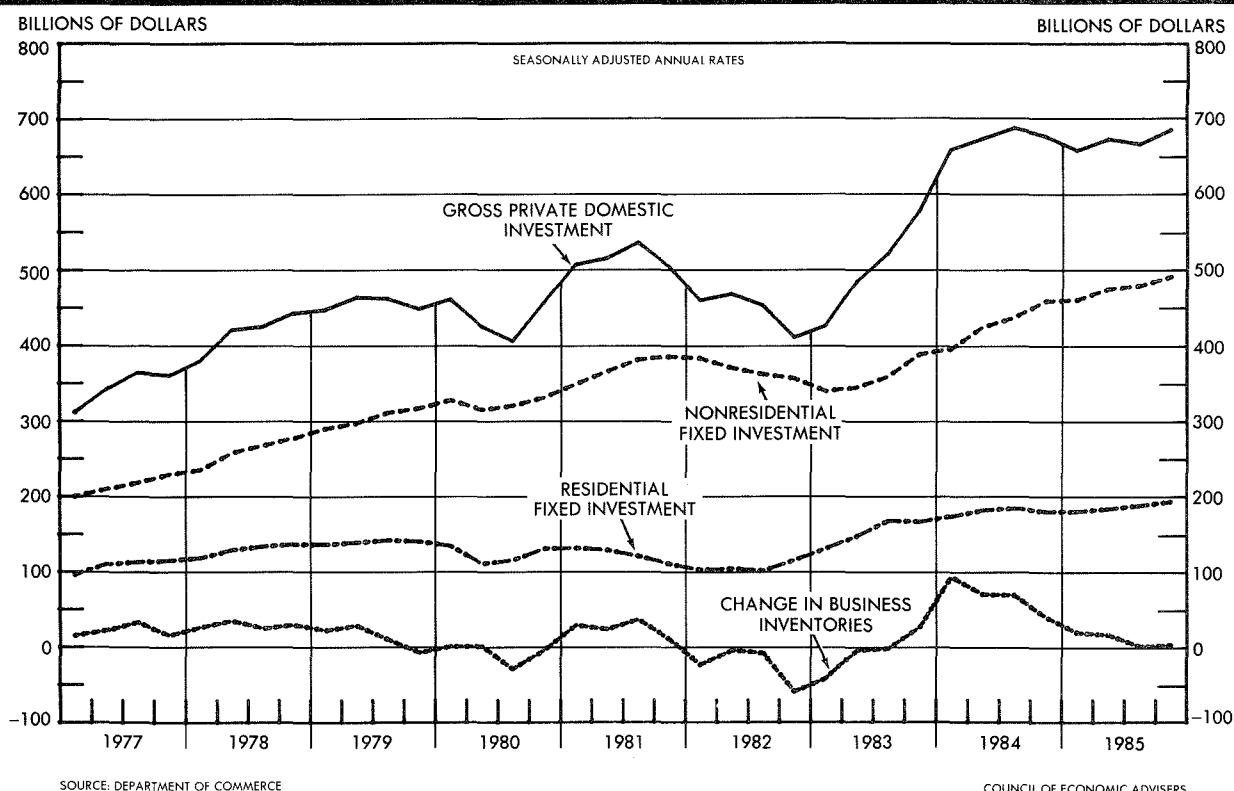
³ Includes industries not shown separately.

NOTE.—Data reflect the recent comprehensive revision of the national income and product accounts. For details, see *Survey of Current Business*, December 1985.

Source: Department of Commerce, Bureau of Economic Analysis.

GROSS PRIVATE DOMESTIC INVESTMENT

According to preliminary estimates for the fourth quarter of 1985, business fixed investment rose \$12.1 billion (annual rate) from its third quarter level while residential investment outlays rose \$5.1 billion. There was a \$2.1 billion increase in inventories following an increase of \$0.2 billion in the third quarter.



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

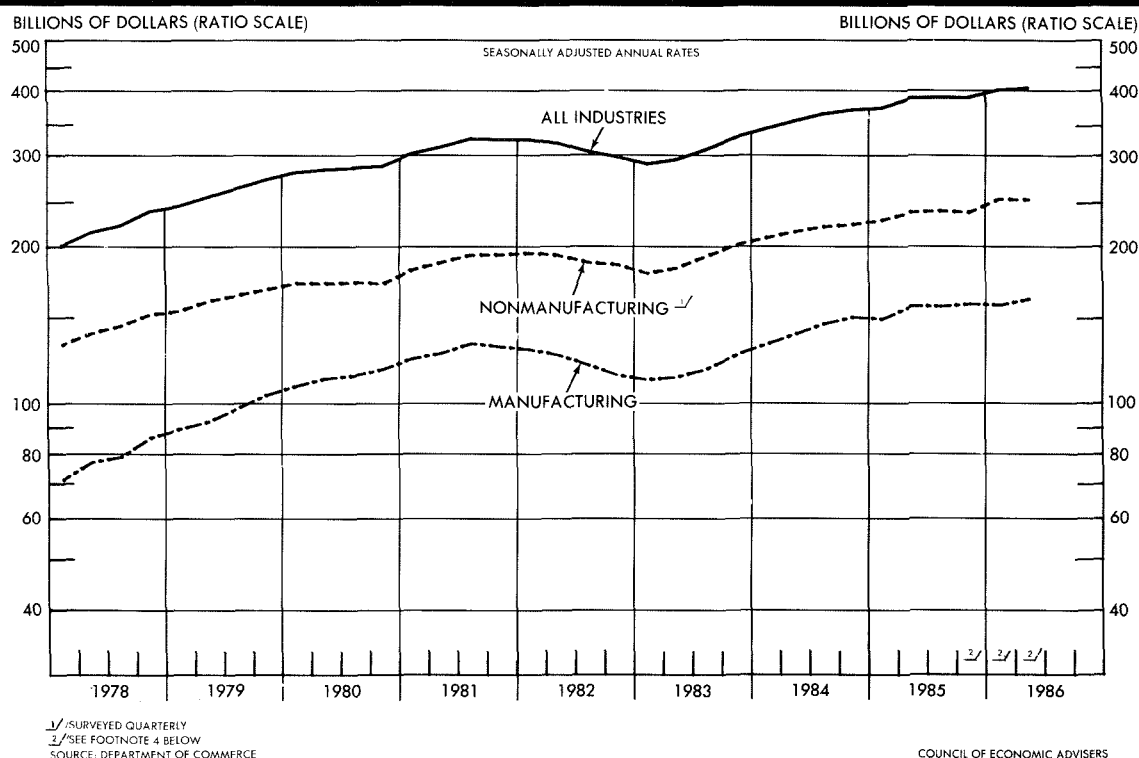
Period	Gross private domestic investment	Fixed investment					Change in business inventories	
		Total	Nonresidential			Residential	Total	Nonfarm
			Total	Structures	Producers' durable equipment			
1977.....	344.1	322.8	214.2	66.7	147.4	108.6	21.3	20.2
1978.....	416.8	388.2	259.0	81.0	178.0	129.2	28.6	26.5
1979.....	454.8	441.9	302.8	99.5	203.3	139.1	13.0	7.9
1980.....	437.0	445.3	322.8	113.9	208.9	122.5	-8.3	-2.4
1981.....	515.5	491.5	369.2	138.5	230.7	122.3	24.0	18.3
1982.....	447.3	471.8	366.7	143.3	223.4	105.1	-24.5	-23.1
1983.....	501.9	508.3	356.3	126.1	230.2	152.0	-6.4	.8
1984.....	674.0	607.0	427.9	147.6	280.2	179.1	67.1	58.0
1985 ^p	670.4	661.4	475.7	170.0	305.8	185.6	9.1	11.4
1982: III.....	452.2	461.2	360.7	140.2	220.5	100.5	-9.0	-12.4
IV.....	409.6	469.5	354.9	137.6	217.3	114.7	-59.9	-51.1
1983: I.....	425.0	467.7	338.0	127.6	210.4	129.7	-42.7	-33.7
II.....	483.7	489.2	343.0	121.5	221.5	146.2	-5.5	1.8
III.....	521.2	524.0	357.3	124.7	232.6	166.7	-2.8	15.5
IV.....	577.6	552.1	386.8	130.5	256.3	165.4	25.5	19.4
1984: I.....	658.8	566.7	394.1	135.0	259.1	172.6	92.1	71.6
II.....	673.3	604.5	423.4	147.0	276.5	181.0	68.9	61.2
III.....	687.9	619.5	435.9	151.3	284.5	183.7	68.3	62.8
IV.....	676.2	637.2	458.1	157.2	300.9	179.1	39.0	36.4
1985: I.....	657.6	639.1	459.6	166.1	293.5	179.4	18.5	14.2
II.....	672.8	657.3	474.2	169.7	304.5	183.1	15.5	10.8
III.....	666.1	665.9	478.5	170.4	308.1	187.4	.2	3.1
IV ^p	685.2	683.2	490.6	173.7	316.9	192.5	2.1	17.6

NOTE.—Data reflect the recent comprehensive revision of the national income and product accounts. For details, see *Survey of Current Business*, December 1985.

Source: Department of Commerce, Bureau of Economic Analysis.

EXPENDITURES FOR NEW PLANT AND EQUIPMENT

According to the Commerce Department October–November 1985 survey, business spending for new plant and equipment for the year 1986 is expected to be 2.4 percent above the 1985 level. Spending in 1985 is expected to be 8.4 percent above the 1984 level.



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

Period	Industries surveyed quarterly									Addenda				
	All industries	Manufacturing			Nonmanufacturing					Total non-farm business ²	Manufacturing	Nonmanufacturing		
		Total	Durable goods	Non-durable goods	Total ¹	Mining	Transportation	Public utilities	Commercial and other			Total	Surveyed annually ³	Surveyed annually ³
1978.....	217.76	78.58	39.46	39.13	139.18	11.22	13.36	31.50	83.09	245.34	78.58	166.76	139.18	27.58
1979.....	254.96	95.92	48.50	47.42	159.04	12.81	16.05	35.63	94.56	284.94	95.92	189.02	159.04	29.98
1980.....	282.80	112.33	55.36	56.96	170.47	15.99	16.60	37.74	100.14	314.47	112.33	202.15	170.47	31.68
1981.....	315.22	126.54	59.81	66.73	188.68	21.39	15.84	41.21	110.24	349.26	126.54	222.72	188.68	34.04
1982.....	310.58	120.68	55.35	65.33	189.89	20.05	14.79	45.43	109.63	347.47	120.68	226.79	189.89	36.89
1983.....	304.78	116.20	53.08	63.12	188.58	15.19	13.97	44.96	114.45	343.35	116.20	227.15	188.58	38.56
1984.....	354.44	138.82	66.24	72.58	215.61	16.86	16.52	47.48	134.75	398.99	138.82	260.16	215.61	44.55
1985 ⁴	384.22	152.42	72.53	79.89	231.79	15.84	17.77	48.23	149.96	.....	152.42	231.79	.....	.....
1986 ⁴	393.52	152.30	70.76	81.54	241.23	14.85	18.67	46.13	161.58	.....	152.30	241.23	.....	.....
1983: I.....	289.36	111.32	50.67	60.65	178.04	14.69	13.08	44.69	105.58	.....	111.32	178.04	.....	.....
II.....	295.24	112.73	50.12	62.61	182.51	14.17	13.51	44.46	110.37	.....	112.73	182.51	.....	.....
III.....	308.79	116.70	53.96	62.74	192.09	15.59	14.04	44.68	117.79	.....	116.70	192.09	.....	.....
IV.....	325.75	124.05	57.58	66.48	201.70	16.34	15.24	46.02	124.09	.....	124.05	201.70	.....	.....
1984: I.....	337.95	129.91	61.23	68.68	208.04	17.24	15.29	47.08	128.42	.....	129.91	208.04	.....	.....
II.....	349.97	135.96	64.03	71.93	214.01	16.38	17.01	47.94	132.67	.....	135.96	214.01	.....	.....
III.....	361.48	142.44	68.26	74.18	219.04	16.82	17.49	47.92	136.80	.....	142.44	219.04	.....	.....
IV.....	368.29	146.96	71.43	75.53	221.33	17.00	16.28	46.92	141.13	.....	146.96	221.33	.....	.....
1985: I.....	371.16	145.65	69.87	75.78	225.51	15.66	16.22	48.46	145.17	.....	145.65	225.51	.....	.....
II.....	387.83	154.33	73.96	80.36	233.51	16.51	17.50	48.47	151.02	.....	154.33	233.51	.....	.....
III ⁴	388.90	154.04	72.85	81.19	234.86	15.94	19.09	48.14	151.69	.....	154.04	234.86	.....	.....
IV ⁴	388.98	155.68	73.46	82.22	233.30	15.24	18.25	47.85	151.96	.....	155.68	233.30	.....	.....
1986: I ⁴	402.13	154.74	71.95	82.79	247.39	15.30	18.80	48.99	164.30	.....	154.74	247.39	.....	.....
II ⁴	405.99	159.16	74.55	84.60	246.83	15.75	18.98	47.53	164.57	.....	159.16	246.83	.....	.....

¹ Excludes forestry, fisheries, and agricultural services; medical services; professional services; social services and membership organizations; and real estate, which, effective with the April–May 1984 survey, are no longer surveyed quarterly. See last column ("nonmanufacturing surveyed annually") for data for these industries.

² "All industries" plus the part of nonmanufacturing that is surveyed annually.

³ Consists of forestry, fisheries, and agricultural services; medical services; professional services; social services and membership organizations; and real estate.

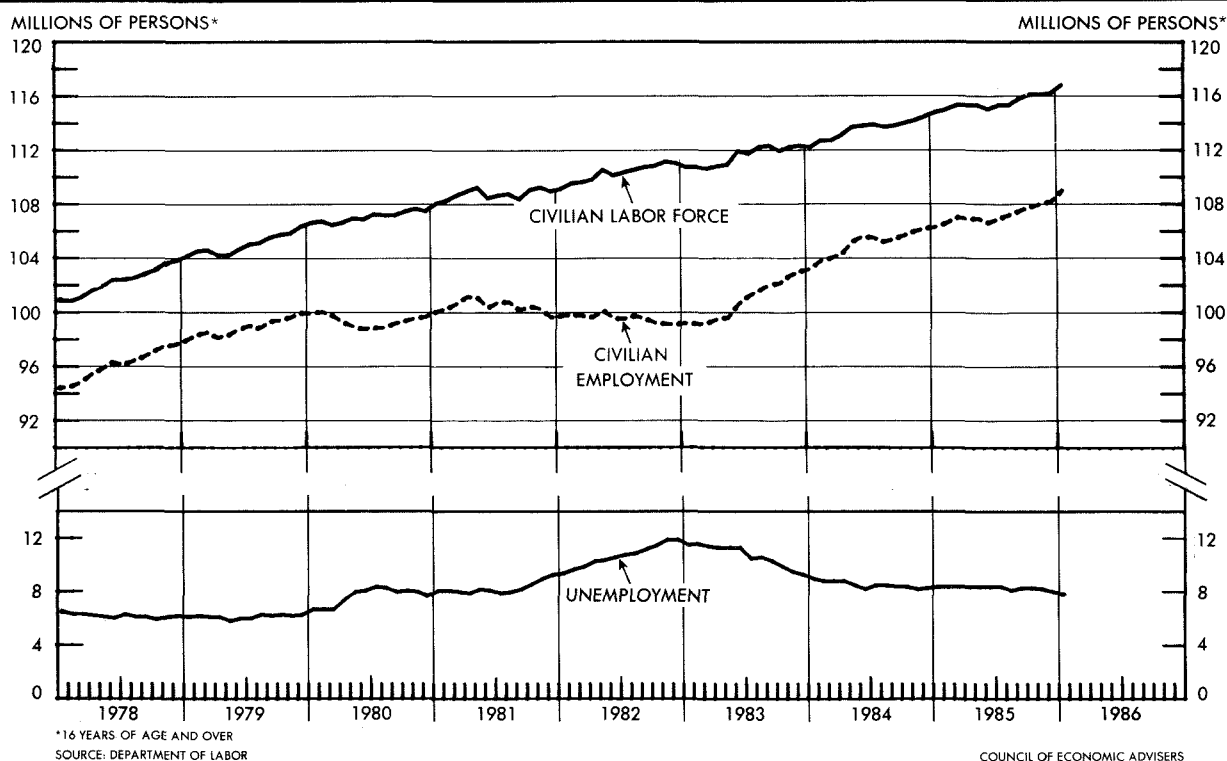
⁴ Planned capital expenditures as reported by business in late October and November 1985, corrected for biases.

Source: Department of Commerce, Bureau of Economic Analysis.

EMPLOYMENT, UNEMPLOYMENT, AND WAGES

STATUS OF THE LABOR FORCE

In January, seasonally adjusted civilian employment rose nearly 400,000 and unemployment fell 228,000, after adjustment for a change in estimation procedures effective with January 1986 data.



(Thousands of persons 16 years of age and over, except as noted; monthly data seasonally adjusted except as noted)

Period	Noninstitutional population including resident Armed Forces NSA	Resident Armed Forces NSA	Labor force including resident Armed Forces	Employment including resident Armed Forces	Civilian labor force	Civilian employment				Unemployment		Labor force participation rate (percent)	
						Total	Agricultural	Nonagricultural		Total	15 weeks and over	Total ²	Civilian ³
								Total	Part-time for economic reasons ¹				
1979	166,460	1,597	106,559	100,421	104,962	98,824	3,347	95,477	3,373	6,137	1,241	64.0	63.7
1980	169,349	1,604	108,544	100,907	106,940	99,308	3,364	95,938	4,064	7,637	1,871	64.1	63.8
1981	171,775	1,645	110,315	102,042	108,670	100,397	3,368	97,030	4,499	8,273	2,285	64.2	63.9
1982	173,939	1,668	111,872	101,194	110,204	99,526	3,401	96,125	5,852	10,678	3,485	64.3	64.0
1983	175,891	1,676	113,226	102,510	111,550	100,834	3,383	97,450	5,997	10,717	4,210	64.4	64.0
1984	178,080	1,697	115,241	106,702	113,544	105,005	3,321	101,685	5,512	8,539	2,737	64.7	64.4
1985	179,912	1,706	117,167	108,856	115,461	107,150	3,179	103,971	5,334	8,312	2,305	65.1	64.8
1985: Jan r...	179,081	1,697	116,451	108,012	114,754	106,315	3,319	102,996	5,392	8,439	2,247	65.0	64.7
Feb r...	179,219	1,703	116,685	108,290	114,982	106,587	3,325	103,262	5,098	8,395	2,413	65.1	64.8
Mar r...	179,368	1,701	117,036	108,652	115,335	106,951	3,314	103,637	5,421	8,384	2,400	65.2	64.9
Apr r...	179,501	1,702	116,958	108,574	115,256	106,872	3,353	103,519	5,402	8,384	2,374	65.2	64.8
May r...	179,649	1,705	117,044	108,644	115,339	106,939	3,284	103,655	5,550	8,400	2,274	65.2	64.8
June r...	179,798	1,702	116,726	108,303	115,024	106,601	3,140	103,461	5,278	8,423	2,328	64.9	64.6
July r...	179,967	1,704	116,976	108,575	115,272	106,871	3,120	103,751	5,328	8,401	2,329	65.0	64.7
Aug r...	180,131	1,726	117,069	108,936	115,343	107,210	3,095	104,115	5,413	8,133	2,274	65.0	64.7
Sept r...	180,304	1,732	117,522	109,251	115,790	107,519	3,017	104,502	5,299	8,271	2,307	65.2	64.8
Oct r...	180,470	1,700	117,814	109,513	116,114	107,813	3,058	104,755	5,241	8,301	2,277	65.3	65.0
Nov r...	180,642	1,702	117,832	109,671	116,130	107,969	3,070	104,899	5,295	8,161	2,205	65.2	64.9
Dec	180,810	1,698	117,927	109,904	116,229	108,206	3,151	105,055	5,294	8,023	2,188	65.2	64.9
1986: Jan *...	181,361	1,691	118,477	110,646	116,786	108,955	3,299	105,655	5,275	7,831	2,056	65.3	65.0

¹ Persons at work. Economic reasons include slack work, material shortages, inability to find full-time work, etc.

² Labor force as percent of noninstitutional population (both including resident Armed Forces).

³ Civilian labor force as percent of civilian noninstitutional population.

* Data beginning January 1986 not strictly comparable with earlier data because of change in

estimation procedures.

NOTE.—Seasonally adjusted data revised beginning 1981.

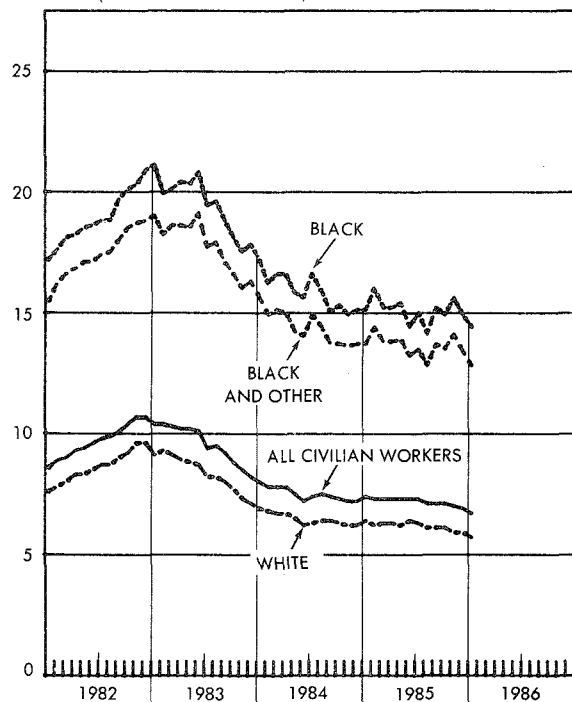
NSA indicates data are not seasonally adjusted.

Source: Department of Labor, Bureau of Labor Statistics.

SELECTED UNEMPLOYMENT RATES

In January, the seasonally adjusted overall unemployment rate fell to 6.6 percent (from 6.8 percent in December) and the civilian unemployment rate fell to 6.7 percent (from 6.9 percent in December).

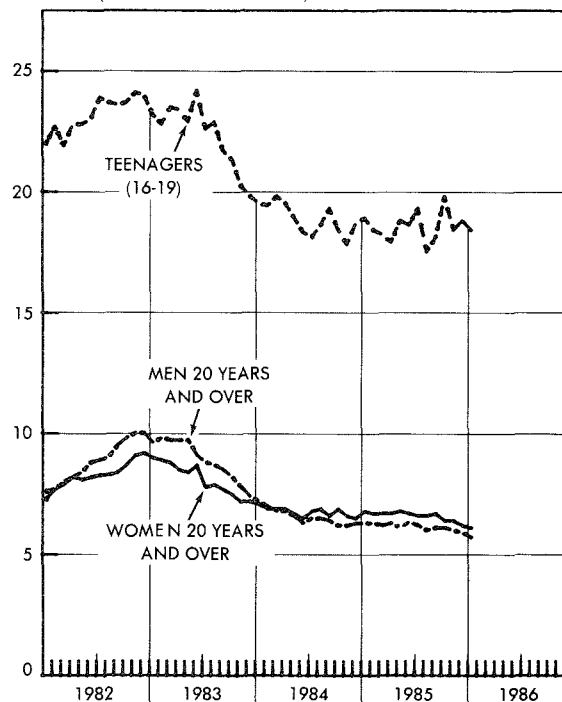
PERCENT* (SEASONALLY ADJUSTED)



*UNEMPLOYMENT AS PERCENT OF CIVILIAN LABOR FORCE IN GROUP SPECIFIED.

SOURCE: DEPARTMENT OF LABOR

PERCENT* (SEASONALLY ADJUSTED)



COUNCIL OF ECONOMIC ADVISERS

[Monthly data seasonally adjusted]

Period	Unemployment rate, all workers ¹	Unemployment rate (percent of civilian labor force in group)												Labor force time lost (percent) ²
		All civilian workers	By sex and age			By race			By selected groups					
			Men 20 years and over	Women 20 years and over	Both sexes 16-19 years	White	Black and other	Black	Experienced wage and salary workers	Married men, spouse present	Women who maintain families	Full-time workers	Part-time workers	
1979	5.8	5.8	4.2	5.7	16.1	5.1	11.3	12.3	5.5	2.8	8.3	5.3	8.8	6.3
1980	7.0	7.1	5.9	6.4	17.8	6.3	13.1	14.3	6.9	4.2	9.2	6.9	8.8	7.9
1981	7.5	7.6	6.3	6.8	19.6	6.7	14.2	15.6	7.3	4.3	10.4	7.3	9.4	8.5
1982	9.5	9.7	8.8	8.3	23.2	8.6	17.3	18.9	9.3	6.5	11.7	9.6	10.5	11.0
1983	9.5	9.6	8.9	8.1	22.4	8.4	17.8	19.5	9.2	6.5	12.2	9.5	10.4	10.9
1984	7.4	7.5	6.6	6.8	18.9	6.5	14.4	15.9	7.1	4.6	10.3	7.2	9.3	8.6
1985	7.1	7.2	6.2	6.6	18.6	6.2	13.7	15.1	6.8	4.3	10.4	6.8	9.3	8.1
1985: Jan ^r	7.2	7.4	6.3	6.8	18.9	6.4	13.7	15.1	6.9	4.5	10.2	7.0	9.3	8.3
Feb ^r	7.2	7.3	6.3	6.7	18.4	6.2	14.4	16.0	6.9	4.4	10.9	7.0	8.8	8.2
Mar ^r	7.2	7.3	6.2	6.7	18.2	6.3	13.8	15.2	6.8	4.3	10.3	6.9	9.5	8.2
Apr ^r	7.2	7.3	6.3	6.7	17.9	6.3	13.8	15.2	6.8	4.3	10.7	6.9	9.7	8.2
May ^r	7.2	7.3	6.1	6.8	18.8	6.2	13.9	15.4	6.8	4.0	10.8	6.9	10.0	8.3
June ^r	7.2	7.3	6.4	6.7	18.6	6.4	13.2	14.4	6.9	4.6	9.9	6.9	9.5	8.2
July ^r	7.2	7.3	6.2	6.6	19.3	6.3	13.5	15.0	6.9	4.4	10.3	7.0	9.4	8.2
Aug ^r	6.9	7.1	6.0	6.6	17.5	6.1	12.8	14.1	6.7	4.1	10.8	6.8	9.0	8.1
Sept ^r	7.0	7.1	6.1	6.7	18.1	6.1	13.7	15.2	6.8	4.3	11.3	6.8	9.3	8.1
Oct ^r	7.0	7.1	6.1	6.4	19.8	6.1	13.5	14.9	6.7	4.2	10.4	6.8	9.6	7.9
Nov ^r	6.9	7.0	6.0	6.4	18.4	5.9	14.1	15.6	6.6	4.3	10.0	6.7	8.8	7.9
Dec.....	6.8	6.9	5.9	6.2	18.8	5.9	13.4	14.9	6.5	4.3	9.4	6.6	9.0	7.8
1986: Jan.....	6.6	6.7	5.7	6.1	18.4	5.7	12.8	14.4	6.3	4.3	9.9	6.4	8.4	7.6

¹ Unemployed as percent of total labor force including resident Armed Forces.

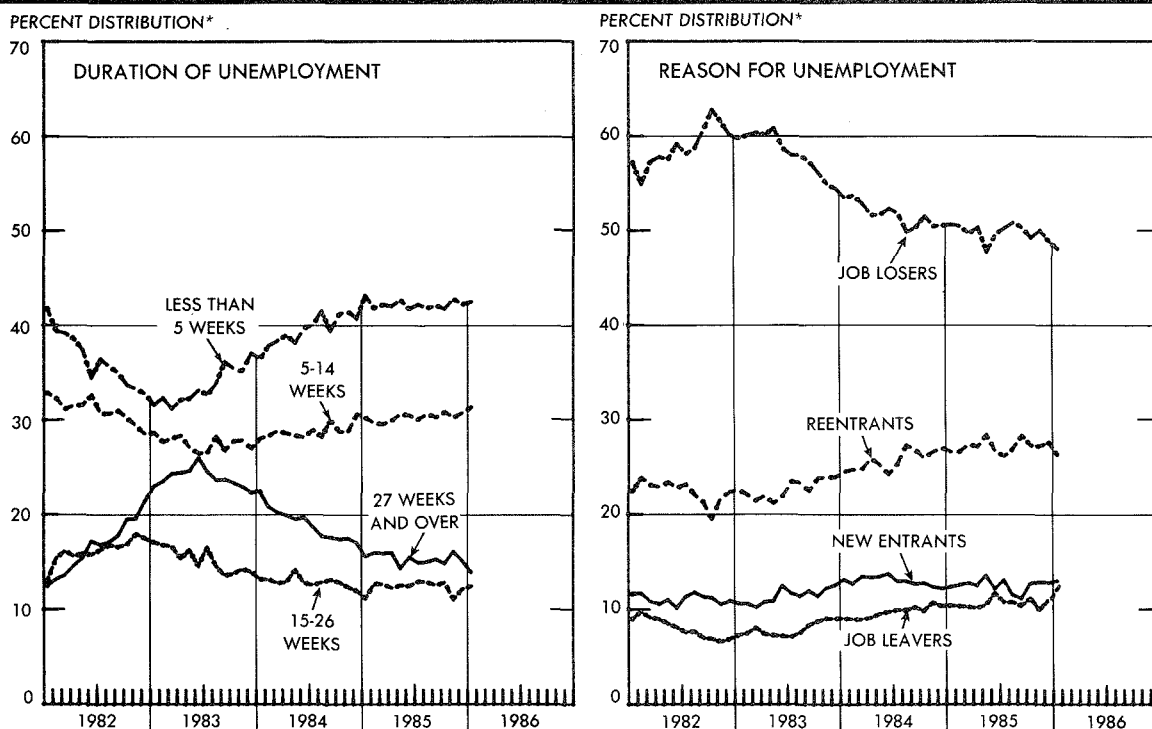
² Aggregate hours lost by the unemployed and persons on part time for economic reasons as percent of potentially available labor force hours.

Note.—Seasonally adjusted data revised beginning 1981.

Source: Department of Labor, Bureau of Labor Statistics.

SELECTED MEASURES OF UNEMPLOYMENT AND UNEMPLOYMENT INSURANCE PROGRAMS

In January, the percentages of unemployed persons who had been out of work for less than 5 weeks, for 5-14 weeks, and for 15-26 weeks rose while the percentage out of work for 27 weeks and over fell. The mean and the median duration of unemployment fell.



*SEASONALLY ADJUSTED
SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

[Monthly data seasonally adjusted, except as noted]

Period	Unemployment (thousands)	Duration of unemployment						Reason for unemployment: percent distribution ¹				State programs		Insured unem- ployment, all regular programs (unadjust- ed) ²	Special unem- ployment benefit claims (unadjust- ed) ³
		Percent distribution ¹				Number of weeks		Job losers	Job leavers	Reen- trants	New entrants	Insured unem- ployment	Initial claims		
		Less than 5 weeks	5-14 weeks	15-26 weeks	27 weeks and over	Aver- age (mean)	Medi- an								
Weekly average, thousands															
1980.....	7,637	43.1	32.3	13.8	10.7	11.9	6.5	51.7	11.7	25.2	11.4	3,350	488	3,837	.....
1981.....	8,273	41.7	30.7	13.6	14.0	13.7	6.9	51.6	11.2	25.4	11.9	3,047	460	3,410	.....
1982.....	10,678	36.4	31.0	16.0	16.6	15.6	8.7	58.7	7.9	22.3	11.1	4,061	583	4,594	.....
1983.....	10,717	33.3	27.4	15.4	23.9	20.0	10.1	58.4	7.7	22.5	11.3	3,396	438	3,775	.....
1984.....	8,539	39.2	28.7	12.9	19.1	18.2	7.9	51.8	9.6	25.6	13.0	2,480	378	2,565	.....
1985.....	8,312	42.1	30.2	12.3	15.4	15.6	6.8	49.8	10.6	27.1	12.5				
1985: Jan.....	8,439	43.1	30.2	11.1	15.6	15.9	6.8	50.6	10.4	26.6	12.4	2,607	394	3,361	326
Feb.....	8,395	41.7	29.6	12.7	16.0	16.0	7.1	50.4	10.3	26.6	12.6	2,681	406	3,339	327
Mar.....	8,384	42.1	29.5	12.6	15.9	15.9	7.0	49.6	10.2	27.4	12.8	2,639	392	3,113	339
Apr.....	8,384	41.9	29.9	12.2	16.0	16.1	6.8	50.3	10.1	27.1	12.5	2,587	390	2,766	243
May.....	8,400	42.6	30.6	12.5	14.3	15.0	6.7	47.6	10.4	28.4	13.6	2,575	386	2,455	100
June.....	8,423	41.6	30.4	12.4	15.5	15.5	6.8	49.6	11.7	26.6	12.1	2,548	396	2,337	28
July.....	8,401	42.1	30.0	12.9	14.9	15.5	7.1	50.2	10.7	26.1	13.1	2,597	390	2,523	.....
Aug.....	8,133	41.7	30.6	12.8	15.0	15.5	7.2	50.8	10.7	26.9	11.5	2,533	382	2,361	.....
Sept.....	8,271	42.0	30.2	12.5	15.3	15.5	6.9	50.2	10.3	28.3	11.1	2,529	381	2,212	.....
Oct.....	8,301	41.6	30.8	12.8	14.8	15.4	7.0	49.1	11.1	27.2	12.7	2,519	375	1,227	.....
Nov.....	8,161	42.7	30.2	11.0	16.1	15.7	6.9	50.0	9.9	27.2	12.9	2,548	384	2,468	.....
Dec.....	8,023	42.1	30.7	12.1	15.1	15.4	6.9	48.8	10.9	27.6	12.8	2,574	390		.....
1986: Jan.....	7,831	42.4	31.3	12.4	13.9	14.9	6.8	48.0	12.7	26.3	13.0				.....

¹ Detail may not add to 100 percent because of rounding.

² Includes State (50 States, District of Columbia, Puerto Rico, and Virgin Islands), ex-service-
men (UCX), Federal (UCFE), and railroad (RR) programs. Also includes Federal and State extended
benefit programs. Does not include Federal supplemental compensation program.

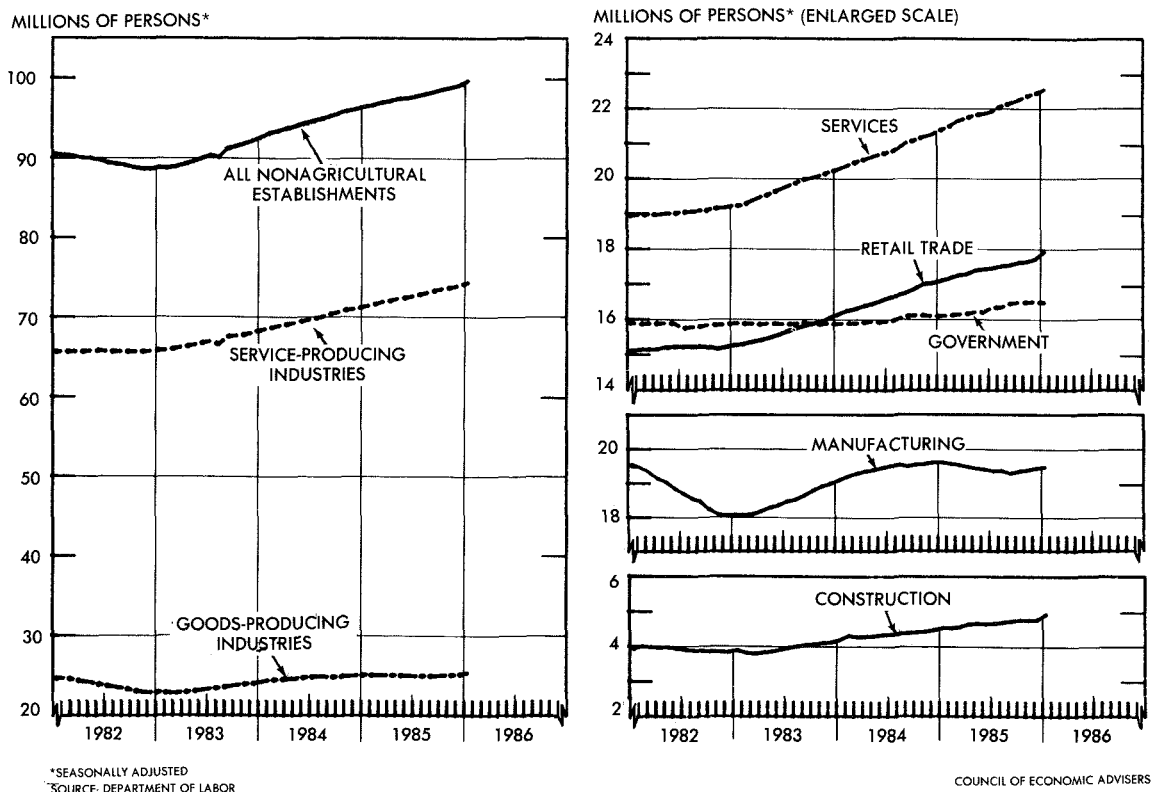
³ Federal supplemental compensation program. The program expired June 30, 1985.

Note.—Seasonally adjusted unemployment data revised beginning 1981.

Source: Department of Labor (Bureau of Labor Statistics and Employment and Training Administration).

NONAGRICULTURAL EMPLOYMENT

Total nonagricultural employment as measured by the payroll survey rose 566,000 in January.



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

Period	Total nonagricultural employment	Goods-producing industries					Service-producing industries							
		Total ²	Construction	Manufacturing			Total	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	Government	
				Total	Durable goods	Nondurable goods							Total	Federal
1979	89,823	26,461	4,463	21,040	12,760	8,280	63,363	5,136	5,204	14,989	4,975	17,112	15,947	2,773
1980	90,406	25,658	4,346	20,285	12,187	8,098	64,748	5,146	5,275	15,035	5,160	17,890	16,241	2,866
1981	91,156	25,497	4,188	20,170	12,109	8,061	65,659	5,165	5,358	15,189	5,298	18,619	16,031	2,772
1982	89,566	23,813	3,905	18,781	11,039	7,741	65,753	5,082	5,278	15,179	5,341	19,036	15,837	2,739
1983	90,196	23,334	3,948	18,434	10,732	7,702	66,862	4,954	5,268	15,613	5,468	19,694	15,869	2,774
1984	94,461	24,730	4,345	19,412	11,522	7,890	69,731	5,171	5,550	16,584	5,682	20,761	15,984	2,807
1985 ^P	97,692	25,054	4,661	19,424	11,565	7,859	72,638	5,301	5,770	17,418	5,924	21,931	16,294	2,873
1985: Jan.....	96,419	25,112	4,534	19,604	11,702	7,902	71,307	5,259	5,686	17,090	5,790	21,382	16,100	2,836
Feb.....	96,591	25,062	4,525	19,561	11,675	7,886	71,529	5,272	5,697	17,160	5,809	21,480	16,111	2,834
Mar.....	96,910	25,056	4,553	19,526	11,651	7,875	71,854	5,269	5,714	17,249	5,835	21,644	16,143	2,850
Apr.....	97,120	25,090	4,641	19,467	11,608	7,859	72,030	5,278	5,733	17,280	5,858	21,723	16,158	2,859
May.....	97,421	25,066	4,658	19,426	11,586	7,840	72,355	5,301	5,748	17,392	5,888	21,813	16,213	2,873
June.....	97,473	25,010	4,638	19,398	11,560	7,838	72,463	5,295	5,768	17,425	5,906	21,856	16,213	2,872
July.....	97,707	24,980	4,660	19,351	11,509	7,842	72,727	5,302	5,773	17,453	5,932	21,926	16,341	2,878
Aug.....	97,977	25,015	4,688	19,362	11,519	7,843	72,962	5,282	5,791	17,514	5,959	22,073	16,343	2,886
Sept.....	98,217	24,962	4,721	19,279	11,449	7,830	73,255	5,317	5,805	17,539	5,987	22,155	16,452	2,904
Oct.....	98,559	25,051	4,753	19,338	11,493	7,845	73,508	5,327	5,830	17,610	6,011	22,244	16,486	2,892
Nov.....	98,801	25,089	4,754	19,381	11,512	7,869	73,712	5,342	5,833	17,640	6,048	22,365	16,484	2,904
Dec.....	99,069	25,145	4,761	19,431	11,536	7,895	73,924	5,345	5,845	17,715	6,069	22,438	16,512	2,911
1986: Jan.....	99,635	25,335	4,918	19,466	11,550	7,916	74,300	5,377	5,867	17,922	6,104	22,552	16,478	2,910

¹ Includes all full- and part-time wage and salary workers in nonagricultural establishments who worked during or received pay for any part of the pay period which includes the 12th of the month. Excludes proprietors, self-employed persons, domestic servants, and personnel of the Armed Forces. Total derived from this table not comparable with estimates of nonagricultural employment of the civilian labor force, shown on p. 11, which include proprietors, self-employed persons, and domestic servants; which count persons as employed when they are not at work because of industrial dis-

putes, bad weather, etc., even if they are not paid for the time off; 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.

² Includes mining, not shown separately.

Source: Department of Labor, Bureau of Labor Statistics.

AVERAGE WEEKLY HOURS AND HOURLY EARNINGS

PRIVATE NONAGRICULTURAL INDUSTRIES

[For production or nonsupervisory workers; monthly data seasonally adjusted, except as noted]

Period	Average weekly hours			Average gross hourly earnings		Adjusted hourly earnings index—total private nonagricultural ²			
	Total private nonagricultural ¹	Manufacturing		Total private nonagricultural ¹	Manufacturing	Index, 1977=100		Percent change from a year earlier ^{4 5}	
		Total	Overtime			Current dollars	1977 dollars ³	Current dollars	1977 dollars
1977.....	36.0	40.3	3.5	\$5.25	\$5.68	100.0	100.0	7.6	1.0
1978.....	35.8	40.4	3.6	5.69	6.17	108.2	100.5	8.2	.5
1979.....	35.7	40.2	3.3	6.16	6.70	116.8	97.4	7.9	-3.1
1980.....	35.3	39.7	2.8	6.66	7.27	127.3	93.5	9.0	-4.0
1981.....	35.2	39.8	2.8	7.25	7.99	138.9	92.6	9.1	-1.0
1982.....	34.8	38.9	2.3	7.68	8.49	148.5	93.4	6.9	.9
1983.....	35.0	40.1	3.0	8.02	8.83	155.4	94.9	4.6	1.6
1984.....	35.3	40.7	3.4	8.33	9.18	160.7	94.8	3.4	-.1
1985 ^p	35.1	40.5	3.3	8.58	9.52	165.5	94.3	3.0	-.5
1985: Jan.....	35.1	40.6	3.4	8.44	9.38	163.0	94.5	2.7	-.5
Feb.....	35.1	40.1	3.3	8.49	9.41	164.0	94.7	3.3	-.2
Mar.....	35.2	40.4	3.2	^r 8.52	9.43	164.4	94.5	3.2	-.7
Apr.....	35.0	40.2	3.4	8.54	9.48	164.8	94.4	2.9	-1.2
May.....	35.1	40.4	3.1	^r 8.55	9.49	164.9	94.3	3.1	-.9
June.....	35.1	40.4	3.2	8.59	9.51	165.7	94.5	3.2	-.8
July.....	35.0	40.3	3.2	8.57	9.53	165.4	94.3	2.7	-1.0
Aug.....	35.1	40.6	3.3	8.60	9.56	165.7	94.3	3.0	.0
Sept.....	35.1	40.7	3.3	8.65	9.56	166.7	94.7	3.0	.4
Oct.....	35.1	40.7	^r 3.4	8.64	9.58	166.4	94.3	3.0	.1
Nov ^r	35.0	40.7	3.4	8.67	9.61	167.1	94.2	3.0	-.4
Dec ^p	35.1	41.0	3.6	8.74	9.66	168.3	94.3	3.0	-.5
1986: Jan ^p	35.1	40.9	3.5	8.68	9.63	167.7	.....	2.9	.....

AVERAGE WEEKLY EARNINGS

PRIVATE NONAGRICULTURAL INDUSTRIES

[For production or nonsupervisory workers; monthly data seasonally adjusted, except as noted]

Period	Average gross weekly earnings					Percent change from a year earlier, total private nonagricultural ⁵	
	Total private nonagricultural ¹		Manufacturing	Construction	Retail trade	Current dollars	1977 dollars
	Current dollars	1977 dollars ³	Current dollars				
1977.....	\$189.00	\$189.00	\$228.90	\$295.65	\$121.66	7.7	1.2
1978.....	203.70	189.31	249.27	318.69	130.20	7.8	.2
1979.....	219.91	183.41	269.34	342.99	138.62	8.0	-3.1
1980.....	235.10	172.74	288.62	367.78	147.38	6.9	-5.8
1981.....	255.20	170.13	318.00	399.26	158.03	8.5	-1.5
1982.....	267.26	168.09	330.26	426.82	163.85	4.7	-1.2
1983.....	280.70	171.26	354.08	442.97	171.05	5.0	1.9
1984.....	294.05	173.48	373.63	456.92	176.40	4.8	1.3
1985 ^p	301.16	171.60	385.56	462.20	177.31	2.4	-1.1
1985: Jan.....	296.24	171.73	380.83	459.94	176.42	2.0	-1.2
Feb.....	298.00	172.15	377.34	463.81	177.01	2.1	-1.3
Mar.....	^r 299.90	^r 172.46	380.97	465.58	177.31	3.3	-.6
Apr.....	298.90	171.19	381.10	465.88	176.42	2.1	-2.0
May.....	^r 300.11	^r 171.59	383.40	460.60	178.20	2.4	-1.5
June.....	301.51	172.00	384.20	454.96	177.61	2.8	-1.2
July.....	299.95	171.01	384.06	459.85	176.72	1.8	-1.9
Aug.....	301.86	171.80	388.14	459.75	176.42	2.6	-.4
Sept.....	303.62	172.51	389.09	466.17	177.60	2.4	-.3
Oct.....	303.26	171.82	389.91	^r 464.65	176.71	3.0	.1
Nov ^r	303.45	170.96	391.13	459.27	177.00	2.4	-1.0
Dec ^p	306.77	171.96	396.06	460.16	176.68	2.5	-1.1
1986: Jan ^p	304.67	.....	393.87	470.09	176.40	2.8	.....

¹ Also includes other private industry groups shown on p. 14.

² Adjusted for interindustry employment shifts and for overtime in manufacturing.

³ Current dollar index (or earnings) divided by the consumer price index on a 1977=100 base. Revised index for urban wage earners and clerical workers used beginning 1978 (beginning January

1985, this price index incorporates a rental equivalence measure for homeownership costs).

⁴ Monthly changes based on indexes to two decimal places.

⁵ Based on seasonally unadjusted data.

Source: Department of Labor, Bureau of Labor Statistics.

PRODUCTIVITY AND RELATED DATA, BUSINESS SECTOR

Period	Output per hour of all persons		Output ¹		Hours of all persons ²		Compensation per hour ³		Real compensation per hour ⁴		Unit labor costs		Implicit price deflator ⁵	
	Business sector	Non-farm business sector	Business sector	Non-farm business sector	Business sector	Non-farm business sector	Business sector	Non-farm business sector	Business sector	Non-farm business sector	Business sector	Non-farm business sector	Business sector	Non-farm business sector
1977 = 100; quarterly data seasonally adjusted														
1973	95.9	96.4	93.0	92.9	96.9	96.3	70.9	71.2	96.7	97.1	73.9	73.9	73.4	72.3
1974	93.9	94.3	91.3	91.2	97.3	96.7	77.6	78.0	95.4	95.9	82.7	82.7	80.5	79.7
1975	95.7	96.0	89.4	89.1	93.4	92.8	85.2	85.6	95.9	96.4	89.0	89.2	88.7	88.3
1976	98.3	98.5	94.6	94.4	96.1	95.9	92.8	92.8	98.7	98.8	94.3	94.2	94.0	93.8
1977	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1978	100.8	100.8	105.8	105.9	104.9	105.1	108.5	108.6	100.8	100.9	107.7	107.7	107.3	107.0
1979	99.6	99.2	107.8	107.9	108.3	108.7	119.1	118.9	99.4	99.2	119.6	119.8	117.0	116.5
1980	99.2	98.8	106.6	106.7	107.5	108.0	131.5	131.3	96.7	96.6	132.6	132.9	127.6	127.8
1981	100.7	99.8	108.9	108.5	108.2	108.7	143.7	143.6	95.7	95.7	142.7	144.0	139.8	140.3
1982	100.3	99.2	105.5	104.9	105.2	105.8	154.9	154.8	97.3	97.2	154.5	156.0	148.1	149.2
1983	102.9	102.6	110.0	110.2	106.9	107.4	161.5	162.1	98.2	98.6	157.0	158.0	153.0	154.2
1984	105.0	104.3	119.0	118.9	113.4	114.1	167.8	168.1	97.9	98.1	159.8	161.2	158.7	159.6
1985 ^P	105.3	104.2	122.3	122.2	116.1	117.3	174.5	174.3	98.3	98.2	165.7	167.2	163.0	164.8
1982: I	99.8	98.8	106.0	105.4	106.2	106.7	151.2	151.2	96.8	96.8	151.6	153.1	145.7	146.8
II	100.2	99.1	105.9	105.5	105.8	106.4	153.8	153.5	97.2	97.0	153.5	154.8	147.3	148.2
III	100.3	99.1	105.1	104.5	104.8	105.4	156.6	156.3	97.2	97.0	156.1	157.6	149.3	150.3
IV	101.1	99.8	105.0	104.2	103.9	104.5	158.3	158.2	97.9	97.9	156.6	158.5	150.2	151.4
1983: I	102.1	101.3	106.6	106.2	104.4	104.8	160.0	160.4	98.9	99.1	156.7	158.3	151.1	152.3
II	103.2	102.9	109.3	109.3	105.9	106.2	160.8	161.6	98.3	98.8	155.9	157.1	152.0	153.6
III	102.9	103.1	110.8	111.4	107.7	108.1	161.5	162.4	97.7	98.3	157.0	157.6	153.7	154.8
IV	103.5	103.1	113.4	113.8	109.5	110.3	163.8	163.9	98.2	98.2	158.3	158.9	154.9	156.1
1984: I	104.7	103.9	117.1	117.1	111.8	112.7	165.9	165.9	98.1	98.1	158.5	159.7	156.6	157.1
II	105.2	104.6	119.2	119.2	113.3	113.9	166.8	167.4	97.7	98.1	158.5	160.0	158.0	158.8
III	105.1	104.3	119.6	119.5	113.8	114.5	168.5	168.8	97.8	98.0	160.3	161.8	159.4	160.5
IV	104.9	104.0	120.1	120.0	114.5	115.4	170.0	170.1	97.9	97.9	162.1	163.6	160.8	161.9
1985: I	105.0	104.1	121.2	121.1	115.5	116.3	171.9	172.1	98.2	98.3	163.8	165.3	161.6	163.0
II	105.2	104.3	121.9	121.8	115.9	116.7	173.5	173.7	98.1	98.2	164.9	166.5	162.7	164.5
III	105.7	104.4	122.6	122.6	116.0	117.4	175.4	174.9	98.6	98.3	166.0	167.6	163.5	165.5
IV ^P	105.3	103.9	123.4	123.3	117.2	118.7	177.2	176.5	98.6	98.2	168.2	169.8	164.6	166.4
Percent change; quarterly data at seasonally adjusted annual rates														
1973	2.0	1.8	6.0	6.2	3.9	4.3	8.3	7.9	1.9	1.6	6.2	6.0	6.4	4.8
1974	-2.1	-2.2	-1.8	-1.8	.3	.4	9.5	9.6	-1.3	-1.3	11.9	12.0	9.6	10.2
1975	2.0	1.8	-2.1	-2.3	-4.0	-4.0	9.7	9.7	.5	.5	7.6	7.8	10.3	10.8
1976	2.8	2.6	5.8	6.0	2.9	3.4	8.9	8.4	2.9	2.5	5.9	5.7	5.9	6.3
1977	1.7	1.5	5.8	5.9	4.0	4.3	7.8	7.7	1.3	1.2	6.0	6.1	6.4	6.6
1978	.8	.8	5.8	5.9	4.9	5.1	8.5	8.6	.8	.9	7.7	7.7	7.3	7.0
1979	-1.2	-1.6	1.9	1.8	3.2	3.5	9.7	9.5	-1.4	-1.6	11.1	11.2	9.1	8.9
1980	-.3	-.4	-1.1	-1.1	-.8	-.7	10.5	10.5	-2.7	-2.7	10.8	11.0	9.0	9.7
1981	1.5	1.0	2.1	1.7	.7	.7	9.2	9.4	-1.0	-.9	7.7	8.3	9.6	9.7
1982	-.4	-.6	-3.1	-3.3	-2.7	-2.7	7.8	7.7	1.6	1.5	8.2	8.4	5.9	6.3
1983	2.6	3.4	4.3	5.0	1.7	1.5	4.3	4.7	1.0	1.5	1.6	1.3	3.3	3.4
1984	2.1	1.6	8.2	8.0	6.0	6.3	3.9	3.7	-.4	-.5	1.8	2.0	3.8	3.5
1985 ^P	.3	-.0	2.8	2.8	2.4	2.8	4.0	3.7	.5	.1	3.7	3.7	2.7	3.3
1982: I	-.3	0	-5.5	-5.3	-5.2	-5.3	10.4	10.5	6.5	6.5	10.8	10.5	5.5	5.4
II	1.5	1.4	-.2	.2	-1.6	-1.2	6.8	6.1	1.3	.6	5.3	4.6	4.6	4.1
III	.4	.1	-3.1	-3.4	-3.5	-3.5	7.5	7.5	.2	.2	7.0	7.4	5.6	5.7
IV	3.2	2.6	-.4	-1.2	-3.5	-3.7	4.5	5.0	3.0	3.6	1.3	2.4	2.4	3.0
1983: I	4.2	6.3	6.3	7.6	2.0	1.2	4.4	5.6	4.0	5.2	.2	-.7	2.3	2.4
II	4.4	6.3	10.5	12.2	5.9	5.5	2.1	3.2	-2.2	-1.1	-2.1	-2.9	2.6	3.3
III	-1.2	.6	5.8	7.9	7.1	7.3	1.7	1.8	-2.4	-2.3	2.9	1.2	4.4	3.3
IV	2.5	.4	9.5	9.0	6.8	8.6	5.8	3.8	1.7	-.3	3.2	3.5	3.3	3.4
1984: I	4.6	3.0	13.6	12.1	8.7	8.8	5.2	5.0	-.1	-.3	.6	1.9	4.4	2.4
II	2.1	2.9	7.5	7.2	5.4	4.2	2.1	3.7	-1.6	-.1	0	.8	3.7	4.4
III	-.5	-1.2	1.3	1.2	1.8	2.4	4.2	3.4	.5	-.3	4.6	4.7	3.6	4.4
IV	-.7	-1.2	1.7	1.8	2.4	3.1	3.7	3.1	.2	-.5	4.5	4.4	3.5	3.6
1985: I	.1	.5	3.6	3.6	3.4	3.0	4.5	4.8	1.2	1.5	4.4	4.3	2.1	2.7
II	.9	.7	2.3	2.3	1.4	1.6	3.8	3.8	-.4	-.3	2.8	3.1	2.8	3.7
III	1.9	.3	2.5	2.6	.6	2.2	4.5	2.8	2.0	.4	2.5	2.5	2.0	2.6
IV ^P	-1.3	-1.8	2.5	2.6	3.9	4.5	4.1	3.5	.0	-.5	5.5	5.4	2.7	2.0

¹ Output refers to gross domestic product originating in the sector in 1982 dollars.

² Hours of all persons engaged in the sector, including hours of proprietors and unpaid family workers. Estimates based primarily on establishment data.

³ Wages and salaries of employees plus employers' contributions for social insurance and private benefit plans. Also includes an estimate of wages, salaries, and supplemental payments for the self-employed.

⁴ Hourly compensation divided by the consumer price index for all urban consumers.

⁵ Current dollar gross domestic product divided by constant dollar gross domestic product.

NOTE.—Data reflect the comprehensive revision of the national income and product accounts. Data relate to all persons engaged in the sector. Percent changes are from preceding period and are based on original data; they therefore may differ slightly from percent changes based on indexes shown here.

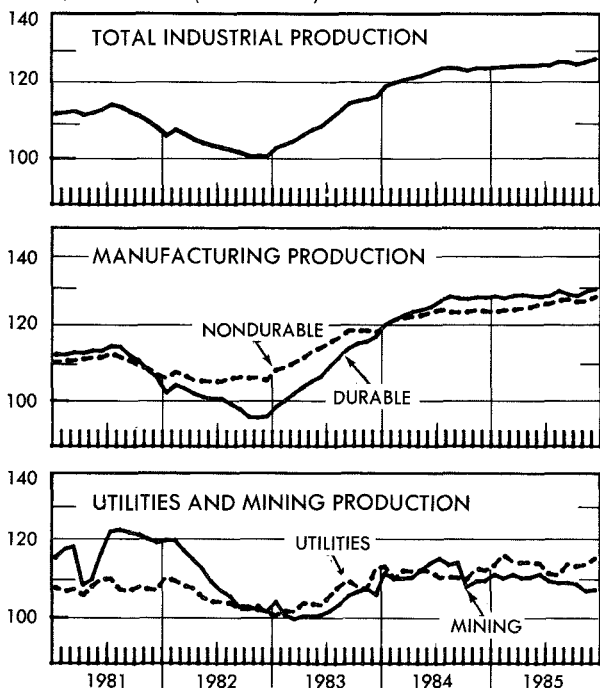
Source: Department of Labor, Bureau of Labor Statistics.

PRODUCTION AND BUSINESS ACTIVITY

INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION

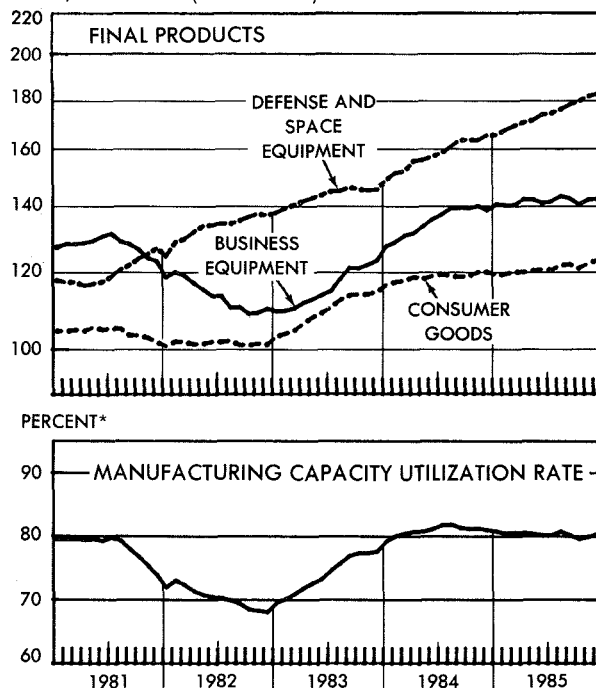
Industrial production rose 0.7 percent in December, following a rise of 0.6 percent in November. The index for December was 2.1 percent above its year earlier level.

INDEX, 1977 = 100 * (RATIO SCALE)



*SEASONALLY ADJUSTED
SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

INDEX, 1977 = 100 * (RATIO SCALE)



COUNCIL OF ECONOMIC ADVISERS

[Monthly data seasonally adjusted]

Period	Total industrial production		Industry production indexes, 1977 = 100					Capacity utilization rate, percent ¹	
			Manufacturing			Mining	Utilities		
	Index, 1977 = 100	Percent change from year earlier	Total	Durable	Nondurable			Manufacturing	Industrial materials
1977 proportion	100.0	.....	84.21	49.10	35.11	9.83	5.96	.....	.....
1976	92.6	9.2	91.9	91.1	93.1	97.4	97.4	77.4	80.3
1977	100.0	8.0	100.0	100.0	100.0	100.0	100.0	81.4	84.1
1978	106.5	6.5	107.1	108.2	105.5	103.6	103.1	84.2	86.3
1979	110.7	3.9	111.5	113.9	108.2	106.4	105.9	84.6	87.1
1980	108.6	— 1.9	108.2	109.1	107.0	112.4	107.3	79.3	81.1
1981	111.0	2.2	110.5	111.1	109.7	117.5	107.1	78.3	81.1
1982	103.1	— 7.1	102.2	99.9	105.5	109.3	104.8	70.3	71.7
1983	109.2	5.9	110.2	107.7	113.7	102.9	105.2	74.0	75.3
1984	121.8	11.5	123.9	124.8	122.5	110.9	110.9	80.8	82.3
1985 ^p	124.5	2.2	127.1	128.2	125.4	108.9	113.2	80.3	80.2
1984: Dec	123.3	6.8	125.8	127.4	123.4	108.9	111.6	80.9	81.3
1985: Jan	123.6	4.4	125.9	127.8	123.2	110.5	113.0	80.7	81.7
Feb	123.7	3.7	125.8	127.2	123.8	109.5	115.8	80.4	81.5
Mar	124.0	3.3	126.3	128.0	123.9	110.5	113.9	80.5	81.4
Apr	124.1	2.8	126.6	128.2	124.3	109.6	113.6	80.5	80.9
May	124.1	2.3	126.6	127.9	124.7	109.8	113.7	80.3	80.1
June	124.3	1.6	126.7	127.6	125.5	110.6	113.4	80.1	80.1
July	124.1	.7	126.9	127.9	125.6	108.7	110.7	80.1	79.5
Aug	125.2	1.3	128.2	129.4	126.6	108.3	110.3	80.7	79.9
Sept ^r	125.1	1.5	127.7	128.3	126.9	108.4	113.2	80.1	79.5
Oct ^r	124.4	1.4	127.1	127.8	126.1	108.0	112.6	79.5	79.2
Nov ^r	125.1	1.4	128.0	129.2	126.4	106.3	113.2	79.9	79.1
Dec ^p	126.0	2.1	129.0	130.0	127.6	106.6	114.7	80.3	79.6

¹ Output as percent of capacity.

Source: Board of Governors of the Federal Reserve System.

INDUSTRIAL PRODUCTION—MAJOR MARKET GROUPS AND SELECTED MANUFACTURES

[1977 = 100; monthly data seasonally adjusted]

Period	Products									Materials		
	Final products						Intermediate products			Total	Energy	
	Total	Consumer goods		Equipment		Total	Con- struction supplies	Busi- ness sup- plies				
		Total	Durable goods	Nondura- ble goods	Total ¹				Business			Defense and space equip- ment
1977 proportion	44.77	25.52	6.89	18.63	19.25	14.34	3.67	12.94	5.95	6.99	42.28	11.69
1975	86.3	84.9	75.3	88.8	88.5	86.1	98.5	83.6	82.3	84.7	83.2	95.6
1976	92.4	93.3	88.4	95.3	91.5	89.3	100.1	92.1	92.0	92.1	93.0	97.9
1977	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1978	106.9	104.3	103.7	104.5	110.3	112.2	101.2	106.9	106.9	106.9	105.9	101.1
1979	111.0	103.9	99.9	105.4	120.4	124.7	105.6	110.8	108.7	112.7	110.3	104.1
1980	112.2	102.7	88.4	108.1	124.7	125.1	115.4	106.9	100.6	112.3	105.3	105.5
1981	115.2	104.1	89.7	109.3	129.9	127.6	119.8	107.3	98.6	114.7	107.7	104.7
1982	109.5	101.4	82.9	108.3	120.2	113.6	133.0	101.7	88.3	113.1	96.7	101.2
1983	114.7	109.3	98.5	113.3	121.7	115.4	143.1	111.2	100.6	120.3	102.8	98.4
1984	127.8	118.2	112.6	120.2	140.5	134.9	157.9	124.9	114.0	134.2	114.6	104.0
1985 ^P	132.0	120.5	112.8	123.4	147.2	141.3	173.7	130.6	119.2	.....	114.6	104.2
1984: Dec	130.6	119.7	113.1	122.1	144.9	138.4	165.3	127.3	114.7	138.0	114.6	102.4
1985: Jan	130.4	118.8	112.8	121.1	145.7	140.4	165.3	126.8	116.2	135.9	115.4	103.9
Feb	130.4	119.1	112.8	121.4	145.3	140.0	167.3	127.7	115.7	137.9	115.4	104.9
Mar	130.8	119.8	113.5	122.1	145.4	140.2	169.0	128.6	116.9	138.6	115.5	106.2
Apr	131.3	119.5	111.5	122.5	146.9	142.0	170.1	129.3	117.4	139.4	115.0	105.3
May	131.7	120.0	111.8	123.1	147.1	141.9	171.2	130.3	118.1	140.7	114.2	105.3
June	131.6	120.4	112.0	123.5	146.6	140.7	173.4	131.4	119.2	141.7	114.3	105.1
July	131.8	120.1	111.3	123.4	147.3	141.3	173.9	130.7	119.4	140.3	113.8	103.5
Aug	133.3	121.5	114.0	124.2	149.0	143.0	175.5	132.0	121.5	140.9	114.5	102.7
Sept ^r	133.3	121.8	112.9	125.1	148.6	142.2	177.5	132.3	121.3	141.7	114.2	103.4
Oct ^r	132.0	120.7	111.3	124.1	147.1	140.2	178.9	132.0	120.7	141.6	114.0	103.9
Nov ^r	133.4	122.0	114.6	124.8	148.5	141.9	181.1	132.3	121.2	141.8	114.2	102.3
Dec ^P	134.2	123.0	115.5	125.8	148.9	142.1	182.0	133.2	121.9	.....	115.1	103.5

¹ Includes rigs and prefabs, not shown separately.

[1977 = 100; monthly data seasonally adjusted]

Period	Durable manufactures							Nondurable manufactures				
	Primary metals		Fabi- cated metal products	Non- electrical machin- ery	Electrical machin- ery	Transportation equipment		Lumber and products	Appar- el prod- ucts	Print- ing and pub- lishing	Chemi- cals and prod- ucts	Foods
	Total	Iron and steel				Total	Motor vehicles and parts					
1977 proportion	5.33	3.49	6.46	9.54	7.15	9.13	5.25	2.30	2.79	4.54	8.05	7.96
1975	88.2	92.0	82.7	84.5	77.2	81.0	65.7	80.8	77.6	83.5	82.9	90.4
1976	98.7	101.4	91.6	88.8	86.8	92.2	86.5	91.9	91.5	91.2	92.8	95.
1977	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1978	107.0	107.5	105.7	111.7	112.9	106.3	104.6	102.4	103.1	107.8	106.8	104.3
1979	108.5	108.0	109.4	122.6	125.7	108.3	95.9	102.0	98.3	112.7	111.4	106.7
1980	90.4	86.3	101.8	123.3	130.3	96.9	71.1	92.9	97.3	115.1	106.4	111.4
1981	95.0	92.5	101.6	129.8	134.1	95.1	71.6	90.1	96.1	118.6	112.6	113.7
1982	65.8	57.5	86.6	115.6	128.4	87.6	66.8	82.8	87.3	120.2	103.8	114.9
1983	73.0	66.1	89.1	118.3	143.8	99.2	85.8	100.2	95.3	129.8	114.0	120.4
1984	82.4	73.5	102.8	142.0	172.4	113.6	105.6	109.1	102.8	147.9	121.7	127.1
1985 ^P	80.8	.....	108.0	146.4	168.9	123.4	112.3	.....	.....	155.1	.....	.....
1984: Dec	78.4	68.9	105.9	144.6	180.2	117.8	109.5	109.4	102.5	151.2	123.4	129.0
1985: Jan	81.7	71.0	106.4	145.0	176.0	120.4	113.0	109.2	102.6	150.4	125.7	128.2
Feb	80.2	68.5	107.6	144.9	173.2	120.5	112.5	109.1	103.1	150.3	125.8	129.4
Mar	81.8	73.2	108.6	146.5	173.1	120.8	111.3	109.5	101.3	152.6	126.5	128.5
Apr	81.4	71.9	109.1	148.9	168.9	120.7	110.9	110.9	100.2	154.2	125.8	130.8
May	76.4	65.4	108.3	149.1	169.3	120.9	110.5	112.2	100.3	155.4	126.7	131.4
June	78.3	67.6	107.4	145.6	169.5	121.8	110.5	113.5	99.2	156.7	126.4	131.8
July	79.0	68.7	107.3	147.5	165.7	123.7	112.8	113.0	100.6	154.3	126.4	132.2
Aug	82.0	71.6	107.8	149.2	166.1	126.8	116.8	114.8	100.4	156.3	128.2	132.6
Sept ^r	80.3	69.7	107.5	146.5	165.1	126.2	115.3	115.9	101.8	156.2	129.0	132.5
Oct ^r	83.0	74.4	108.4	143.5	164.8	124.6	111.7	116.5	102.6	156.1	127.5	131.0
Nov ^r	84.4	75.8	108.8	144.9	167.3	126.8	114.5	.....	103.6	158.3	126.9	130.6
Dec ^P	83.0	.....	109.9	145.9	168.7	127.7	115.6	.....	.....	160.0	.....	.....

Source: Board of Governors of the Federal Reserve System.

NEW CONSTRUCTION

[Monthly data seasonally adjusted]

Period	Total new construction expenditures	Private						Federal, State, and local	Construction contracts ²	
		Total	Residential		Commercial and industrial	Other	Total value index (1977 = 100)		Commercial and industrial floor space (millions of square feet)	
			Total ¹	New housing units						
	Billions of dollars									
1978 ^r	215.9	170.0	103.8	86.2	29.6	36.7	45.9	114.0	977	
1979 ^r	241.9	193.1	110.5	90.1	39.9	42.7	48.8	121.0	1,059	
1980 ^r	238.0	183.0	94.5	70.4	43.8	44.7	55.0	108.0	904	
1981 ^r	246.7	193.3	94.1	70.2	51.3	47.9	53.3	112.0	919	
1982.....	236.9	186.1	80.6	57.7	54.6	50.9	50.8	111.0	690	
1983.....	268.7	218.0	121.3	95.7	48.7	48.1	50.7	137.0	756	
1984.....	313.0	257.8	145.1	114.6	61.9	50.9	55.2	149.0	^r 955	
1985 ^p	343.0	280.7	148.3	113.5	75.9	56.5	62.3	158.0	1,064	
	Annual rates								Annual rates	
1984: Dec.....	310.1	254.5	134.3	111.9	69.0	51.3	55.5	150	1,041	
1985: Jan.....	341.0	283.7	155.3	113.0	73.7	54.7	57.4	150	974	
Feb.....	334.3	276.5	146.0	110.3	74.7	55.7	57.8	145	990	
Mar.....	333.7	274.6	146.2	110.8	74.0	54.4	59.1	162	1,049	
Apr.....	341.9	282.0	146.5	112.6	78.5	56.9	59.9	161	1,104	
May.....	339.9	276.4	142.3	112.0	76.5	57.7	63.5	162	1,008	
June.....	343.8	278.9	147.2	112.2	73.5	58.3	64.9	142	836	
July ^r	344.2	279.5	148.7	112.8	73.3	57.5	64.7	164	1,103	
Aug ^r	343.2	279.4	146.9	113.4	75.0	57.5	63.9	163	1,097	
Sept ^r	346.1	282.5	148.9	113.8	76.8	56.8	63.6	166	1,118	
Oct ^r	346.1	283.3	151.1	115.8	76.4	55.8	62.8	169	1,104	
Nov ^p	344.8	282.4	149.4	114.9	77.3	55.7	62.4	160	1,111	
Dec ^p	354.6	291.2	151.3	117.2	83.0	56.9	63.5	157	951	

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.

NOTE.—New construction expenditures data are not strictly comparable throughout the period shown.

Sources: Department of Commerce (Bureau of the Census) and McGraw-Hill Information Systems Company, F. W. Dodge Division.

NEW PRIVATE HOUSING AND VACANCY RATES

[Thousands of units or homes, except as noted]

Period	New private housing units						New private homes		Vacancy rate for rental housing units (percent) ²
	Units started, by type of structure				Units authorized	Units completed	Homes sold	Homes for sale at end of period ¹	
	Total	1 unit	2-4 units	5 or more units					
1978.....	2,020.3	1,433.3	125.0	462.0	1,800.5	1,867.5	817	414	5.0
1979.....	1,745.1	1,194.1	122.0	429.0	1,551.8	1,870.8	709	³ 398	5.4
1980.....	1,292.2	852.2	109.5	330.5	1,190.6	1,501.6	545	336	5.4
1981.....	1,084.2	705.4	91.1	287.7	985.5	1,265.7	436	272	5.0
1982.....	1,062.2	662.6	80.0	319.6	1,000.5	1,005.5	412	251	5.3
1983.....	1,703.0	1,067.6	113.5	522.0	1,605.2	1,390.3	623	300	5.7
1984.....	1,749.5	1,084.2	121.4	544.0	1,681.8	1,652.2	639	356	5.9
1985 ^p	1,732.8	1,070.2	93.7	568.9	1,740.8	1,700.0	686	354	.....
	Seasonally adjusted annual rates								
1984: Dec.....	1,630	1,112	119	399	1,599	1,635	604	356	6.3
1985: Jan.....	1,849	1,060	105	684	1,635	1,719	634	356	.....
Feb.....	1,647	1,135	96	416	1,624	1,794	676	360	.....
Mar.....	1,889	1,168	106	615	1,741	1,685	699	357	6.3
Apr.....	1,933	1,155	113	665	1,704	1,641	649	356	.....
May.....	1,681	1,039	109	533	1,778	1,627	682	356	.....
June.....	1,701	1,031	92	578	1,712	1,789	710	354	6.2
July.....	1,663	1,062	86	515	1,694	1,725	748	351	.....
Aug.....	1,740	1,059	97	584	1,784	1,721	708	348	.....
Sept.....	1,616	975	83	558	1,808	^r 1,793	^r 681	350	6.8
Oct ^r	1,772	1,120	77	575	1,688	1,529	634	354	.....
Nov ^r	1,566	961	80	525	1,661	1,702	709	355	.....
Dec ^p	1,840	1,113	91	636	1,873	1,712	721	354	6.7

¹ Seasonally adjusted.

² Quarterly data entered in last month of quarter. Series beginning 1979 not strictly comparable with earlier data.

³ New series beginning March 1979.

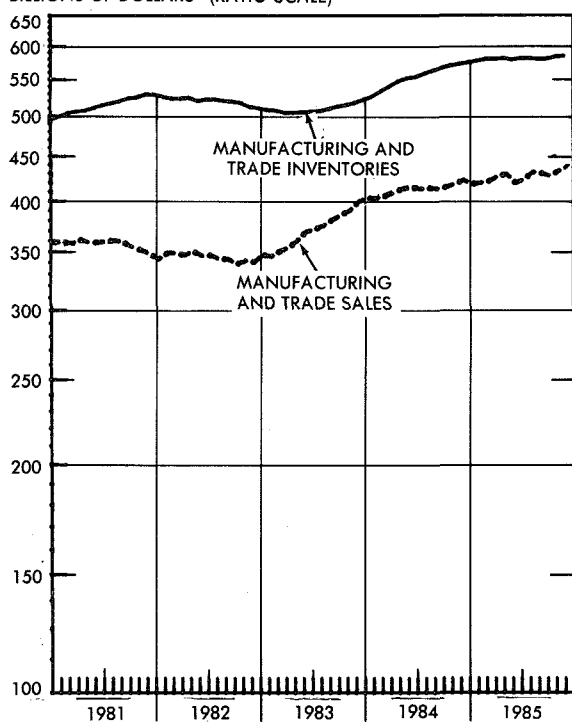
NOTE.—Beginning 1984, units authorized are for 17,000 permit-issuing places (in issues of *Economic Indicators* prior to February 1985, data for 1984 were for 16,000 places); for 1978-83 data are for 16,000 places; and for 1973-77 data are for 14,000 places.

Source: Department of Commerce, Bureau of the Census.

BUSINESS SALES AND INVENTORIES—Manufacturing and Trade

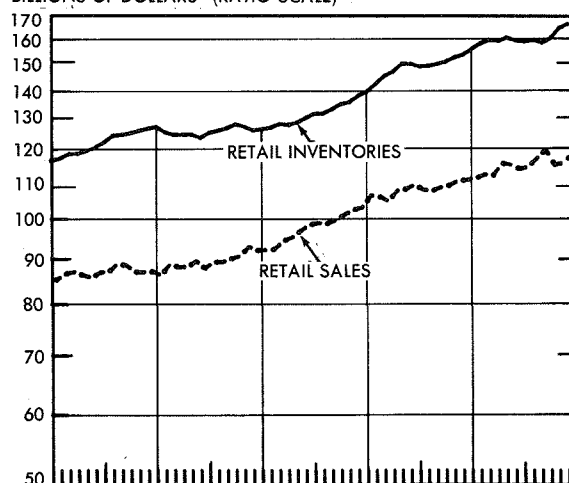
Manufacturing and trade sales rose 1.4 percent in November and inventories rose \$0.9 billion; in December sales rose 1.0 percent. According to advance data, retail sales rose 1.9 percent in December following a rise of 0.7 percent in November.

BILLIONS OF DOLLARS* (RATIO SCALE)

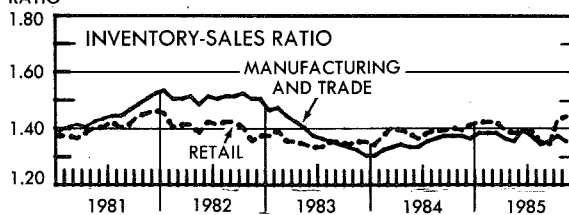


*SEASONALLY ADJUSTED
SOURCE: DEPARTMENT OF COMMERCE

BILLIONS OF DOLLARS* (RATIO SCALE)



RATIO*



COUNCIL OF ECONOMIC ADVISERS

Period	Manufacturing and trade ¹		Wholesale		Retail						Inventory-sales ratio ⁴			
	Sales ²	Inventories ³	Sales ²	Inventories ³	Sales ²			Inventories ³			Manufacturing and trade ¹	Retail		
					Total	Durable goods stores	Nondurable goods stores	Total	Durable goods stores	Nondurable goods stores				
Millions of dollars, seasonally adjusted														
1977.....	230,000	351,459	56,364	72,801	60,434	20,720	39,715	89,444	43,071	46,373	1.46	1.39		
1978.....	260,810	399,561	66,674	86,442	67,231	23,368	43,863	102,610	50,136	52,474	1.44	1.43		
1979.....	298,344	451,354	79,481	99,348	74,926	25,529	49,397	110,906	54,108	56,798	1.43	1.44		
1980.....	328,074	493,958	93,721	113,623	79,963	24,914	55,049	116,054	55,117	60,937	1.45	1.42		
1981.....	356,927	527,739	102,021	118,438	86,777	27,089	59,688	126,656	60,327	66,329	1.44	1.40		
1982.....	344,656	509,213	96,290	118,290	89,339	28,059	61,279	126,014	58,952	67,062	1.51	1.40		
1983.....	368,747	520,281	100,448	120,476	97,858	33,041	64,817	139,123	66,845	72,278	1.38	1.34		
1984.....	411,733	573,434	114,071	132,208	108,085	38,691	69,394	155,517	74,582	80,935	1.34	1.37		
1985 ^p	425,485		115,423	135,970	114,884	42,646	72,238							
1984: Nov.....	417,635	571,239	114,337	132,501	110,255	39,934	70,321	153,070	72,839	80,231	1.37	1.39		
Dec.....	421,613	573,434	114,913	132,208	110,519	40,295	70,224	155,517	74,582	80,935	1.36	1.41		
1985: Jan.....	417,350	575,802	114,654	132,247	110,972	40,622	70,350	157,770	76,393	81,377	1.38	1.42		
Feb.....	418,667	578,940	114,310	133,631	112,096	41,073	71,023	159,163	76,838	82,325	1.38	1.42		
Mar.....	420,776	578,768	114,619	133,865	111,854	40,765	71,089	158,732	77,401	81,331	1.38	1.42		
Apr.....	426,472	580,201	117,612	133,968	115,351	42,932	72,419	160,184	78,312	81,872	1.36	1.39		
May.....	428,275	577,781	118,753	134,014	114,884	42,789	72,095	158,867	77,001	81,866	1.35	1.38		
June.....	418,378	579,665	110,777	135,479	113,730	42,064	71,666	158,508	77,344	81,164	1.39	1.39		
July.....	422,483	580,116	114,273	135,841	114,417	42,341	72,076	159,239	76,894	82,345	1.37	1.39		
Aug.....	430,417	578,182	116,847	135,500	116,977	44,277	72,700	157,994	75,823	82,171	1.34	1.35		
Sept.....	428,998	578,918	115,231	134,967	119,538	46,592	72,946	159,921	76,770	83,151	1.35	1.34		
Oct ^r	426,033	582,173	113,944	135,531	114,860	41,923	72,937	164,198	79,990	84,208	1.37	1.43		
Nov ^p	432,176	583,119	116,425	135,115	115,620	42,219	73,401	166,011	81,948	84,063	1.35	1.44		
Dec ^p	436,672		118,616	135,970	117,862	44,034	73,828							

¹ See page 21 for manufacturing.

² Monthly average for year and total for month.

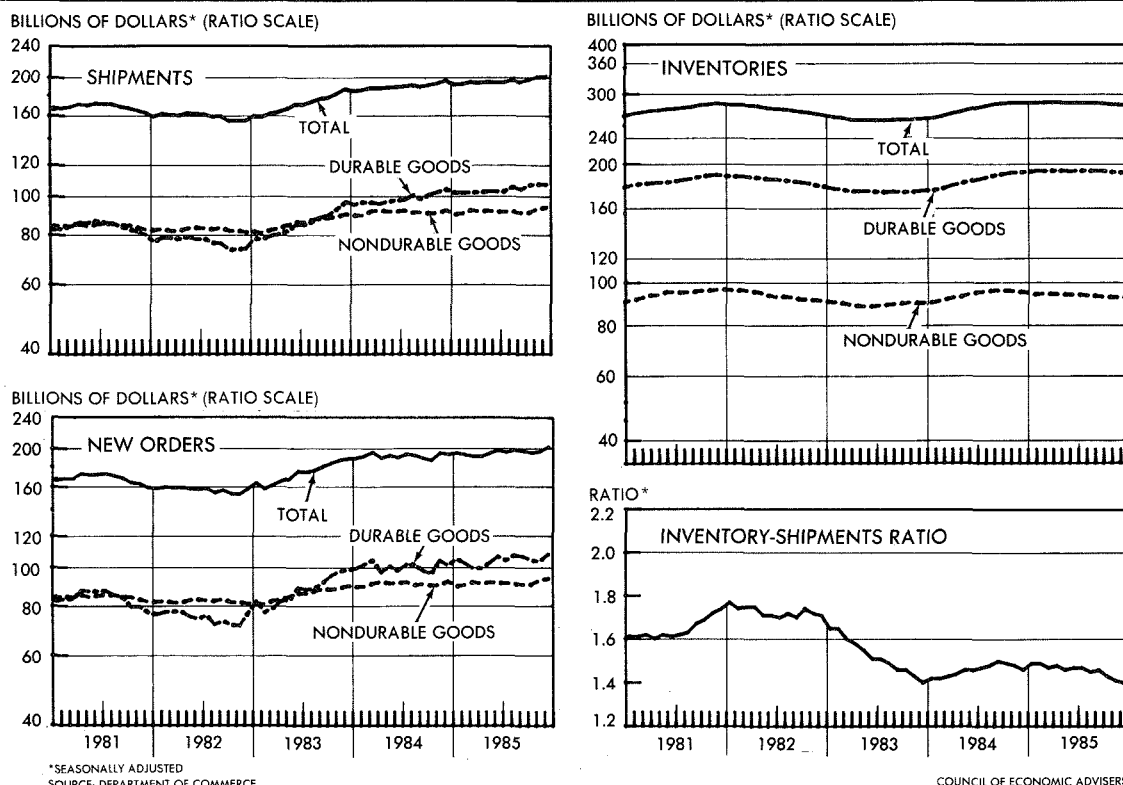
³ Book value, end of period, seasonally adjusted.

⁴ For annual periods, ratio of weighted average inventories to average monthly sales; for monthly data, ratio of inventories at end of month to sales for month.

Source: Department of Commerce, Bureau of the Census.

MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS

In December, manufacturers' shipments were unchanged, inventories fell, and new orders and unfilled orders rose.



Period	Manufacturers' shipments ¹			Manufacturers' inventories ²			Manufacturers' new orders ¹				Manufacturers' unfilled orders ³	Manufacturers' inventory—shipments ratio ⁴
	Total	Durable goods	Nondurable goods	Total	Durable goods	Nondurable goods	Total	Durable goods		Nondurable goods		
								Total	Capital goods industries, non-defense			
Millions of dollars, seasonally adjusted												
1977.....	113,202	59,267	53,935	189,214	121,601	67,613	115,032	61,082	15,291	53,950	203,475	1.61
1978.....	126,905	67,848	59,057	210,509	137,891	72,618	131,546	72,339	19,458	59,207	259,770	1.57
1979.....	143,936	76,060	67,876	241,100	160,533	80,567	147,403	79,451	23,231	67,953	302,145	1.57
1980.....	154,391	77,550	76,841	264,281	174,620	89,661	156,161	79,360	23,259	76,801	323,393	1.66
1981.....	168,129	83,872	84,257	282,645	186,347	96,298	167,752	83,553	24,050	84,199	319,094	1.64
1982.....	159,027	76,693	82,334	264,909	175,103	89,806	157,255	74,996	20,681	82,260	296,918	1.73
1983.....	170,441	84,951	85,491	260,682	171,629	89,053	173,259	87,631	22,764	85,627	330,924	1.52
1984.....	189,578	98,502	91,076	285,709	191,109	94,600	191,634	100,611	27,017	91,024	355,640	1.45
1985 ^p	195,178	103,719	91,459	280,607	188,802	91,805	195,858	104,355	27,217	91,502	363,588	1.46
1984: Nov.....	193,043	102,394	90,649	285,668	190,669	94,999	194,982	104,434	26,836	90,548	358,150	1.48
Dec.....	196,181	103,939	92,242	285,709	191,109	94,600	193,671	101,307	26,893	92,364	355,640	1.46
1985: Jan.....	191,724	101,966	89,758	285,785	192,153	93,632	195,210	105,447	23,633	89,763	359,125	1.49
Feb.....	192,261	101,724	90,537	286,146	192,080	94,116	193,057	102,467	29,493	90,590	359,926	1.49
Mar.....	194,303	102,116	92,187	286,171	192,355	93,816	191,532	99,544	27,206	91,988	357,151	1.47
Apr.....	193,509	102,068	91,441	286,049	192,475	93,574	191,081	99,839	25,461	91,242	354,731	1.48
May.....	194,638	102,718	91,920	284,900	191,546	93,354	195,019	102,971	25,594	92,048	355,112	1.46
June.....	193,871	102,657	91,214	285,678	192,239	93,439	198,261	106,780	27,984	91,481	359,502	1.47
July.....	193,793	102,478	91,315	285,036	192,163	92,873	195,793	104,370	26,685	91,423	361,502	1.47
Aug.....	196,593	105,311	91,282	284,688	192,037	92,651	198,782	107,661	27,554	91,121	363,691	1.45
Sept.....	194,229	103,656	90,573	284,030	191,930	92,100	197,332	106,641	29,240	90,691	366,794	1.46
Oct.....	197,229	106,479	90,750	282,444	190,508	91,936	195,381	104,495	27,092	90,886	364,946	1.43
Nov ^p	200,131	107,007	93,124	281,993	190,284	91,709	196,865	103,796	25,788	93,069	361,680	1.41
Dec ^p	200,194	106,657	93,537	280,607	188,802	91,805	202,102	108,230	30,584	93,872	363,588	1.40

¹ Monthly average for year and total for month. Shipments are the same as sales.

² Book value, end of period.

³ End of period.

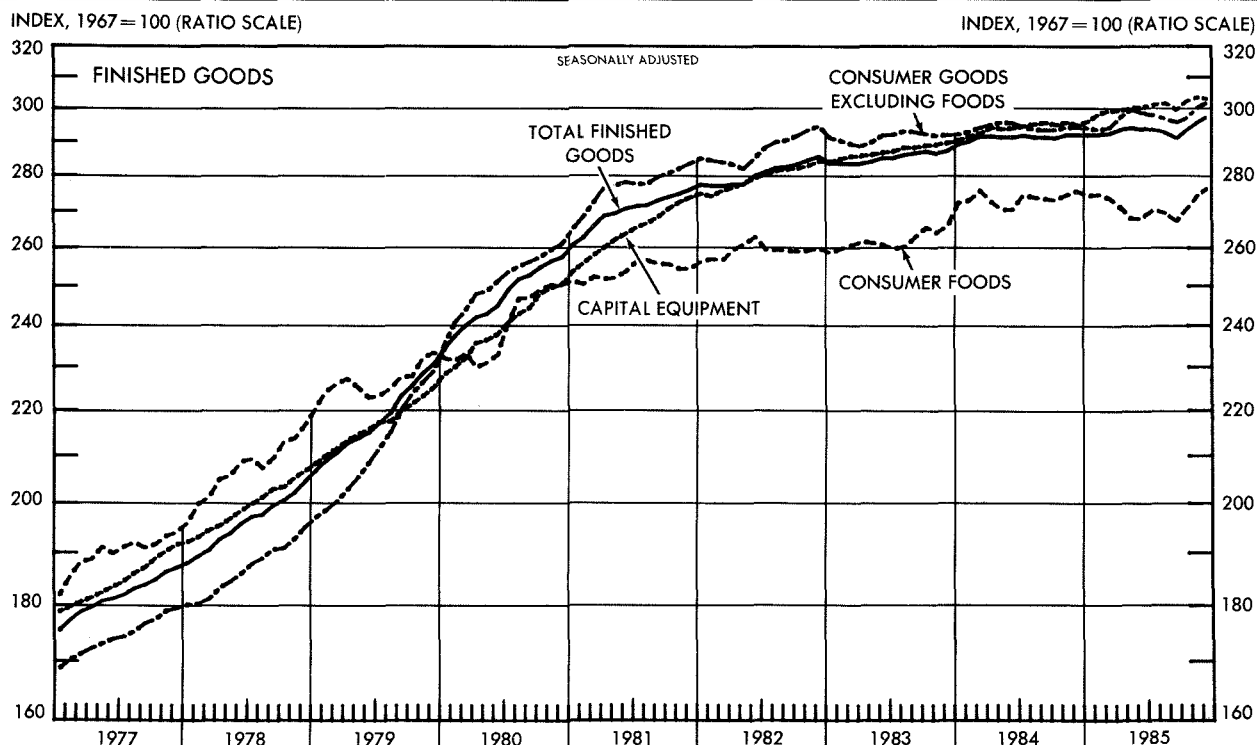
⁴ For annual periods, ratio of weighted average inventories to average monthly shipments; for monthly data, ratio of inventories at end of month to shipments for month.

Source: Department of Commerce, Bureau of the Census.

PRICES

PRODUCER PRICES

In December, the producer price index for all finished goods rose 0.4 percent, seasonally adjusted. Prices of finished consumer foods rose 0.8 percent, while prices of other finished consumer goods rose 0.4 percent. Prices of capital equipment fell 0.1 percent.



SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

[1967 = 100; monthly data seasonally adjusted]

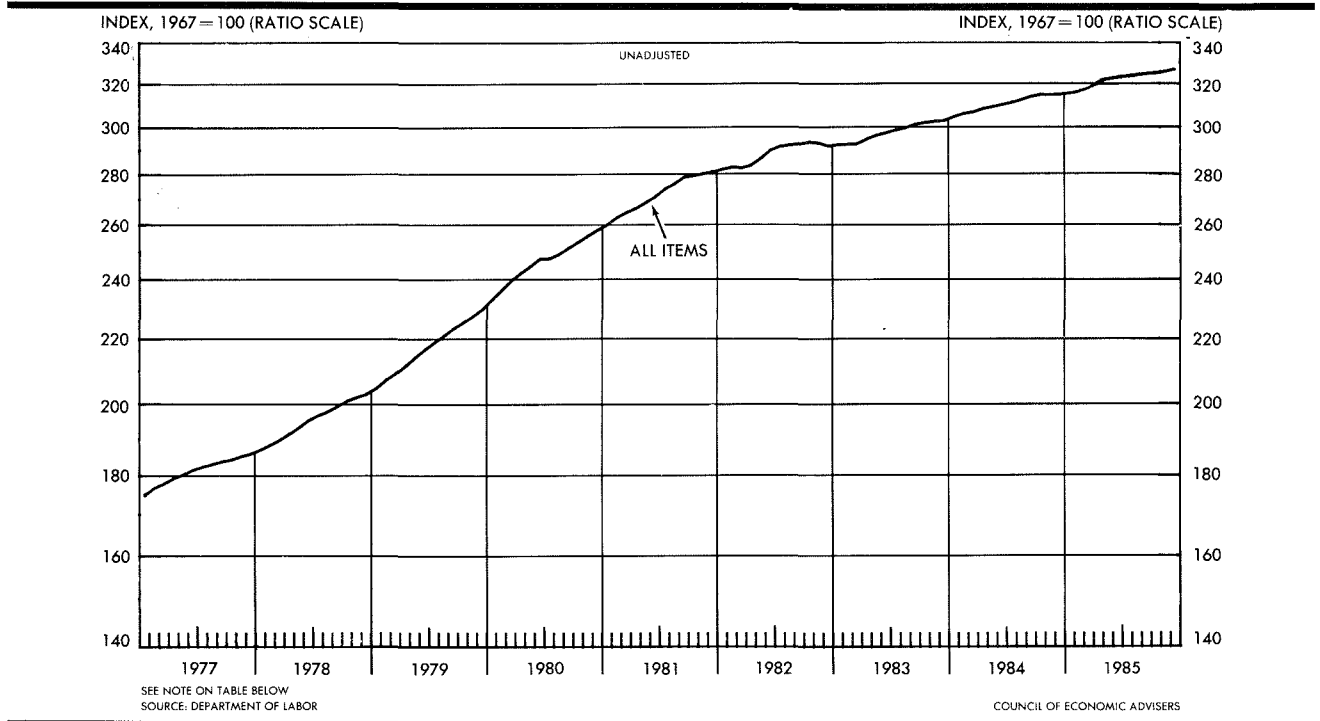
Period	Finished goods								Intermediate materials			Crude materials		
	Total finished goods	Con-sumer foods	Finished goods excluding consumer foods					Total finished con-sumer goods	Total	Foods and feeds ¹	Other	Total	Food-stuffs and feed-stuffs	Other
			Total	Consumer goods		Capital equip-ment								
				Total	Durable		Nondurable							
1977	181.7	189.9	177.7	174.3	152.8	189.3	184.6	180.7	201.5	190.5	202.3	209.2	192.1	245.0
1978	195.9	207.2	190.7	186.7	166.9	200.0	199.2	194.9	215.6	203.1	216.5	234.4	216.2	272.3
1979	217.7	226.2	213.3	211.5	183.2	231.3	216.5	217.9	242.2	226.1	244.4	274.3	247.9	330.0
1980	247.0	239.5	247.8	250.8	206.2	283.9	239.8	248.9	280.3	252.6	282.3	304.6	259.2	401.0
1981	269.8	253.6	273.3	276.5	218.6	319.6	264.3	271.3	306.0	250.3	310.1	329.0	257.4	482.3
1982	280.7	259.3	285.8	287.8	226.7	333.6	279.4	281.0	310.4	239.4	315.7	319.5	247.8	473.9
1983	285.2	261.8	290.8	291.4	233.1	335.3	287.2	284.6	312.3	247.9	317.1	323.6	252.2	477.4
1984	291.1	273.3	294.8	294.1	236.8	337.3	294.0	290.3	320.0	253.1	325.0	330.8	259.5	484.5
1985 ^p	293.8	271.2	299.1	297.4	241.5	339.4	300.5	291.9	318.7	232.7	325.0	306.2	235.0	459.7
1984: Dec	292.0	275.6	295.2	294.2	237.5	337.0	295.0	291.2	320.7	244.8	326.4	328.5	260.9	474.4
1985: Jan	291.9	274.3	295.5	294.0	238.8	335.6	296.3	290.6	320.4	241.6	326.2	321.7	254.9	466.0
Feb	292.1	274.6	295.6	293.4	239.9	333.4	298.6	290.3	319.0	241.1	324.7	316.0	249.8	459.0
Mar	292.4	273.5	296.5	294.2	240.9	334.1	299.5	290.5	318.5	239.0	324.3	311.0	242.9	457.9
Apr	293.6	271.0	298.9	297.5	240.9	340.1	299.6	291.9	319.1	235.5	325.3	307.4	235.6	462.1
May	294.1	267.9	300.7	299.8	241.6	343.8	300.3	292.4	320.0	230.9	326.5	304.3	229.8	464.6
June	293.6	267.8	300.0	298.7	242.4	341.1	300.7	291.6	318.8	231.3	325.2	303.4	229.4	462.4
July	294.4	270.6	300.1	298.7	242.4	341.0	300.9	292.5	317.8	229.5	324.2	301.8	226.8	462.9
Aug ^r	293.5	268.5	299.6	297.7	242.3	339.3	301.7	291.2	317.4	225.6	324.1	294.1	218.2	457.1
Sept	291.8	266.7	298.1	296.3	239.7	338.9	299.8	289.7	317.4	224.4	324.2	293.4	217.0	457.0
Oct	294.3	270.5	300.0	297.8	243.2	338.8	302.9	292.0	317.7	229.2	324.2	302.5	230.6	457.0
Nov	296.7	274.7	301.7	300.1	243.5	342.6	303.2	294.9	318.6	232.5	325.0	311.2	244.0	456.5
Dec	297.8	276.8	302.5	301.3	242.7	345.4	302.9	296.4	319.9	233.3	326.3	310.6	244.6	453.6

¹ Intermediate materials for food manufacturing and feeds.

Source: Department of Labor, Bureau of Labor Statistics.

CONSUMER PRICES

In December, the consumer price index for all urban consumers rose 0.4 percent, seasonally adjusted (0.2 percent not seasonally adjusted). The index was 3.8 percent above its year-earlier level.



[1967 = 100, except as noted; monthly data seasonally adjusted, except as noted]

Period	All items ¹	Food	Housing							Transportation				Medical care	Energy ⁴	All items less food, energy, and shelter
			Total ¹	Shelter				Fuel and other utilities	Apparel and upkeep	Total ¹	New cars	Motor fuel ³				
				Total	Rent-ers' costs ²	Home-own-ers' costs ²	Mainte-nance and repairs									
	NSA					NSA	NSA									
Rel. imp. ⁵	100.0	18.7	37.7	21.8	7.1	14.1	0.5	8.2	5.1	21.6	3.4	5.5	6.3	11.5	48.0	
1977.....	181.5	192.2	186.5	191.1			214.7	202.2	154.2	177.2	142.9	188.2	202.4	207.3	169.5	
1978.....	195.4	211.4	202.8	210.4			233.0	216.0	159.6	185.5	153.8	196.3	219.4	220.4	179.1	
1979.....	217.4	234.5	227.6	239.7			256.4	239.3	166.6	212.0	166.0	265.6	239.7	275.9	191.5	
1980.....	246.8	254.6	263.3	281.7			285.7	278.6	178.4	249.7	179.3	369.1	265.9	361.1	208.3	
1981.....	272.4	274.6	293.5	314.7			314.4	319.2	186.9	280.0	190.2	410.9	294.5	410.0	228.1	
1982.....	289.1	285.7	314.7	337.0			334.1	350.8	191.8	291.5	197.6	389.4	328.7	416.1	245.6	
1983.....	298.4	291.7	323.1	344.8	103.0	102.5	346.3	370.3	196.5	298.4	202.6	376.4	357.3	419.3	258.4	
1984.....	311.1	302.9	336.5	361.7	108.6	107.3	359.2	387.3	200.2	311.7	208.5	370.7	379.5	423.6	271.2	
1985.....	322.2	309.8	349.9	382.0	115.4	113.1	368.9	393.6	206.0	319.9	215.2	373.8	403.1	426.5	281.6	
1984: Dec.....	315.5	307.2	341.8	370.1	111.4	109.8	364.4	389.4	202.4	315.0	210.9	368.8	389.0	423.0	275.9	
1985: Jan.....	316.1	307.7	342.3	371.0	111.8	110.0	366.0	389.1	202.4	315.8	211.6	363.8	390.3	419.8	277.2	
Feb.....	317.4	309.3	343.7	373.2	112.4	110.7	366.8	388.1	204.3	315.6	213.3	354.2	392.0	414.1	278.7	
Mar.....	318.8	309.2	344.6	374.2	112.9	110.8	370.0	389.8	205.3	319.7	214.3	367.6	395.3	422.1	279.9	
Apr.....	320.1	308.7	345.9	375.7	113.5	111.3	368.0	392.0	205.4	322.3	214.3	378.7	397.5	429.9	280.4	
May.....	321.3	308.3	348.1	379.4	114.6	112.4	366.2	392.7	205.2	321.6	213.9	380.5	399.9	431.2	280.5	
June.....	322.3	308.5	349.2	380.9	115.1	112.8	367.6	395.0	205.8	321.2	214.5	381.3	402.6	431.9	281.1	
July.....	322.8	308.8	350.2	383.0	115.8	113.5	367.8	394.9	205.3	320.7	214.9	380.2	404.5	430.6	281.5	
Aug.....	323.5	308.9	351.9	385.6	116.5	114.3	370.6	394.4	205.9	319.5	215.7	376.6	406.5	427.9	282.1	
Sept.....	324.5	309.9	352.6	386.5	116.8	114.6	368.7	395.9	207.0	318.8	216.4	373.6	408.6	427.2	282.6	
Oct.....	325.5	310.6	353.6	388.8	117.7	115.1	368.5	393.5	208.3	319.3	217.5	370.9	410.7	423.8	284.1	
Nov.....	326.6	312.7	355.4	391.2	118.5	115.8	372.7	394.9	208.8	321.6	217.5	376.3	412.8	427.5	285.2	
Dec.....	327.4	315.2	356.4	392.4	118.6	116.3	373.7	396.6	208.3	323.1	218.3	379.8	415.2	430.7	285.9	

¹ Includes items not shown separately.

² December 1982 = 100.

³ Includes direct pricing of diesel and gasoline beginning September 1981.

⁴ Fuel oil, coal, and bottled gas; gas (piped) and electricity; and motor fuel. Motor oil, coolant, etc. also included through 1982.

⁵ Relative importance, December 1984.

NOTE.—NSA indicates data are not seasonally adjusted.

Data beginning 1978 are for all urban consumers; earlier data are for urban wage earners and clerical workers.

Data beginning 1983 incorporate a rental equivalence measure for homeownership costs and therefore are not strictly comparable with figures for earlier periods.

Source: Department of Labor, Bureau of Labor Statistics.

CHANGES IN PRODUCER PRICES FOR FINISHED GOODS

[Percent change from preceding period; monthly data seasonally adjusted, except as noted]

Period	Change from preceding period				Change from 3 months earlier, annual rate				Change from 6 months earlier, annual rate				Change from year earlier, total finished goods NSA
	Total finished goods	Consumer goods		Capital equipment	Total finished goods	Consumer goods		Capital equipment	Total finished goods	Consumer goods		Capital equipment	
		Foods	Excluding foods			Foods	Excluding foods			Foods	Excluding foods		
	Change, Dec. to Dec., NSA												
1976.....	3.7	-2.5	6.0	6.4									4.4
1977.....	6.9	6.9	6.7	7.3									6.5
1978.....	9.2	11.7	8.5	7.9									7.8
1979.....	12.8	7.4	17.5	8.8									11.1
1980.....	11.8	7.5	14.2	11.4									13.5
1981.....	7.1	1.4	8.5	9.2									9.2
1982.....	3.7	2.1	4.2	3.9									4.0
1983.....	.6	2.3	-.8	1.9									1.6
1984.....	1.7	3.5	.8	1.8									2.1
1985.....	1.8	.3	2.1	2.7									.9
	Change, month to month												
1984: Dec.....	0	0.4	-0.0	-0.3	1.1	3.3	1.1	-1.1	0.6	3.9	-0.9	0.6	1.7
1985: Jan.....	-.0	-.5	-.1	.4	1.2	1.9	.7	1.6	.1	-.1	-.3	1.1	.9
Feb.....	.1	.1	-.2	.8	.1	.1	-1.2	3.7	.6	.6	-.1	2.2	.7
Mar.....	.1	-.4	.3	.3	.5	-3.0	0	6.2	.8	.1	.5	2.5	.2
Apr.....	.4	-.9	1.1	.0	2.3	-4.7	4.8	4.5	1.8	-1.5	2.7	3.1	.7
May.....	.2	-1.1	.8	.2	2.8	-9.4	9.0	2.3	1.4	-4.8	3.8	3.0	1.0
June.....	-.2	-.0	-.4	.1	1.7	-8.1	6.3	1.6	1.1	-5.6	3.1	3.9	1.1
July.....	.3	1.0	0	.1	1.1	-.6	1.6	1.7	1.7	-2.7	3.2	3.1	.9
Aug <i>r</i>	-.3	-.8	-.3	.3	-.8	.9	-2.8	1.9	1.0	-4.4	3.0	2.1	.8
Sept <i>r</i>	-.6	-.7	-.5	-.6	-2.4	-1.6	-3.2	-1.2	-.4	-4.9	1.4	.2	.2
Oct.....	.9	1.4	.5	1.0	-.1	-.1	-1.2	2.7	.5	-.4	.2	2.2	1.1
Nov <i>r</i>	.8	1.6	.8	.1	4.4	9.6	3.3	2.0	1.8	5.1	.2	1.9	1.5
Dec.....	.4	.8	.4	-.1	8.5	16.0	6.9	4.2	2.9	6.8	1.7	1.5	1.8

NOTE.—NSA indicates data are not seasonally adjusted.

Source: Department of Labor, Bureau of Labor Statistics.

CHANGES IN CONSUMER PRICES

[Percent change from preceding period; monthly data seasonally adjusted, except as noted]

Period	All items ¹	Food	Housing					Apparel and up-keep	Transportation			Medical care	Energy ³	All items less food, energy, and shelter	Addendum: All items, percent change (annual rate)			
			Total ¹	Shelter		Fuel and other utilities	Total ¹		New cars	Motor fuel ²	From previous quarter ⁴				From 3 months earlier	From 6 months earlier	From year earlier	
				Total ¹	Renters' costs													Home-owners' costs
NSA																		
Change, December to December, NSA																		
1976.....	4.8	0.6	5.4	4.2			9.0	4.5	8.8	4.8	2.6	10.1	6.9	7.0				5.8
1977.....	6.8	8.0	7.6	8.7			8.1	4.2	4.3	7.2	4.9	8.8	7.2	5.2				6.5
1978.....	9.0	11.8	9.9	11.5			5.9	3.2	7.7	6.2	8.5	8.8	8.0	6.5				7.7
1979.....	13.3	10.2	15.2	17.4			16.0	5.5	18.2	7.4	52.2	10.1	37.4	7.2				11.3
1980.....	12.4	10.2	13.7	15.1			13.6	6.8	14.7	7.5	18.9	10.0	18.1	9.9				13.5
1981.....	8.9	4.3	10.2	9.9			14.5	3.6	11.0	6.8	9.4	12.5	11.9	9.4				10.4
1982.....	3.9	3.1	3.6	2.4			9.7	1.6	1.7	1.6	-6.5	11.0	1.3	6.1				6.1
1983.....	3.8	2.6	3.5	4.7	5.1	4.5	1.8	2.9	3.9	3.4	-1.7	6.4	-5	5.0				3.2
1984.....	4.0	3.8	4.2	5.2	5.9	5.1	4.2	2.0	3.1	2.4	-2.4	6.1	.2	4.4				4.3
1985.....	3.8	2.7	4.3	6.0	6.3	5.9	1.9	2.9	2.6	3.5	3.0	6.7	1.8	3.7				3.6
Change, month to month																		
1984: Dec.....	0.3	0.4	0.2	0.4	0.5	0.4	-0.3	-0.1	0.2	0.1	-0.1	0.4	-0.2	0.3	3.6	3.0	3.7	4.0
1985: Jan.....	.2	.2	.1	.2	.4	.2	-.1	0	.3	.3	-1.4	.3	-.8	.5		2.6	3.4	3.6
Feb.....	.3	.5	.4	.6	.5	.6	-.3	.9	-.1	.8	-2.6	.4	-1.4	.5		3.2	3.3	3.5
Mar.....	.5	-.0	.3	.3	.4	.1	.4	.5	1.3	.5	3.8	.8	1.9	.4	3.2	4.1	3.5	3.7
Apr.....	.4	-.2	.4	.4	.5	.5	.6	.0	.8	0	3.0	.6	1.8	.2		4.9	3.7	3.7
May.....	.2	-.1	.6	1.0	1.0	1.0	.2	-.1	-.2	.5	.6	.3	.0	.0		4.3	3.8	3.7
June.....	.2	.1	.3	.4	.4	.4	.6	.3	-.1	.3	.2	.7	.2	.2	4.2	3.3	3.7	3.7
July.....	.2	.1	.3	.6	.6	.6	-.0	-.2	-.2	.2	-.3	.5	-.3	.1		2.5	3.7	3.6
Aug.....	.2	.0	.5	.7	.6	.7	-.1	.3	-.4	.4	-.9	.5	-.6	.2		2.4	3.4	3.4
Sept.....	.2	.3	.2	.2	.3	.3	.4	.5	-.2	.3	-.8	.5	-.2	.2	2.4	2.3	2.8	3.2
Oct.....	.3	.2	.3	.6	.8	.4	-.6	.6	.2	.5	-.7	.5	-.8	.5		2.8	2.6	3.2
Nov.....	.6	.7	.5	.6	.7	.6	.4	.2	.7	0	1.5	.5	.9	.4		4.3	3.3	3.6
Dec.....	.4	.8	.3	.3	.1	.4	.4	-.2	.5	.4	.9	.6	.7	.2	4.1	5.3	3.8	3.8

¹ Includes items not shown separately.

² Includes direct pricing of diesel and gasoline beginning September 1981.

³ Fuel oil, coal, and bottled gas; gas (piprd) and electricity; and motor fuel. Motor oil, coolant, etc., also included through 1982.

⁴ Quarterly changes are shown in the last month of the quarter.

NOTE.—NSA indicates data are not seasonally adjusted.

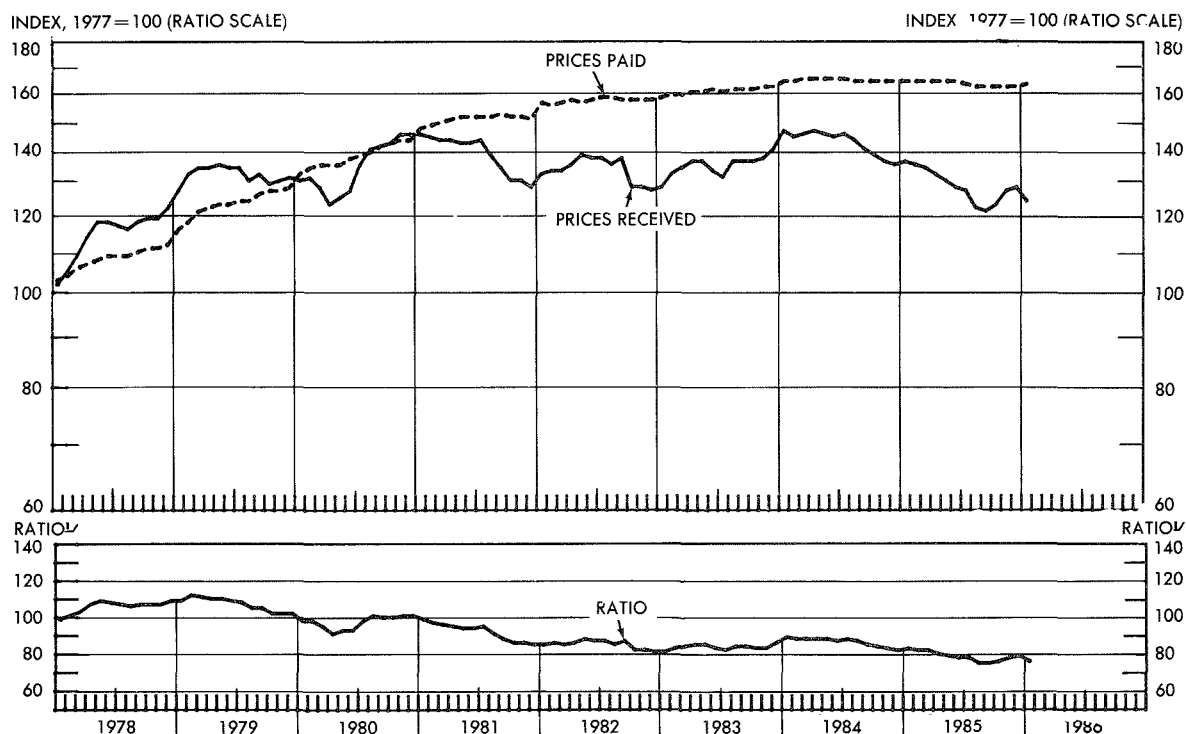
Data beginning January 1978 are for all urban consumers; earlier data are for urban wage earners and clerical workers.

Data beginning January 1983 incorporate a rental equivalence measure for homeownership costs and therefore are not strictly comparable with data for earlier periods.

Source: Department of Labor, Bureau of Labor Statistics.

PRICES RECEIVED AND PAID BY FARMERS

Prices received by farmers fell 3.1 percent in January, while prices paid by farmers rose 0.6 percent.



1/ RATIO OF INDEX OF PRICES RECEIVED TO INDEX OF PRICES PAID.

SOURCE: DEPARTMENT OF AGRICULTURE

COUNCIL OF ECONOMIC ADVISERS

[1977=100]

Period	Prices received by farmers			Prices paid by farmers			Ratio ²
	All farm products	Crops	Livestock and products	All commodities, services, interest, taxes, and wage rates ¹	Production items, interest, taxes, and wage rates	Production items	
1977.....	100	100	100	100	100	100	100
1978.....	115	105	124	108	109	108	106
1979.....	132	116	147	123	125	125	107
1980.....	134	125	144	138	139	138	97
1981.....	139	134	143	150	151	148	93
1982.....	133	121	145	157	155	150	85
1983 ^r	135	128	141	160	159	153	84
1984 ^r	142	139	146	164	161	155	86
1985 ^r	129	121	136	163	157	151	79
1984: Dec ^r	135	126	145	164	159	152	82
1985: Jan ^r	136	126	145	164	160	154	83
Feb ^r	135	124	145	164	159	154	82
Mar ^r	134	128	141	164	159	153	82
Apr ^r	132	126	136	164	159	153	80
May ^r	130	126	134	164	159	152	79
June ^r	128	123	134	164	158	151	78
July ^r	127	123	130	163	156	150	78
Aug ^r	122	115	128	162	156	149	75
Sept ^r	121	112	128	162	155	148	75
Oct ^r	123	111	134	162	154	148	76
Nov ^r	127	116	138	162	155	149	78
Dec ^r	128	118	137	162	155	149	79
1986: Jan.....	124	114	134	163	156	150	76

¹ Includes items not shown separately.

² Percentage ratio of index of prices received by farmers to index of prices paid, interest, taxes, and wage rates.

have been converted to a 1977=100 base to facilitate comparison with other indexes. Series revised.

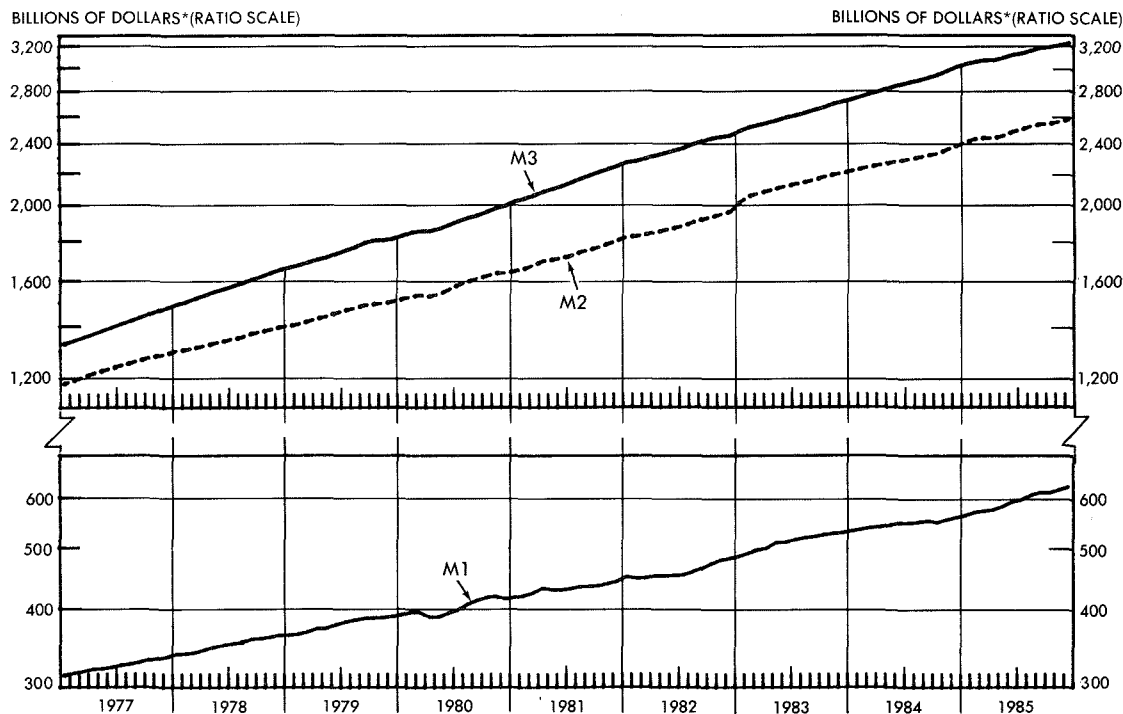
Source: Department of Agriculture.

NOTE.—The official indexes are published on a 1910-14 base as required by law. The indexes

MONEY, CREDIT, AND SECURITY MARKETS

MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES

Growth in M1 and the broader aggregates was little changed in December.



* AVERAGES OF DAILY FIGURES; SEASONALLY ADJUSTED
SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

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

Period	M1	M2	M3	L	Debt	Percent change from year or 6 months earlier ²			
	Sum of currency, demand deposits, travelers' checks, and other checkable deposits (OCDs)	M1 plus overnight RPs and Eurodollars, MMMF balances (general purpose and broker/dealer), MMDAs, and savings and small time deposits	M2 plus large time deposits, term RPs, term Eurodollars, and institution-only MMMF balances	M3 plus other liquid assets	Debt of domestic nonfinancial sectors (monthly average) ¹	M1	M2	M3	Debt
1978: Dec	363.0	1,388.9	1,646.4	1,909.7	3,151.0	8.3	8.0	11.8	13.4
1979: Dec	389.0	1,497.9	1,803.6	2,115.8	3,543.5	7.2	7.8	9.5	12.2
1980: Dec	414.8	1,631.4	1,988.5	2,324.8	3,881.8	6.6	8.9	10.3	9.5
1981: Dec	441.8	1,794.4	2,235.8	2,596.6	4,255.8	6.5	10.0	12.4	9.6
1982: Dec	480.8	1,954.9	2,446.8	2,854.8	4,649.8	8.8	8.9	9.4	9.3
1983: Dec	528.0	2,188.8	2,701.7	3,168.9	5,177.2	9.8	12.0	10.4	11.3
1984: Dec	558.5	2,371.7	2,995.0	3,541.3	5,927.0	5.8	8.4	10.9	14.5
1985: Dec ^p	624.7	2,563.6	3,213.1	.....	.....	11.9	8.1	7.3	.....
1985: Jan	562.7	2,398.9	3,020.5	3,564.0	5,992.6	5.9	10.7	11.4	14.8
Feb	569.4	2,421.0	3,041.0	3,595.5	6,048.2	7.6	11.5	11.6	14.3
Mar	572.1	2,429.6	3,055.9	3,623.3	6,103.8	7.6	10.8	11.0	14.2
Apr	574.9	2,427.7	3,056.9	3,625.9	6,165.4	9.9	9.6	9.2	14.0
May	581.6	2,444.9	3,076.9	3,644.5	6,228.6	10.3	8.6	8.1	13.3
June	591.2	2,472.9	3,104.5	3,675.1	6,290.8	12.1	8.7	7.4	12.7
July	595.8	2,490.6	3,117.2	3,694.6	6,356.0	12.1	7.8	6.5	12.5
Aug ^r	605.9	2,514.0	3,142.6	3,732.9	6,419.7	13.2	7.8	6.8	12.7
Sept ^r	611.9	2,528.8	3,168.5	3,765.9	6,479.2	14.4	8.3	7.5	12.7
Oct ^r	611.1	2,533.0	3,178.3	3,780.3	6,542.1	13.0	8.9	8.1	12.6
Nov ^r	617.9	2,547.0	3,194.0	3,815.5	6,626.0	12.9	8.5	7.8	13.2
Dec ^p	624.7	2,563.6	3,213.1	.....	.....	11.7	7.5	7.1	.....

¹ Consists of outstanding credit market debt of the U.S. Government, State and local governments, and private nonfinancial sectors; data from flow of funds accounts.

² Annual changes are from December to December and monthly changes are from 6 months earlier at a seasonally adjusted annual rate.

NOTE.—The nontransactions portion of M2 is seasonally adjusted as a whole to reduce distortions

caused by substantial portfolio shifts arising from regulatory and financial changes in recent years, especially shifts to MMDAs in 1983. A similar procedure is used to seasonally adjust the remaining nontransactions balances in M3.

See p. 27 for components.

Source: Board of Governors of the Federal Reserve System.

COMPONENTS OF MONEY STOCK AND LIQUID ASSETS

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

Period	Cur- rency	De- mand de- posits	Other check- able depos- its (OCDs)	Over- night repur- chase agree- ments (RPs), net, plus over- night Euro- dollars	Money market mutual fund balances		Money market deposit accounts (MMDAs)	Sav- ings depos- its	Small denom- ination time depos- its ¹	Large denom- ination time depos- its ¹	Term repur- chase agree- ments (RPs)	Term Euro- dollars (net)	Sav- ings bonds	Short- term Treas- ury securi- ties	Bank- ers' accept- ances	Com- mercial paper
					Gen- eral pur- pose and broker/ dealer	Insti- tution only										
					NSA	NSA	NSA				NSA	NSA				
1978: Dec	97.6	253.4	8.5	20.3	6.4	3.1	0.0	481.7	521.2	195.1	26.6	31.8	80.3	81.9	22.0	79.2
1979: Dec	106.4	261.3	17.5	21.2	33.4	9.5	.0	423.3	634.6	222.0	29.5	44.7	79.6	108.4	27.2	97.0
1980: Dec	116.4	265.7	28.2	28.3	61.6	15.2	.0	400.8	729.0	258.9	34.0	50.3	72.3	133.9	32.0	98.1
1981: Dec	124.0	235.2	78.2	35.9	150.6	38.0	.0	344.4	823.6	302.1	36.0	67.5	67.8	150.4	39.7	102.8
1982: Dec	134.3	238.6	103.5	38.8	185.2	51.1	43.2	357.8	851.5	328.3	34.5	81.7	67.9	186.2	43.9	107.0
1983: Dec	148.4	243.5	131.3	53.8	138.2	43.2	379.2	307.0	784.6	330.8	51.8	91.5	71.1	216.3	44.1	135.2
1984: Dec	158.7	248.6	146.0	57.6	167.5	62.7	415.1	288.6	885.6	416.2	69.7	83.2	74.1	267.2	43.2	161.8
1985: Dec ^P ..	170.8	270.8	177.2	72.9	175.8	64.5	509.0	305.0	878.3	441.0	76.4	76.4				
1985:																
Jan.....	159.4	249.1	149.0	62.9	171.9	65.0	433.7	288.6	881.9	416.9	65.0	81.1	74.4	^r 266.6	42.8	159.6
Feb.....	160.5	251.7	151.8	69.6	175.1	62.2	448.3	289.4	877.6	419.3	65.7	81.3	74.9	^r 270.2	44.6	164.8
Mar.....	161.3	251.9	153.6	68.1	177.6	59.5	457.9	288.6	878.6	423.6	68.9	84.7	75.3	^r 275.9	46.4	169.8
Apr.....	161.7	252.5	155.3	59.4	176.2	59.6	460.3	287.8	885.3	427.3	71.9	81.0	75.8	^r 278.2	46.1	168.9
May.....	163.1	255.8	157.3	64.1	172.2	63.5	463.8	289.3	892.0	428.2	68.8	81.8	76.2	^r 277.9	44.8	168.6
June.....	164.5	260.7	160.3	63.0	175.4	67.1	475.1	292.1	894.2	424.1	66.9	79.9	76.6	^r 286.5	42.8	164.7
July.....	165.4	260.9	163.6	62.6	175.8	65.0	484.1	296.0	888.5	420.0	65.0	79.4	76.7	^r 286.9	42.7	171.1
Aug.....	167.1	264.1	168.9	66.1	176.8	63.6	492.1	300.3	878.4	^r 421.4	67.6	80.2	77.2	^r 288.1	42.9	182.0
Sept ^r	167.9	266.8	171.3	66.6	176.7	62.3	496.7	301.7	874.4	428.6	70.7	80.0	78.1	^r 289.9	42.9	186.6
Oct ^r	168.8	264.0	172.4	67.1	177.0	63.3	501.1	304.3	871.6	433.3	70.6	78.9	78.5	^r 288.2	43.6	191.7
Nov ^r	170.0	266.3	175.7	68.8	176.5	64.5	506.5	305.8	871.7	437.7	74.3	79.0	78.9	^r 303.3	42.5	196.8
Dec ^P	170.8	270.8	177.2	72.9	175.8	64.5	509.0	305.0	878.3	441.0	76.4	76.4				

¹ Small denomination and large denomination deposits are those issued in amounts of less than \$100,000 and more than \$100,000, respectively.

Travelers checks are a component of money stock but are not shown here.
NSA indicates data are not seasonally adjusted.

NOTE.—See note p. 26.

Source: Board of Governors of the Federal Reserve System.

CONSUMER INSTALLMENT CREDIT

[Millions of dollars; seasonally adjusted]

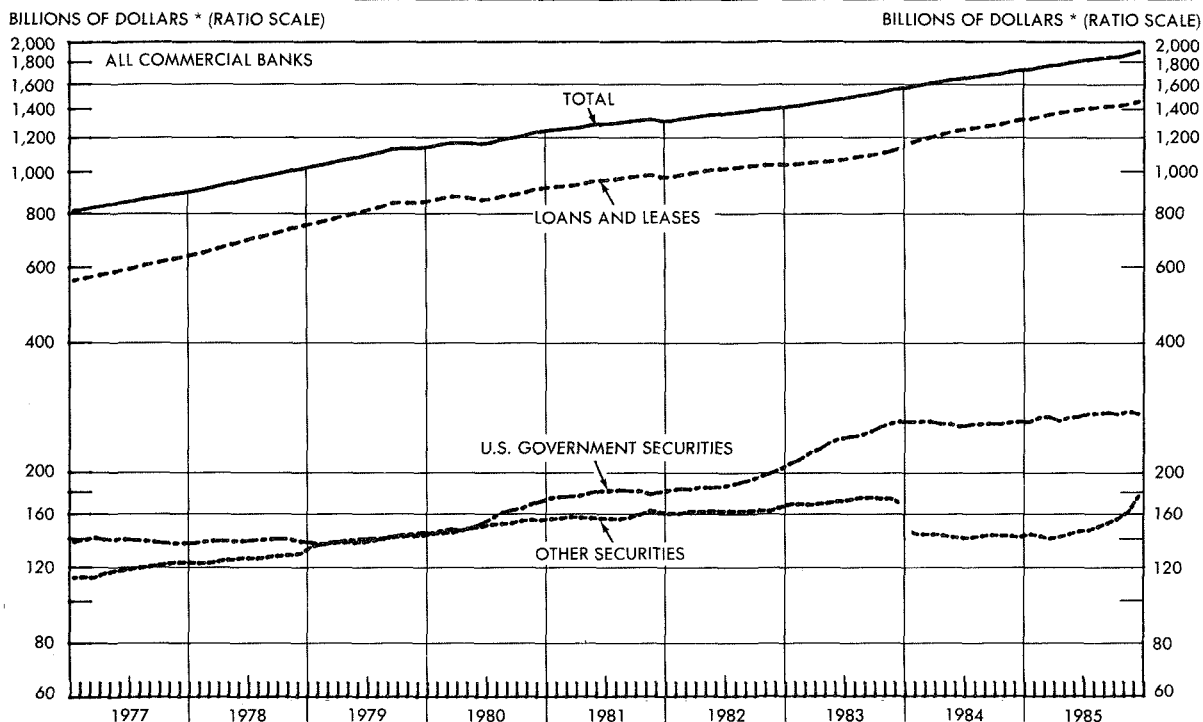
Period	Installment credit outstanding (end of period)					Net change in installment credit outstanding ¹				
	Total	Automobile	Revolving	Mobile home	Other	Total	Auto- mobile	Revolving	Mobile home	Other
1980: Dec	296,290	112,134	54,900	18,783	110,473					
1981: Dec	312,907	119,796	60,309	19,890	112,912	16,617	7,662	5,409	1,107	2,439
1982: Dec	328,275	124,938	65,019	22,491	115,827	15,368	5,142	4,710	2,601	2,915
1983: Dec	376,006	142,497	76,453	23,773	133,283	47,731	17,559	11,434	1,282	17,456
1984: Dec	452,372	172,461	94,940	24,552	160,419	76,366	29,964	18,487	779	27,136
1985: Dec	541,372	209,984	116,283	26,476	188,629	89,000	37,523	21,343	1,924	28,210
1985: Jan.....	459,595	175,348	96,897	24,393	162,957	7,223	2,887	1,957	—159	2,538
Feb.....	468,636	178,546	99,424	24,675	165,991	9,041	3,198	2,527	282	3,034
Mar.....	476,978	181,937	102,055	24,664	168,322	8,342	3,391	2,631	—11	2,331
Apr.....	485,248	185,425	104,181	24,882	170,760	8,270	3,488	2,126	218	2,438
May.....	494,290	189,217	106,610	25,068	173,395	9,042	3,792	2,429	186	2,635
June.....	499,517	191,903	106,537	25,264	175,813	5,227	2,686	—73	196	2,418
July.....	505,764	194,268	107,393	25,588	178,515	6,247	2,365	856	324	2,702
Aug.....	511,490	196,474	108,329	25,787	180,900	5,726	2,206	936	199	2,385
Sept.....	523,021	203,678	110,303	25,955	183,085	11,531	7,204	1,974	168	2,185
Oct ^r	531,438	207,472	112,345	26,136	185,485	8,417	3,794	2,042	181	2,400
Nov.....	536,230	208,588	114,960	26,137	186,545	4,792	1,116	2,615	1	1,060
Dec.....	541,372	209,984	116,283	26,476	188,629	5,142	1,396	1,323	339	2,084

¹ For year-end data, change from preceding year-end; for monthly data, change from preceding month.

Source: Board of Governors of the Federal Reserve System.

BANK LOANS AND SECURITIES, AND RESERVES

Commercial and industrial loans rose in December.



* SEASONALLY ADJUSTED.
SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars, seasonally adjusted, except as noted]

Period	All commercial banks ¹					Depository institutions ³				
	Total loans and securities	Loans and leases		U.S. Government securities	Other securities	Reserves adjusted for changes in reserve requirements			Borrowings (millions of dollars, unadjusted)	
		Total ²	Commercial and industrial loans			Total	Non-borrowed	Required	Total	Seasonal
1978: Dec	1,013.8	746.9	246.1	137.6	129.2	27.91	27.04	27.67	868	135
1979: Dec	1,135.4	849.1	291.1	144.4	141.9	29.20	27.73	28.76	1,473	81
1980: Dec	1,239.7	914.5	326.9	170.9	154.4	31.04	29.35	30.52	1,690	116
1981: Dec	1,307.4	967.4	355.1	179.6	160.4	32.10	31.46	31.78	636	54
1982: Dec	1,400.5	1,032.8	391.5	202.7	165.0	34.28	33.65	33.78	634	33
1983: Dec	1,553.0	1,122.7	412.8	260.8	169.6	36.14	35.36	35.58	774	96
1984: Dec	1,716.8	1,316.5	469.0	260.3	140.0	39.08	35.90	38.23	3,186	113
1985: Dec ^p	1,895.5	1,450.3	493.9	270.7	174.5	45.19	43.87	44.13	1,318	56
1984: Dec	1,716.8	1,316.5	469.0	260.3	140.0	39.08	35.90	38.23	3,186	113
1985: Jan	1,726.3	1,323.4	469.2	260.3	142.6	39.64	38.24	38.89	1,395	62
Feb	1,744.8	1,337.7	474.2	266.0	141.1	40.43	39.14	39.53	1,289	71
Mar	1,761.6	1,355.6	481.2	267.1	138.9	40.47	38.88	39.71	1,593	88
Apr	1,768.8	1,367.1	481.9	261.4	140.2	40.71	39.39	39.97	1,323	135
May	1,788.5	1,380.0	484.3	266.3	142.2	41.32	39.99	40.52	1,334	165
June	1,802.7	1,391.0	484.3	267.1	144.5	42.18	40.97	41.27	1,205	151
July	1,819.0	1,402.1	484.1	271.6	145.4	42.61	41.50	41.75	1,107	167
Aug	1,828.8	1,409.2	485.7	271.4	148.2	43.19	42.12	42.37	1,073	221
Sept	1,841.3	1,416.9	487.2	273.1	151.3	43.51	42.22	42.84	1,289	203
Oct	1,844.4	1,419.7	487.0	270.0	154.8	43.65	42.46	42.90	1,187	172
Nov	1,869.6	1,433.9	490.6	275.0	160.7	44.38	42.64	43.45	1,741	107
Dec ^p	1,895.5	1,450.3	493.9	270.7	174.5	45.19	43.87	44.13	1,318	56

¹ Data are prorated averages of Wednesday figures for domestically chartered banks and averages of month-end data for foreign-related institutions.

² Excludes loans to commercial banks in the United States.

³ Data are averages of daily figures.

NOTE.—Data beginning January 1984 are not strictly comparable with data for earlier periods, largely because beginning January 1984 certain obligations of States and political subdivisions are included in loans rather than in other securities.

Source: Board of Governors of the Federal Reserve System.

SOURCES AND USES OF FUNDS, NONFARM NONFINANCIAL CORPORATE BUSINESS

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

Period	Sources							Uses			Discrepancy (sources less uses)
	Total	Internal ¹	External					Total	Capital expendi- tures ³	Increase in financial assets	
			Total	Credit market funds			Other ²				
				Total	Securities and mortgages	Loans and short-term paper					
1974.....	190.3	85.6	104.7	70.2	26.3	43.9	34.5	190.1	137.9	52.2	0.2
1975.....	157.0	119.7	37.3	30.8	38.7	- 7.9	6.5	150.9	109.7	41.2	6.0
1976.....	211.0	134.2	76.8	54.7	38.2	16.5	22.1	201.8	148.3	53.5	9.2
1977.....	254.1	157.4	96.7	72.4	35.8	36.6	24.3	237.6	175.1	62.5	16.5
1978.....	317.5	175.7	141.8	80.5	32.8	47.7	61.3	293.7	201.7	92.0	23.8
1979.....	345.2	188.8	156.4	88.2	20.9	67.3	68.2	343.7	219.5	124.3	1.4
1980.....	337.6	189.5	148.1	93.3	52.4	40.9	54.8	317.7	221.2	96.5	20.0
1981.....	371.6	230.4	141.3	92.0	21.8	70.2	49.3	334.6	271.2	63.4	37.0
1982.....	312.8	234.3	78.5	83.3	43.9	39.4	- 4.9	253.8	229.6	24.2	58.9
1983.....	416.9	280.5	136.4	82.9	56.7	26.2	53.5	369.6	256.3	113.3	47.3
1984.....	487.4	334.8	152.6	104.7	- 15.9	120.6	47.9	444.0	367.8	76.2	43.4
1984: I.....	511.1	319.6	191.5	106.2	- 33.2	139.4	85.3	480.6	355.6	125.0	30.4
II.....	490.6	331.7	159.0	78.0	- 66.6	144.6	80.9	449.9	364.1	85.9	40.7
III.....	442.8	340.7	102.1	76.2	- 5.6	81.8	25.9	395.7	387.9	7.8	47.1
IV.....	505.1	347.1	158.0	158.6	42.0	116.5	- 6	449.9	363.8	86.1	55.3
1985: I.....	419.9	351.5	68.4	59.7	- 16.5	76.2	8.7	399.7	371.5	28.2	20.1
II.....	428.7	357.9	70.8	55.0	22.5	32.5	15.8	392.3	363.5	28.8	36.4
III P.....	412.3	379.5	32.8	23.5	4.6	18.9	9.3	368.8	359.0	9.8	43.5

¹ Undistributed profits (after inventory valuation and capital consumption adjustments), capital consumption allowances, and foreign branch profits, dividends, and subsidiaries' earnings retained abroad.

² Consists of tax liabilities, trade debt, and direct foreign investment in the U.S.

³ Plant and equipment, residential structures, inventory investment, and mineral rights from U.S. Government.

Source: Board of Governors of the Federal Reserve System.

CURRENT ASSETS AND LIABILITIES OF NONFINANCIAL CORPORATIONS

[Billions of dollars, except as noted]

End of period	Current assets						Current liabilities			Net working capital	Current ratio ¹
	Total	Cash	U.S. Govern- ment securities	Notes and accounts receivable	Invento- ries	Other current assets	Total	Notes and accounts payable	Other current liabilities		
SEC series: ²											
1970.....	492.3	50.2	7.7	206.1	193.3	35.0	304.9	211.3	93.6	187.4	1.615
1971.....	529.6	53.3	11.0	221.1	200.4	43.8	326.0	220.5	105.5	203.6	1.625
1972.....	599.3	59.0	10.6	248.2	225.7	55.8	375.6	282.9	92.7	223.7	1.595
1973.....	697.8	66.3	12.8	288.5	263.9	66.4	450.9	340.3	110.7	246.9	1.548
1974.....	790.7	71.1	12.3	322.1	313.6	71.7	530.4	402.3	128.1	260.3	1.491
QFR-FRB series: ³											
1974.....	735.4	73.2	11.1	265.8	319.5	65.9	453.4	269.8	183.6	282.0	1.622
1975.....	759.0	82.1	19.0	272.1	315.9	69.9	451.6	264.2	187.4	307.4	1.681
1976.....	827.4	88.2	23.5	292.9	342.5	80.3	495.1	282.1	213.0	332.4	1.671
1977.....	912.7	97.2	18.2	330.3	376.9	90.1	557.1	317.6	239.6	355.5	1.638
1978.....	1,043.7	105.5	17.2	388.0	431.8	101.1	669.5	383.0	286.5	374.3	1.559
1979.....	1,214.8	118.0	16.7	459.0	505.1	116.0	807.3	460.8	346.5	407.5	1.505
1980.....	1,327.0	126.9	18.7	506.8	542.8	131.8	889.3	513.6	375.7	437.8	1.492
1981.....	1,418.4	135.5	17.6	532.0	583.7	149.5	970.0	546.3	423.7	448.4	1.462
1982.....	1,432.7	147.0	22.8	519.2	578.6	165.2	976.8	543.0	433.8	455.9	1.467
1983.....	1,557.3	165.8	30.6	577.8	599.3	183.7	1,043.0	577.8	465.3	514.3	1.493
1984.....	1,682.0	160.9	36.6	622.3	655.6	206.6	1,150.7	627.4	523.3	531.3	1.462
1983: III.....	1,522.8	150.5	27.0	565.0	597.3	183.0	1,026.6	559.3	467.3	496.3	1.483
IV.....	1,557.3	165.8	30.6	577.8	599.3	183.7	1,043.0	577.8	465.3	514.3	1.493
1984: I.....	1,599.6	159.0	35.0	599.7	619.6	186.3	1,077.0	584.0	493.0	522.6	1.485
II.....	1,630.1	154.7	36.9	615.4	629.8	193.4	1,111.9	605.1	506.9	518.1	1.466
III.....	1,666.1	150.0	33.2	630.6	656.9	195.4	1,142.2	623.9	518.2	523.9	1.459
IV.....	1,682.0	160.9	36.6	622.3	655.6	206.6	1,150.7	627.4	523.3	531.3	1.462
1985: I.....	1,694.7	153.5	35.2	635.2	664.6	206.2	1,159.5	615.6	543.9	535.2	1.462
II P.....	1,704.0	154.6	35.1	636.0	663.7	214.7	1,163.9	625.9	538.1	540.1	1.464

¹ Total current assets divided by total current liabilities.

² Based on data from *Statistics of Income*, Department of the Treasury.

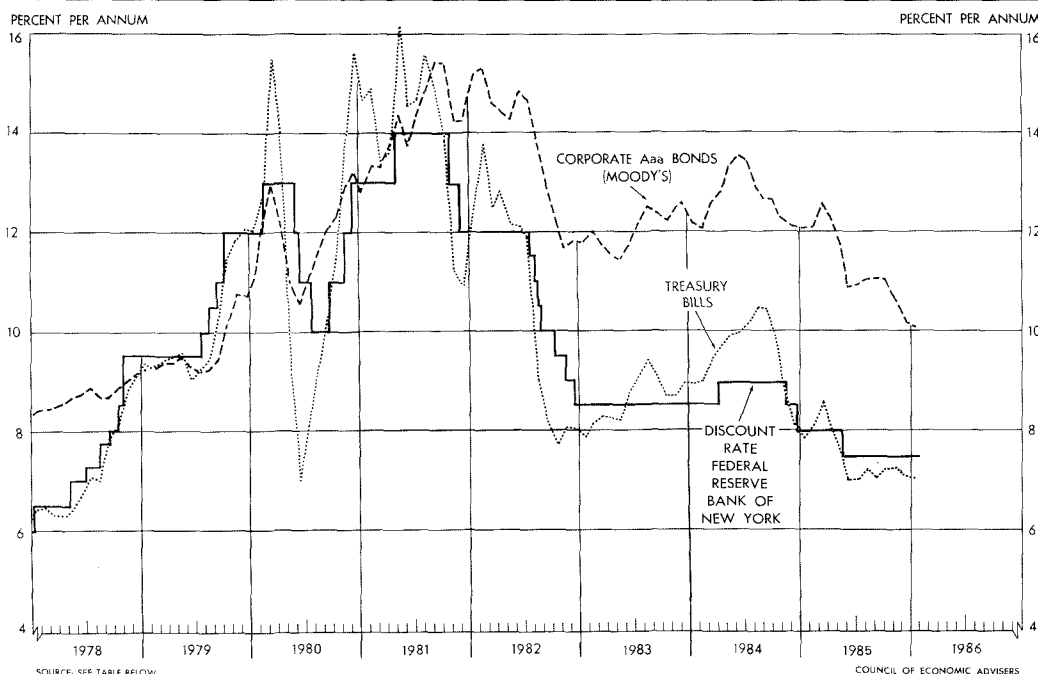
³ Based on data from *Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations*, Effective mid-1982, responsibility for the *Quarterly Financial Report* was transferred to the Department of Commerce, Bureau of the Census from the Federal Trade Commission.

NOTE.—SEC series not available after 1974. See *Federal Reserve Bulletin*, July 1978, for details regarding the series.

Sources: Board of Governors of the Federal Reserve System, Department of Commerce (Bureau of the Census), Federal Trade Commission, and Securities and Exchange Commission.

INTEREST RATES AND BOND YIELDS

Interest rates fell in January.



[Percent per annum]

Period	U.S. Treasury security yields			High-grade municipal bonds (Standard & Poor's) ³	Corporate Aaa bonds (Moody's) ⁴	Prime commercial paper, 6 months ⁵	Discount rate (N.Y. F.R. Bank) ⁶	Prime rate charged by banks ⁶	New-home mortgage yields (FHLBB) ⁷
	3-month bills ¹	Constant maturities ²							
		3-year	10-year						
1980	11.506	11.55	11.46	8.51	11.94	12.29	11.77	15.27	12.66
1981	14.029	14.44	13.91	11.23	14.17	14.76	13.41	18.87	14.70
1982	10.686	12.92	13.00	11.57	13.79	11.89	11.02	14.86	15.14
1983	8.63	10.45	11.10	9.47	12.04	8.89	8.50	10.79	12.57
1984	9.58	11.89	12.44	10.15	12.71	10.16	8.80	12.04	12.38
1985	7.48	9.64	10.62	8.18	11.37	8.01	7.69	9.93	.....
							Open-close	Open-close	
1985: Jan.....	7.76	10.43	11.38	9.55	12.08	8.15	8.00-8.00	10.75-10.50	12.27
Feb.....	8.22	10.55	11.51	9.66	12.13	8.69	8.00-8.00	10.50-10.50	12.21
Mar.....	8.57	11.05	11.86	9.79	12.56	9.23	8.00-8.00	10.50-10.50	11.92
Apr.....	8.00	10.49	11.43	9.48	12.23	8.47	8.00-8.00	10.50-10.50	12.05
May.....	7.56	9.75	10.85	9.08	11.72	7.88	8.00-7.50	10.50-10.00	12.01
June.....	7.01	9.05	10.16	8.78	10.94	7.38	7.50-7.50	10.00- 9.50	11.75
July.....	7.05	9.18	10.31	8.90	10.97	7.57	7.50-7.50	9.50- 9.50	11.34
Aug.....	7.18	9.31	10.33	9.18	11.05	7.74	7.50-7.50	9.50- 9.50	11.24
Sept.....	7.08	9.37	10.37	9.37	11.07	7.86	7.50-7.50	9.50- 9.50	11.17
Oct.....	7.17	9.25	10.24	9.24	11.02	7.79	7.50-7.50	9.50- 9.50	11.09
Nov.....	7.20	8.88	9.78	8.64	10.55	7.69	7.50-7.50	9.50- 9.50	11.01
Dec.....	7.07	8.40	9.26	8.51	10.16	7.62	7.50-7.50	9.50- 9.50	10.94
1986: Jan.....	7.04	8.41	9.19	8.06	10.05	7.62	7.50-7.50	9.50- 9.50	10.87
Week ended:									
1986: Jan 4.....	7.04	8.25	9.03	8.41	9.92	7.59	7.50-7.50	9.50- 9.50	.....
11.....	7.05	8.39	9.16	8.05	9.95	7.58	7.50-7.50	9.50- 9.50	.....
18.....	7.23	8.57	9.35	8.10	10.18	7.71	7.50-7.50	9.50- 9.50	.....
25.....	6.98	8.46	9.24	8.10	10.13	7.64	7.50-7.50	9.50- 9.50	.....
Feb 1.....	6.92	8.29	9.09	7.99	10.00	7.59	7.50-7.50	9.50- 9.50	.....
8.....	6.99	8.21	9.02	7.81	9.90	7.55	7.50-7.50	9.50- 9.50	.....
15.....	7.18	.....	.....	.....	.....	.....	7.50-	9.50-	.....

¹ Rate on new issues within period; bank-discount basis.

² Yields on the more actively traded issues adjusted to constant maturities by the Treasury Department.

³ Weekly data are Wednesday figures.

⁴ Series excludes public utility issues for January 17, 1984 through October 11, 1984 due to lack of appropriate issues.

⁵ Bank-discount basis. Prior to November 1, 1979, data are for 4-6 months paper.

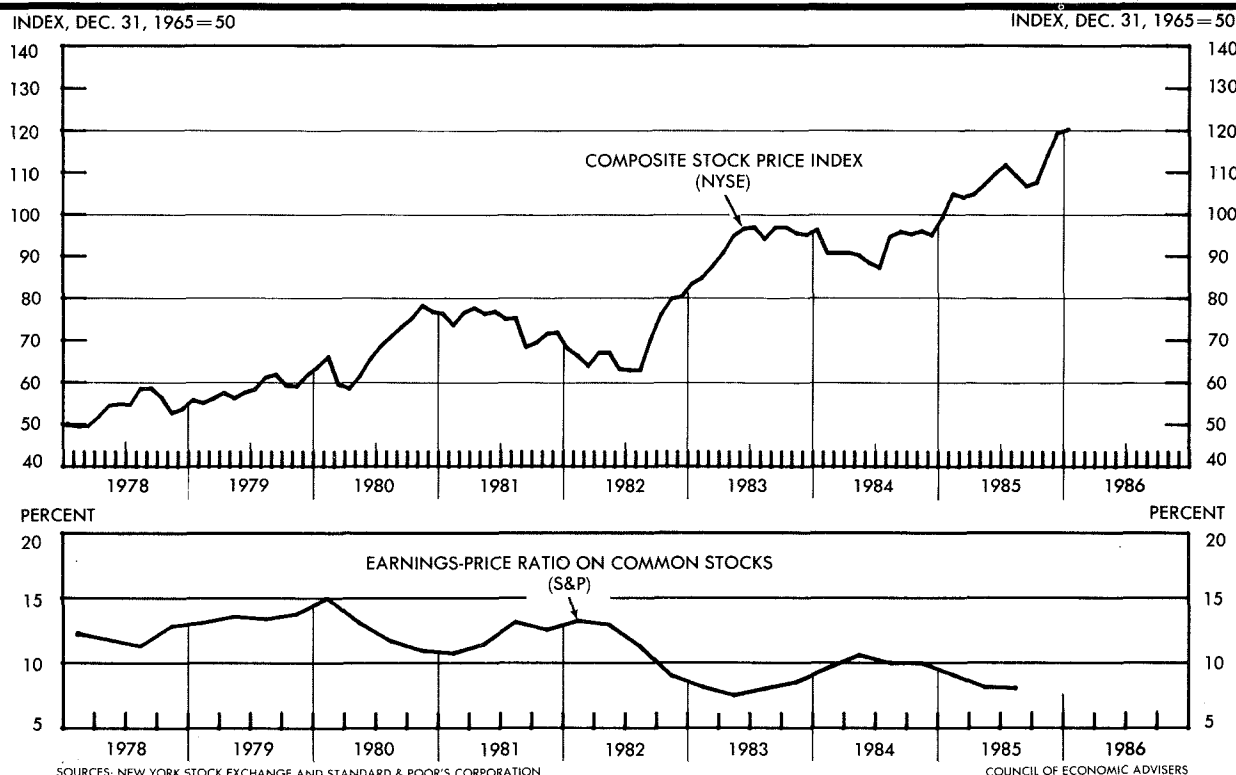
⁶ Average effective rate for year; opening and closing rate for month and week.

⁷ Effective rate (in the primary market) on conventional mortgages, reflecting fees and charges as well as contract rate and assumed, on the average, repayment at end of 10 years. Rates beginning January 1973 not strictly comparable with prior rates.

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

COMMON STOCK PRICES AND YIELDS

Stock prices rose again in January.



Period	Common stock prices ¹							Common stock yields (percent) ⁵	
	New York Stock Exchange indexes (Dec. 31, 1965=50) ²						Standard & Poor's composite index (1941-43=10) ⁴	Dividend-price ratio	Earnings-price ratio
	Composite	Industrial	Transportation	Utility	Finance	Dow-Jones industrial average ³			
1980	68.10	78.70	60.61	37.35	64.25	891.41	118.78	5.26	12.66
1981	74.02	85.44	72.61	38.91	73.52	932.92	128.05	5.20	11.96
1982	68.93	78.18	60.41	39.75	71.99	884.36	119.71	5.81	11.60
1983	92.63	107.45	89.36	47.00	95.34	1,190.34	160.41	4.40	8.03
1984	92.46	108.01	85.63	46.44	89.28	1,178.48	160.46	4.64	10.02
1985	108.09	123.79	104.11	56.75	114.21	1,328.23	186.84	4.25	.....
1985: Jan.....	99.11	113.99	94.88	51.95	101.34	1,238.16	171.61	4.51	.....
Feb.....	104.73	120.71	101.76	53.44	109.58	1,283.23	180.88	4.30	.....
Mar.....	103.92	119.64	98.30	53.91	107.59	1,268.83	179.42	4.37	9.07
Apr.....	104.66	119.93	96.47	55.51	109.39	1,266.36	180.62	4.37	.....
May.....	107.00	121.88	99.66	57.32	115.31	1,279.40	184.90	4.31	.....
June.....	109.52	124.11	105.79	59.61	118.47	1,314.00	188.89	4.21	8.12
July.....	111.64	126.94	111.67	59.68	119.85	1,343.17	192.54	4.14	.....
Aug.....	109.09	124.92	109.92	56.99	114.68	1,326.18	188.31	4.23	.....
Sept.....	106.62	122.35	104.96	55.93	110.21	1,317.95	184.06	4.32	8.03
Oct.....	107.57	123.65	103.72	55.84	112.36	1,351.58	186.18	4.28	.....
Nov.....	113.93	130.53	108.61	59.07	122.83	1,432.88	197.45	4.06	.....
Dec ^r	119.33	136.77	113.52	61.69	128.86	1,517.02	207.26	3.88	.....
1986: Jan.....	120.16	137.13	115.72	62.46	132.36	1,534.86	208.19	3.90	.....
Week ended:									
1986: Jan 4.....	121.25	138.91	113.65	62.96	131.05	1,546.02	210.61	3.82	.....
11.....	120.48	137.72	112.90	62.71	131.86	1,534.33	208.90	3.89	.....
18.....	119.90	137.09	114.05	61.97	131.90	1,529.04	207.84	3.88	.....
25.....	118.80	135.50	116.44	61.71	130.94	1,517.41	205.50	3.97	.....
Feb 1.....	121.05	137.57	120.49	63.20	135.25	1,555.23	209.72	3.84	.....
8.....	123.12	140.16	121.71	63.80	137.81	1,598.95	213.55	3.80	.....

¹ Average of daily closing prices.

² Includes all the stocks (more than 1,500) listed on the NYSE.

³ Includes 30 stocks.

⁴ Includes 500 stocks.

⁵ Standard & Poor's series. Dividend-price ratios based on Wednesday closing prices. Earnings-

price ratios based on prices at end of quarter.

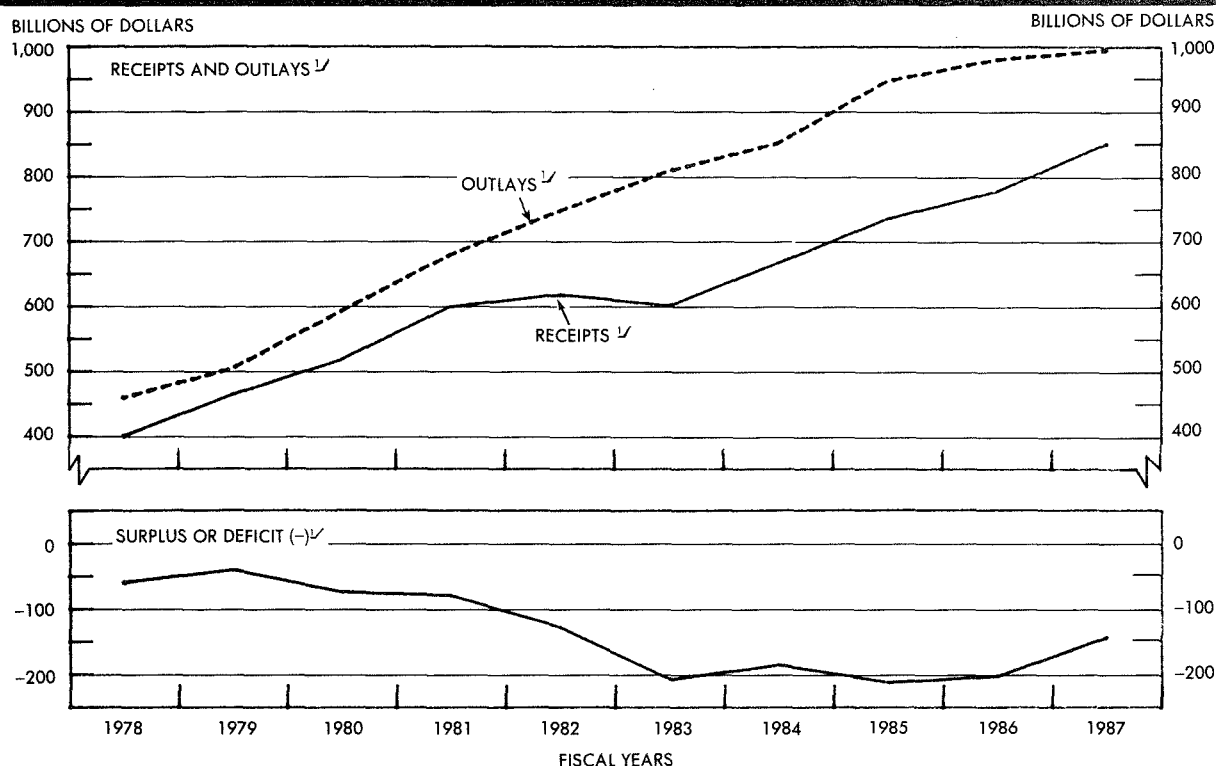
NOTE.—All data relate to stocks listed on the New York Stock Exchange (NYSE).

Sources: New York Stock Exchange, Dow-Jones & Company, Inc., and Standard & Poor's Corporation.

FEDERAL FINANCE

FEDERAL RECEIPTS, OUTLAYS, AND DEBT

According to the budget submitted in early February, the Federal deficit (including on-budget and off-budget items) is estimated at \$202.8 billion for fiscal 1986 and at \$143.6 for fiscal 1987.



✓ INCLUDES ON-BUDGET AND OFF-BUDGET ITEMS.

SOURCES: DEPARTMENT OF THE TREASURY AND OFFICE OF MANAGEMENT AND BUDGET

COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars]

Fiscal year or period	Total			On-budget			Off-budget			Gross Federal debt (end of period)	
	Receipts	Outlays	Surplus or deficit (-)	Receipts	Outlays	Surplus or deficit (-)	Receipts	Outlays	Surplus or deficit (-)	Total	Held by the public
1973.....	230.8	245.7	-14.9	184.7	200.1	-15.4	46.1	45.6	0.5	468.4	343.0
1974.....	263.2	269.4	-6.1	209.3	217.3	-8.0	53.9	52.1	1.8	486.2	346.1
1975.....	279.1	332.3	-53.2	216.6	271.9	-55.3	62.5	60.4	2.0	544.1	396.9
1976.....	298.1	371.8	-73.7	231.7	302.2	-70.5	66.4	69.6	-3.2	631.9	480.3
Transition quarter.....	81.2	96.0	-14.7	63.2	76.6	-13.3	18.0	19.4	-1.4	646.4	498.3
1977.....	355.6	409.2	-53.6	278.7	328.5	-49.7	76.8	80.7	-3.9	709.1	551.8
1978.....	399.6	458.7	-59.2	314.2	369.1	-54.9	85.4	89.7	-4.3	780.4	610.9
1979.....	463.3	503.5	-40.2	365.3	403.5	-38.2	98.0	100.0	-2.0	833.8	644.6
1980.....	517.1	590.9	-73.8	403.9	476.6	-72.7	113.2	114.3	-1.1	914.3	715.1
1981.....	599.3	678.2	-78.9	469.1	543.0	-73.9	130.2	135.2	-5.0	1,003.9	794.4
1982.....	617.8	745.7	-127.9	474.3	594.3	-120.0	143.5	151.4	-7.9	1,147.0	929.4
1983.....	600.6	808.3	-207.8	453.2	661.2	-208.0	147.3	147.1	.2	1,381.9	1,141.8
1984.....	666.5	851.8	-185.3	500.4	686.0	-185.6	166.1	165.8	.3	1,576.7	1,312.6
1985.....	734.1	946.3	-212.3	547.9	769.5	-221.6	186.2	176.8	9.4	1,827.5	1,509.9
1986 ¹	777.1	979.9	-202.8	579.2	795.2	-216.0	197.9	184.7	13.2	2,112.0	1,714.0
1987 ¹	850.4	994.0	-143.6	636.1	795.4	-159.3	214.3	198.6	15.7	2,320.6	1,855.7

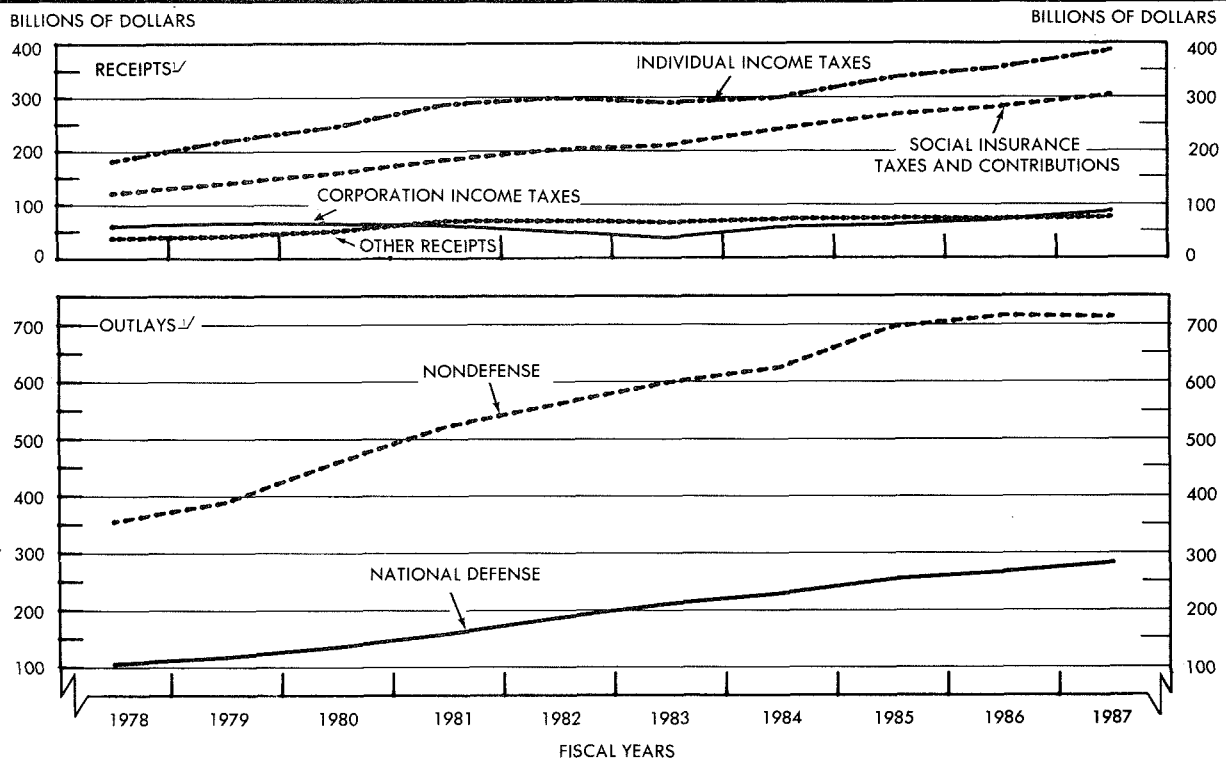
¹ Estimates.

NOTE.—All data from *Budget of the United States Government, Fiscal Year 1987*, Office of Management and Budget.

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

FEDERAL RECEIPTS BY SOURCE AND OUTLAYS BY FUNCTION

According to the budget submitted in early February, total Federal receipts are estimated at \$777.1 billion for fiscal 1986 and at \$850.4 billion for fiscal 1987. Outlays are estimated at \$979.9 billion for fiscal 1986 and at \$994.0 billion for fiscal 1987.



✓ INCLUDES ON-BUDGET AND OFF-BUDGET ITEMS.

SOURCES: DEPARTMENT OF THE TREASURY AND OFFICE OF MANAGEMENT AND BUDGET

COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars]

Fiscal year	On-budget and off-budget receipts					On-budget and off-budget outlays									
	Total	Individual income taxes	Corporation income taxes	Social insurance taxes and contributions	Other	Total	National defense		International affairs	Health	Medicare	Income security	Social security	Net interest	Other
							Total	Department of Defense, military							
1976	298.1	131.6	41.4	90.8	34.3	371.8	89.6	88.1	6.4	15.7	15.8	60.8	73.9	26.7	82.8
1977	355.6	157.6	54.9	106.5	36.6	409.2	97.2	95.3	6.4	17.3	19.3	61.0	85.1	29.9	93.0
1978	399.6	181.0	60.0	121.0	37.7	458.7	104.5	102.3	7.5	18.5	22.8	61.5	93.9	35.4	114.7
1979	463.3	217.8	65.7	138.9	40.8	503.5	116.3	113.7	7.5	20.5	26.5	66.4	104.1	42.6	119.6
1980	517.1	244.1	64.6	157.8	50.6	590.9	134.0	131.0	12.7	23.2	32.1	86.5	118.5	52.5	131.4
1981	599.3	285.9	61.1	182.7	69.5	678.2	157.5	153.8	13.1	26.9	39.1	99.7	139.6	68.7	133.5
1982	617.8	297.7	49.2	201.5	69.3	745.7	185.3	180.7	12.3	27.4	46.6	107.7	156.0	85.0	125.4
1983	600.6	288.9	37.0	209.0	65.6	808.3	209.9	204.4	11.8	28.6	52.6	122.6	170.7	89.8	122.3
1984	666.5	298.4	56.9	239.4	71.8	851.8	227.4	220.8	15.9	30.4	57.5	112.7	178.2	111.1	118.6
1985	734.1	334.5	61.3	265.2	73.0	946.3	252.7	245.4	16.2	33.5	65.8	128.2	188.6	129.4	131.8
1986 ¹	777.1	353.7	70.9	280.4	72.1	979.9	265.8	258.4	17.1	35.7	68.7	118.1	200.1	142.7	131.7
1987 ¹	850.4	386.0	86.7	302.8	74.9	994.0	282.2	274.3	18.6	35.0	70.2	118.4	212.2	148.0	109.3

¹ Estimates.

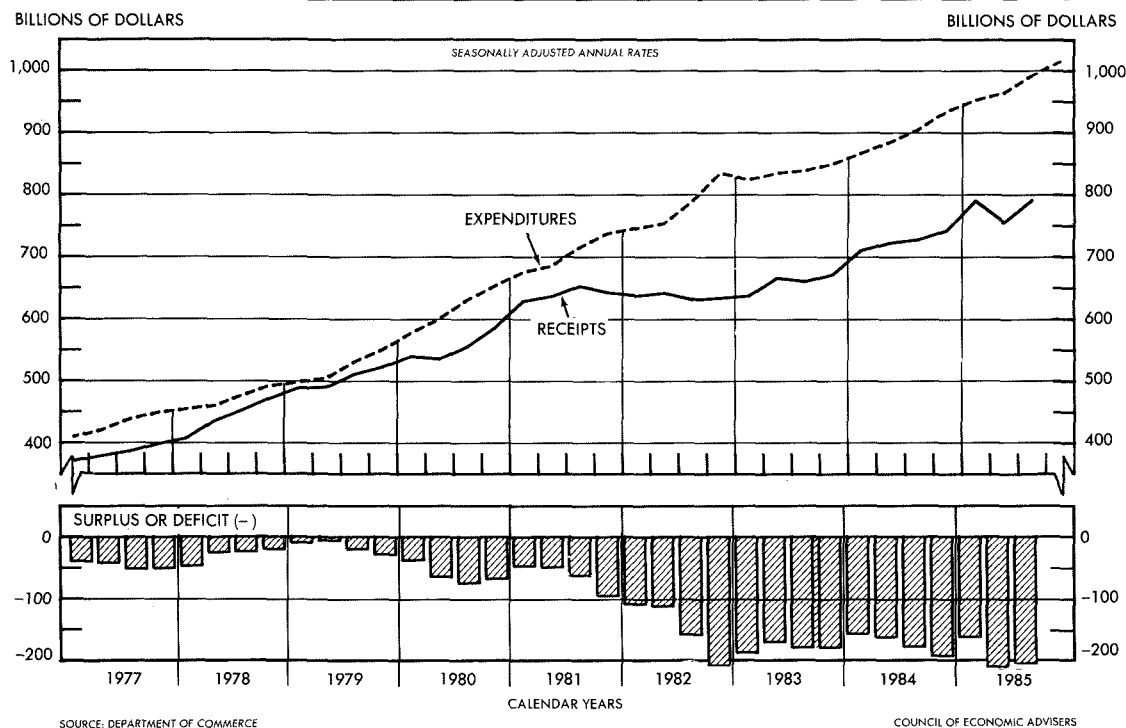
Sources: Department of the Treasury and Office of Management and Budget.

NOTE.—Data shown here exclude the transition quarter.

All data from *Budget of the United States Government, Fiscal Year 1987*, Office of Management and Budget.

FEDERAL SECTOR, NATIONAL INCOME ACCOUNTS BASIS

In the third quarter of 1985, Federal receipts rose \$35.8 billion (annual rate) and expenditures rose \$28.0 billion, yielding a deficit of \$201.3 billion. In the fourth quarter, according to preliminary data, expenditures rose \$31.4 billion; receipts data are incomplete.



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

Period	Federal Government receipts					Federal Government expenditures							Surplus or deficit (-), national 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	
1977	384.1	169.8	61.6	25.0	127.7	430.1	151.1	174.3	67.5	29.1	8.2	0.1	-46.0
1978	441.4	194.9	71.4	28.0	147.0	470.7	161.8	187.1	77.3	35.2	9.5	.1	-29.3
1979	505.0	231.0	74.4	29.3	170.3	521.1	178.0	210.9	80.5	42.5	9.2	.0	-16.1
1980	553.8	257.9	70.3	38.8	186.8	615.1	208.1	253.5	88.7	53.3	11.5	.0	-61.3
1981	639.5	298.9	65.7	56.2	218.8	703.3	242.2	288.6	87.9	72.4	12.3	.1	-63.8
1982	635.3	304.5	49.0	48.1	233.7	781.2	272.7	324.1	83.9	84.6	16.0	.0	-145.9
1983	658.1	295.0	59.3	51.6	252.2	837.5	284.8	348.5	86.2	94.3	23.2	-.4	-179.4
1984	725.1	311.3	74.4	55.8	283.6	898.0	312.9	355.1	93.6	115.5	21.1	.2	-172.9
1985 ^p	785.7	351.1	67.6	57.0	309.9	983.0	353.9	379.7	98.9	129.0	21.3	-.2	-197.3
1982: III	630.3	298.1	50.1	47.1	235.0	789.1	275.3	329.1	83.3	87.1	14.3	.0	-158.8
IV	633.1	303.0	46.4	47.6	236.1	835.7	293.2	347.4	84.5	87.2	23.4	.0	-202.6
1983: I	636.3	297.1	46.5	46.3	246.5	824.2	287.1	344.4	85.8	88.0	18.8	.0	-187.9
II	665.2	304.2	58.2	52.8	250.1	835.8	287.0	350.8	85.8	91.1	19.8	-1.3	-170.6
III	659.7	286.2	66.4	53.7	253.4	839.4	286.0	346.6	87.1	96.8	22.5	-.4	-179.7
IV	671.1	292.5	66.1	53.6	258.8	850.6	279.2	352.3	86.2	101.2	31.6	.0	-179.5
1984: I	709.4	297.8	78.9	54.6	278.1	867.2	285.6	350.5	91.3	107.2	32.7	.2	-157.8
II	721.8	303.9	80.1	55.8	282.0	884.9	314.8	351.9	93.0	110.4	15.1	.2	-163.0
III	727.1	315.7	69.4	56.7	285.4	905.2	318.5	356.2	93.0	119.5	18.0	.0	-178.1
IV	742.1	327.8	69.2	56.2	288.9	934.7	332.9	361.9	97.3	124.8	18.5	.6	-192.7
1985: I	789.7	363.9	65.9	55.5	304.4	952.4	334.4	374.1	95.7	126.4	21.9	.1	-162.6
II	754.9	321.3	65.0	60.2	308.4	964.0	337.8	376.7	97.6	130.1	20.9	-1.0	-209.1
III	790.7	355.4	68.9	55.4	311.0	992.0	364.8	383.5	100.6	127.1	15.9	.0	-201.3
IV ^p .....	.....	363.8	.....	57.0	315.9	1,023.4	378.6	384.3	101.5	132.5	26.6	.0	.....

NOTE.—Data reflect the recent comprehensive revision of the national income and product accounts. For details, see *Survey of Current Business*, December 1985.

Source: Department of Commerce, Bureau of Economic Analysis.

INTERNATIONAL STATISTICS

INDUSTRIAL PRODUCTION AND CONSUMER PRICES—MAJOR INDUSTRIAL COUNTRIES

Period	Industrial production (1977=100; seasonally adjusted)							Consumer prices (1967=100)						
	United States	Canada	Japan	France	Germany	Italy	United Kingdom	United States ¹	Canada	Japan	France	Germany	Italy	United Kingdom
1979	110.7	109.8	113.7	107	107	108.7	107	217.4	221.0	261.3	259.1	166.9	328.5	359.0
1980	108.6	108.1	118.9	106	107	114.7	100	246.8	243.5	282.3	294.2	175.8	398.0	423.6
1981	111.0	109.0	120.1	103	105	112.1	96	272.4	273.9	296.2	332.7	186.9	472.4	473.9
1982	103.1	97.4	120.6	101	102	109.6	98	289.1	303.5	304.1	373.1	196.8	549.4	514.7
1983	109.2	102.9	124.7	102	103	103.9	101	298.4	321.0	309.7	407.9	203.3	631.8	538.3
1984	121.8	112.0	138.4	105	106	107.0	103	311.1	335.0	316.6	439.5	208.2	698.8	565.1
1985 ^p	124.5							322.2	348.3					
1984: Dec	123.3	115.0	142.7	103	109	106.6	104	315.5	339.9	319.6	451.2	209.8	729.5	575.9
1985: Jan	123.6	114.2	143.0	101	110	102.5	106	316.1	341.3	321.3	453.5	211.0	736.8	578.0
Feb	123.7	113.8	142.8	105	109	111.5	105	317.4	343.5	318.7	455.8	211.9	744.2	582.7
Mar	124.0	113.9	140.8	107	110	111.8	107	318.8	344.3	320.2	459.0	212.6	749.4	588.1
Apr	124.1	114.5	144.5	104	110	107.0	108	320.1	345.7	321.9	462.2	212.9	756.1	600.6
May	124.1	114.3	148.2	105	111	108.3	108	321.3	346.5	323.3	464.5	213.1	760.6	603.4
June	124.3	116.5	145.1	104	113	111.3	108	322.3	348.3	323.5	466.4	213.3	764.4	604.7
July	124.1	118.5	147.8	108	116	107.1	107	322.8	349.5	323.8	468.2	212.9	766.7	603.5
Aug	125.2	118.1	146.0	108	112	107.5	107	323.5	350.1	320.7	468.7	212.2	768.2	605.1
Sept	125.1	117.9	144.6	105	112	109.9	109	324.5	350.5	323.8	469.2	212.6	771.3	604.8
Oct	124.4	118.9	145.7	107	114	105.7	109	325.5	351.7	328.4	470.6	212.9	780.6	605.8
Nov	125.1	119.8						326.6	353.1			213.3	786.1	607.9
Dec ^p	126.0							327.4	354.7					

¹ Data relate to all urban consumers.

Source: National sources as reported by Department of Commerce (Bureau of Economic Analysis and International Trade Administration).

U.S. MERCHANDISE EXPORTS AND IMPORTS

[Millions of dollars; monthly data seasonally adjusted]

Period	Merchandise exports ¹					Merchandise imports					Merchandise trade balance		
	Total domestic and foreign exports	Domestic exports				General imports ³					Exports (f.a.s.) less imports (customs value)	Exports (f.a.s.) less imports (f.a.s.)	Exports (f.a.s.) less imports (c.i.f.)
		Total ²	Food, beverages, and tobacco	Crude materials and fuels	Manu- factured goods	Total ²	Food, beverages, and tobacco	Crude materials and fuels	Manu- factured goods	Total (c.i.f. value)			
F.a.s. value													
Monthly average:													
1975*	8,971	8,847	1,399	1,266	5,913	8,209	827	2,716	4,257	8,823		762	148
1976*	9,602	9,462	1,436	1,341	6,437	10,290	991	3,457	5,398	11,042		-688	-1,440
1977*	10,103	9,919	1,330	1,548	6,679	12,533	1,186	4,463	6,379	13,368		-2,430	-3,265
1978*	11,973	11,762	1,717	1,746	7,873	14,563	1,312	4,325	8,360	15,504		-2,590	-3,530
1979*	15,155	14,886	2,049	2,352	9,716	17,455	1,478	5,949	9,352	18,519		-2,300	-3,364
1980	18,386	18,043	2,534	2,810	11,991	20,406	1,546	7,831	10,427	21,415		-2,020	-3,030
Customs value													
1981	19,473	19,075	2,767	2,752	12,857	21,748	1,529	7,739	11,873	22,779	-2,275		-3,306
1982	17,683	17,256	2,248	2,793	11,643	20,329	1,485	6,200	12,002	21,240	-2,647		-3,558
1983	16,707	16,326	2,248	2,463	11,034	21,504	1,568	5,670	13,621	22,490	-4,797		-5,783
1984	18,155	17,670	2,276	2,624	11,929	27,144	1,802	6,063	18,460	28,431	-8,988		-10,276
1985	17,761	17,243	1,852	2,362	12,115	28,773	1,865	5,415	20,564	30,136	-11,012		-12,374
1984: Dec	19,142	18,623	2,413	2,988	12,409	25,933	1,719	5,689	17,777	27,176	-6,791		-8,033
1985: Jan	19,401	18,852	2,161	2,562	13,282	28,297	1,932	5,373	19,879	29,687	-8,896		-10,285
Feb	17,853	17,358	1,995	2,542	11,967	27,985	1,817	4,988	20,347	29,299	-10,131		-11,446
Mar	18,446	17,881	1,973	2,386	12,538	28,129	2,128	4,372	20,716	29,492	-9,683		-11,046
Apr	17,779	17,298	1,913	2,336	12,141	28,295	1,804	5,764	19,812	29,629	-10,516		-11,850
May	17,414	16,893	1,603	2,164	12,166	28,685	1,919	5,609	20,198	30,080	-11,271		-12,666
June	17,438	16,858	1,614	2,181	12,127	29,425	1,912	5,958	20,653	30,853	-11,987		-13,415
July	17,412	16,857	1,604	2,265	12,010	26,630	1,641	5,100	18,901	27,920	-9,219		-10,509
Aug	17,423	16,945	1,783	2,436	11,894	26,083	1,719	4,842	18,761	27,327	-8,660		-9,904
Sept	17,732	17,241	1,709	2,369	12,145	31,764	1,903	5,573	23,291	33,282	-14,032		-15,550
Oct	17,368	16,872	1,836	2,338	11,799	27,594	1,598	5,659	19,432	28,821	-10,226		-11,453
Nov	17,976	17,482	2,128	2,368	12,134	30,285	1,865	5,656	21,833	31,657	-12,310		-13,682
Dec	17,024	16,508	1,907	2,406	11,304	32,888	2,138	6,103	23,723	34,397	-15,864		-17,374

¹ Department of Defense shipments of grant-aid military supplies and equipment under the Military Assistance Program are excluded from totals for all periods and from monthly detail beginning January 1978.

² Total includes commodities and transactions not classified according to kind.

³ Total arrivals of imported goods other than intransit shipments.

Note.—Imports on c.i.f. basis beginning 1982 not strictly comparable with earlier periods.

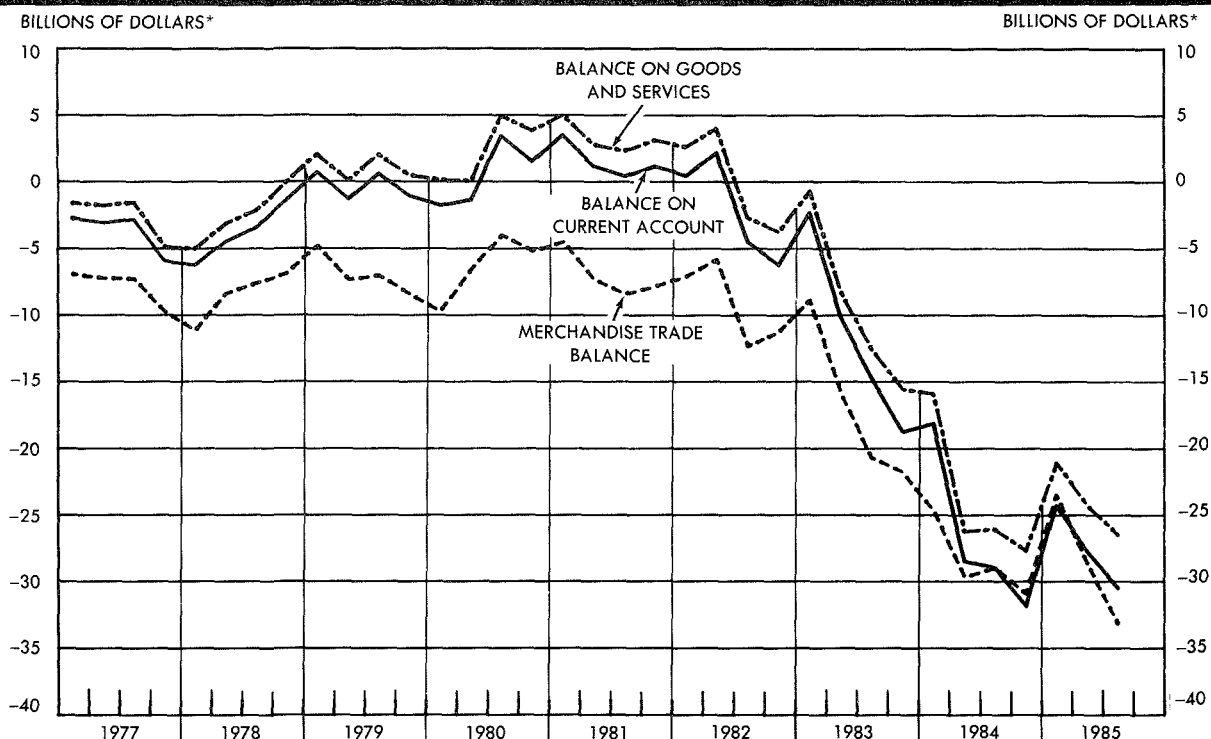
Data beginning 1980 include trade of the U.S. Virgin Islands, except that for 1980 Virgin Islands exports are reflected in the figures for domestic and foreign exports combined and trade balance.

*Data for 1975-79 for domestic and foreign exports combined, total general imports, and trade balance include trade of the Virgin Islands.

Source: Department of Commerce, Bureau of the Census.

U.S. INTERNATIONAL TRANSACTIONS

In the third quarter of 1985 the current account deficit rose to \$30.5 billion from \$27.7 billion in the second quarter. The merchandise trade deficit rose to \$33.1 billion from \$28.6 billion in the second quarter.



* SEASONALLY ADJUSTED
SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

[Millions of dollars; quarterly data seasonally adjusted. Credits (+), debits (-)]

Period	Merchandise ^{1 2}			Investment income ³			Net military transactions	Net travel and transportation receipts	Other services, net ³	Balance on goods and services ¹	Remittances, pensions, and other unilateral transfers ¹	Balance on current account
	Exports	Imports	Net balance	Receipts	Payments	Net						
1976.....	114,745	-124,228	-9,483	29,286	-13,311	15,975	559	-2,558	4,711	9,205	-4,998	4,207
1977.....	120,816	-151,907	-31,091	32,179	-14,217	17,962	1,528	-3,565	5,272	-9,894	-4,617	-14,511
1978.....	142,054	-176,001	-33,947	42,245	-21,680	20,565	621	-3,573	6,013	-10,321	-5,106	-15,427
1979.....	184,473	-212,009	-27,536	64,132	-32,960	31,172	-1,778	-2,935	5,735	4,659	-5,649	-991
1980.....	224,269	-249,749	-25,480	72,506	-42,120	30,386	-2,237	-997	7,277	8,950	-7,077	1,873
1981.....	237,085	-265,063	-27,978	86,411	-52,329	34,082	-1,183	144	8,121	13,186	-6,847	6,339
1982.....	211,198	-247,642	-36,444	84,768	-55,273	29,495	-318	-992	8,345	84	-8,135	-8,051
1983.....	201,712	-268,928	-67,216	78,023	-52,621	25,402	-162	-4,721	9,557	-37,141	-8,852	-45,994
1984.....	^r 219,916	^r -334,023	^r -114,107	87,609	-68,500	19,109	-1,765	-8,974	9,791	-95,945	-11,413	-107,358
1983: I.....	49,535	-58,418	-8,883	17,935	-12,283	5,652	703	-448	2,260	-716	-1,606	-2,322
II.....	49,048	-64,928	-15,880	19,172	-12,856	6,316	-71	-1,116	2,462	-8,289	-1,875	-10,164
III.....	49,992	-70,689	-20,697	20,985	-13,588	7,397	-126	-1,422	2,290	-12,558	-2,204	-14,762
IV.....	53,137	-74,893	-21,756	19,932	-13,893	6,039	-669	-1,735	2,544	-15,577	-3,166	-18,743
1984: I.....	53,469	-78,091	-24,622	23,502	-15,268	8,234	-346	-1,753	2,582	-15,905	-2,212	-18,117
II.....	54,556	^r -84,181	-29,625	20,895	-17,277	3,618	-593	-2,050	2,412	-26,238	-2,232	-28,470
III.....	55,649	-84,626	-28,977	21,769	-18,513	3,256	-250	-2,574	2,452	-26,093	-2,876	-28,969
IV.....	^r 56,242	-87,127	^r -30,885	21,445	-17,442	4,003	-575	-2,597	2,344	-27,710	-4,095	-31,805
1985: I.....	55,302	-78,756	-23,454	18,868	-16,331	2,537	-212	-2,357	2,411	-21,075	-3,172	-24,247
II.....	53,624	^r -82,211	^r -28,587	22,279	-16,892	5,387	-586	-3,054	2,572	-24,268	-3,428	-27,696
III.....	52,310	-85,452	-33,142	24,039	-16,490	7,549	-487	-3,026	2,623	-26,483	-3,968	-30,451

¹ Excludes military grants.

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

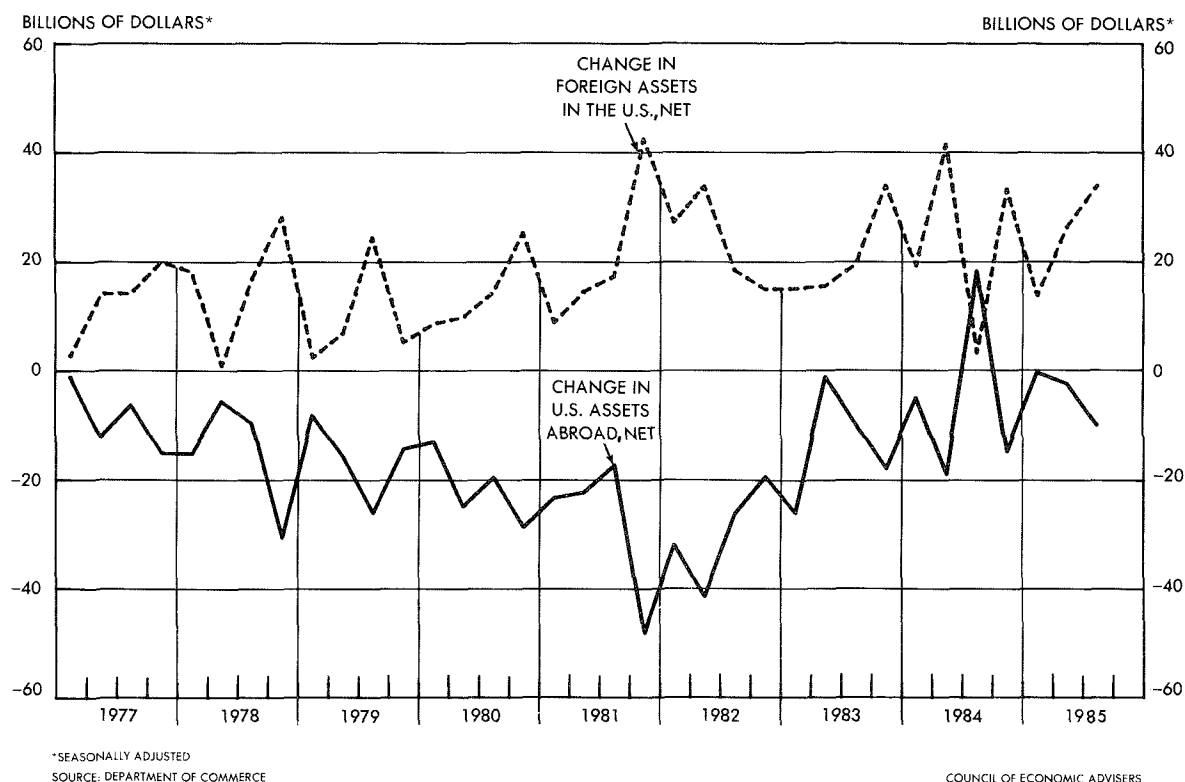
³ Fees and royalties from U.S. direct investments abroad or from foreign direct investments in the

United States are excluded from investment income and included in other services, net.

Source: Department of Commerce, Bureau of Economic Analysis.

U.S. INTERNATIONAL TRANSACTIONS—Continued

In the capital accounts, claims on foreigners reported by U.S. banks increased \$1.4 billion in the third quarter of 1985 compared with a decrease of \$4.1 billion in the second quarter. Liabilities to private foreigners and international financial institutions reported by U.S. banks (excluding U.S. Treasury securities) increased \$6.5 billion, compared to an increase of \$0.2 billion in the second quarter.



[Millions of dollars; quarterly data seasonally adjusted, except as noted]

Period	U.S. assets abroad, net [increase/capital outflow (—)]				Foreign assets in the U.S., net [increase/capital inflow (+)] ²			Allocations of special drawing rights (SDRs)	Statistical discrepancy		U.S. official reserve assets, net ¹ (unadjusted, end of period)
	Total	U.S. official reserve assets ^{1,2}	Other U.S. Government assets	U.S. private assets	Total	Foreign official assets	Other foreign assets		Total (sum of the items with sign reversed)	Of which: Seasonal adjustment discrepancy	
1976.....	-51,269	-2,558	-4,214	-44,498	36,518	17,693	18,826	.....	10,544	.....	18,747
1977.....	-34,785	-375	-3,693	-30,717	51,319	36,816	14,503	.....	-2,023	.....	19,312
1978.....	-61,130	732	-4,660	-57,202	64,036	33,678	30,358	.....	12,521	.....	18,650
1979.....	-64,331	-1,133	-3,746	-59,453	38,752	-13,665	52,416	1,139	25,431	.....	18,956
1980.....	-86,118	-8,155	-5,162	-72,802	58,112	15,497	42,615	1,152	24,982	.....	26,756
1981.....	-111,031	-5,175	-5,097	-100,758	83,322	4,960	78,362	1,093	20,276	.....	30,074
1982.....	-119,218	-4,965	-6,131	-108,122	94,447	3,672	90,775	.....	32,821	.....	33,958
1983.....	-55,045	-1,196	-5,006	-48,843	84,322	5,795	78,526	.....	16,717	.....	33,747
1984.....	-20,447	-3,131	-5,516	-11,800	97,319	3,424	93,895	.....	30,486	.....	34,934
1983: I.....	-26,127	-787	-1,135	-24,205	15,158	-161	15,319	.....	13,291	-680	34,261
II.....	-1,128	16	-1,263	119	15,608	1,706	13,902	.....	-4,316	83	33,876
III.....	-9,814	529	-1,171	-9,172	19,539	-2,666	22,205	.....	5,037	-2,953	33,066
IV.....	-17,976	-953	-1,436	-15,587	34,017	6,916	27,101	.....	2,702	3,547	33,747
1984: I.....	-4,976	-657	-2,059	-2,260	19,277	-2,786	22,063	.....	3,816	-455	34,975
II.....	-18,988	-566	-1,353	-17,070	41,592	-224	41,816	.....	5,866	-573	34,547
III.....	18,364	-799	-1,369	20,532	3,140	-686	3,825	.....	7,466	-3,274	34,306
IV.....	-14,846	-1,110	-734	-13,003	33,310	7,119	26,191	.....	13,341	4,305	34,934
1985: I.....	-365	-233	-850	718	13,711	-11,204	24,915	.....	10,901	-384	35,493
II.....	-2,455	-356	-853	-1,246	26,313	8,465	17,849	.....	3,837	-570	36,088
III ^p	-9,999	-121	-420	-9,458	33,909	2,415	31,494	.....	6,541	-3,487	38,295

¹ Consists of gold, special drawing rights (SDRs), convertible currencies, and the U.S. reserve position in the IMF.

² Quarterly data are not seasonally adjusted.

Sources: Department of Commerce (Bureau of Economic Analysis) and Department of the Treasury.

Contents

TOTAL OUTPUT, INCOME, AND SPENDING

	Page
Gross National Product.....	1
Gross National Product in 1982 Dollars.....	2
Implicit Price Deflators for Gross National Product.....	2
Changes in GNP, Personal Consumption Expenditures, and Related Price Measures.....	3
Nonfinancial Corporate Business—Output, Costs, and Profits.....	3
National Income.....	4
Personal Consumption Expenditures.....	4
Sources of Personal Income.....	5
Disposition of Personal Income.....	6
Farm Income.....	7
Corporate Profits.....	8
Gross Private Domestic Investment.....	9
Expenditures for New Plant and Equipment.....	10

EMPLOYMENT, UNEMPLOYMENT, AND WAGES

Status of the Labor Force.....	11
Selected Unemployment Rates.....	12
Selected Measures of Unemployment and Unemployment Insurance Programs.....	13
Nonagricultural Employment.....	14
Average Weekly Hours and Hourly Earnings—Private Nonagricultural Industries.....	15
Average Weekly Earnings—Private Nonagricultural Industries.....	15
Productivity and Related Data, Business Sector.....	16

PRODUCTION AND BUSINESS ACTIVITY

Industrial Production and Capacity Utilization.....	17
Industrial Production—Major Market Groups and Selected Manufactures.....	18
New Construction.....	19
New Private Housing and Vacancy Rates.....	19
Business Sales and Inventories—Manufacturing and Trade.....	20
Manufacturers' Shipments, Inventories, and Orders.....	21

PRICES

Producer Prices.....	22
Consumer Prices.....	23
Changes in Producer Prices for Finished Goods.....	24
Changes in Consumer Prices.....	24
Prices Received and Paid by Farmers.....	25

MONEY, CREDIT, AND SECURITY MARKETS

Money Stock, Liquid Assets, and Debt Measures.....	26
Components of Money Stock and Liquid Assets.....	27
Consumer Installment Credit.....	27
Bank Loans and Securities, and Reserves.....	28
Sources and Uses of Funds, Nonfarm Nonfinancial Corporate Business.....	29
Current Assets and Liabilities of Nonfinancial Corporations.....	29
Interest Rates and Bond Yields.....	30
Common Stock Prices and Yields.....	31

FEDERAL FINANCE

Federal Receipts, Outlays, and Debt.....	32
Federal Receipts by Source and Outlays by Function.....	33
Federal Sector, National Income Accounts Basis.....	34

INTERNATIONAL STATISTICS

Industrial Production and Consumer Prices—Major Industrial Countries.....	35
U.S. Merchandise Exports and Imports.....	35
U.S. International Transactions.....	36

General Notes

Detail in these tables may not add to totals because of rounding.

Unless otherwise noted, all dollar figures are in current dollars.

Symbols used:

^p Preliminary.

^r Revised.

^c Corrected.

... Not available (also, not applicable).

For sale by the Superintendent of Documents, U.S. Government Printing Office,

Washington, D.C. 20402. Price \$2.50 (single copy) (\$3.13 foreign).

Subscription price: \$27.00 per year; \$33.75 for foreign mailing.