Economic Indicators

OCTOBER 1986

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

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GOVERNMENT PRINTING OFFICE
WASHINGTON : 1986
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[Public Law 120—81st Congress; Chapter 237—1st Session]

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To print the monthly publication entitled "Economic Indicators"

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Approved June 23, 1949.

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

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ii
TOTAL OUTPUT, INCOME, AND SPENDING
GROSS NATIONAL PRODUCT

According to preliminary estimates for the third quarter, current-dollar gross national product (GNP) rose 5.7 percent (annual rate) or $58.7 billion. Real GNP (GNP adjusted for price changes) rose 2.4 percent and the implicit price deflator rose 3.6 percent.

Source: Department of Commerce, Bureau of Economic Analysis.
### GROSS NATIONAL PRODUCT IN 1982 DOLLARS

(1982 = 100; quarterly data are seasonally adjusted)

<table>
<thead>
<tr>
<th>Period</th>
<th>Gross national product</th>
<th>Personal consumption expenditures</th>
<th>Gross private domestic investment</th>
<th>Exports and import of goods and services</th>
<th>Government purchases of goods and services</th>
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### IMPLICIT PRICE DEFLECTORS FOR GROSS NATIONAL PRODUCT

(1982 = 100; quarterly data are seasonally adjusted)

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<th>Personal consumption expenditures</th>
<th>Gross private domestic investment</th>
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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)

<table>
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<th>Period</th>
<th>Gross national product</th>
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<th></th>
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<td>11.2</td>
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<td>12.6</td>
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</table>

**Note:** 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)

<table>
<thead>
<tr>
<th>Period</th>
<th>Gross domestic product of nonfinancial corporate business (billions of dollars)</th>
<th>Capital consumption allowances with capital consumption adjustment</th>
<th>Indirect business taxes</th>
<th>Total corporate profits with inventory valuation and capital consumption adjustments</th>
<th>Net interest</th>
<th>Total profits</th>
<th>Net profits</th>
<th>Profits after tax</th>
<th>Compensation per hour of all employees</th>
<th>Cost per hour of all employees</th>
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</thead>
<tbody>
<tr>
<td>1980:</td>
<td>1,240.8</td>
<td>1,207.9</td>
<td>0.352</td>
<td>0.065</td>
<td>0.077</td>
<td>0.068</td>
<td>0.063</td>
<td>0.063</td>
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<td>0.436</td>
<td>0.109</td>
<td>0.144</td>
<td>0.128</td>
<td>0.116</td>
<td>0.116</td>
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<tr>
<td>1982:</td>
<td>1,305.0</td>
<td>1,295.0</td>
<td>0.474</td>
<td>0.139</td>
<td>0.168</td>
<td>0.147</td>
<td>0.133</td>
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<tr>
<td>1983:</td>
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<td>1,315.0</td>
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<td>0.161</td>
<td>0.147</td>
<td>0.147</td>
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<td>0.147</td>
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<tr>
<td>1984:</td>
<td>1,350.0</td>
<td>1,335.0</td>
<td>0.545</td>
<td>0.192</td>
<td>0.218</td>
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<tr>
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<td>1,355.0</td>
<td>0.581</td>
<td>0.220</td>
<td>0.246</td>
<td>0.216</td>
<td>0.204</td>
<td>0.204</td>
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<tr>
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<td>0.241</td>
<td>0.229</td>
<td>0.229</td>
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<td>0.229</td>
</tr>
</tbody>
</table>

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 contract liability plus business transfer payments less subsidies.
4 With inventory valuation and capital consumption adjustments.
5 Source: 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 | 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
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
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<td>Total</td>
<td>Total</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Farm</td>
<td>Nonfarm</td>
<td>Before tax</td>
<td>Inventory valuation adjustment</td>
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1 Includes employer contributions for social insurance. (See also p. 5.)

Source: Department of Commerce, Bureau of Economic Analysis.

### PERSONAL CONSUMPTION EXPENDITURES

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

<table>
<thead>
<tr>
<th>Period</th>
<th>Total personal consumption expenditures</th>
<th>Total durable goods</th>
<th>Motor vehicles and parts</th>
<th>Furniture and household equipment</th>
<th>Other</th>
<th>Total nondurable goods</th>
<th>Food</th>
<th>Clothing and shoes</th>
<th>Gasoline and oil</th>
<th>Other</th>
<th>Servicemen</th>
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<td>92.7</td>
<td>151.6</td>
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</table>

Source: Department of Commerce, Bureau of Economic Analysis.

Source: Federal Reserve Bank of St. Louis.
**SOURCES OF PERSONAL INCOME**

Personal income rose $11.2 billion (annual rate) in September, following a rise of $7.4 billion in August. The changes were affected by two special factors: a large increase in subsidy payments to farmers in August and a large increase in retroactive social security payments in July. Excluding the effect of these factors, personal income increased $6.1 billion in September and $9.7 billion in August.

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**Billions of Dollars** *(Ratio Scale)*

<table>
<thead>
<tr>
<th>Period</th>
<th>Total personal income</th>
<th>Wage and salary disbursements</th>
<th>Other labor income 1, 2</th>
<th>Proprietors' income 3</th>
<th>Rental income of persons 4</th>
<th>Personal dividend income</th>
<th>Personal interest income</th>
<th>Transfer payments 5</th>
<th>Less: Personal contributions for social insurance</th>
<th>Nonfarm personal income 6</th>
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<td>1,812.4</td>
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<td>487.1</td>
<td>150.2</td>
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<td>1986: Jan.</td>
<td>3,335.9</td>
<td>1,986.7</td>
<td>199.9</td>
<td>22.8</td>
<td>230.2</td>
<td>1.7</td>
<td>76.2</td>
<td>476.4</td>
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<td>1,996.7</td>
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<td>76.4</td>
<td>478.7</td>
<td>492.7</td>
<td>152.1</td>
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<td>76.8</td>
<td>481.0</td>
<td>485.5</td>
<td>153.2</td>
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<td>3,418.0</td>
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<td>245.9</td>
<td>11.7</td>
<td>76.9</td>
<td>492.2</td>
<td>494.5</td>
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<tr>
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<td>3,418.7</td>
<td>2,036.2</td>
<td>208.6</td>
<td>38.2</td>
<td>245.9</td>
<td>11.7</td>
<td>76.9</td>
<td>492.2</td>
<td>494.5</td>
<td>154.0</td>
</tr>
</tbody>
</table>

1. The total of wage and salary disbursements and other labor income differs from computations of employees (see p. 5) in that it excludes employer contributions for social insurance and the excess of wage accruals over wage disbursements.
2. Consists mainly of social insurance benefits, direct relief, and veterans payments.
3. With capital consumption adjustment.
4. Consists mainly of social insurance benefits, direct relief, and veterans payments.
5. Income exclusive of farm proprietors' income, farm wages, farm other labor income, and agricultural net interest.
6. With inventory valuation and capital consumption adjustments.

Source: Department of Commerce, Bureau of Economic Analysis.
### DISPOSITION OF PERSONAL INCOME

Per capita disposable personal income fell in the third quarter.

#### Billions of Dollars

<table>
<thead>
<tr>
<th>Year</th>
<th>Personal Income</th>
<th>Less: Personal tax and nontax payments</th>
<th>Equals: Disposable personal income</th>
<th>Less: Personal outlays</th>
<th>Equals: Personal saving</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978</td>
<td>1,812.4</td>
<td>281.1</td>
<td>1,531.2</td>
<td>1,441.1</td>
<td>90.1</td>
</tr>
<tr>
<td>1979</td>
<td>2,050.9</td>
<td>304.7</td>
<td>1,746.2</td>
<td>1,611.3</td>
<td>130.9</td>
</tr>
<tr>
<td>1980</td>
<td>2,258.4</td>
<td>340.5</td>
<td>1,917.9</td>
<td>1,781.1</td>
<td>136.8</td>
</tr>
<tr>
<td>1981</td>
<td>2,590.9</td>
<td>382.8</td>
<td>2,208.0</td>
<td>1,981.5</td>
<td>226.5</td>
</tr>
<tr>
<td>1982</td>
<td>2,870.8</td>
<td>409.3</td>
<td>2,461.4</td>
<td>2,107.5</td>
<td>353.9</td>
</tr>
<tr>
<td>1983</td>
<td>3,089.6</td>
<td>410.5</td>
<td>2,679.1</td>
<td>2,329.3</td>
<td>350.8</td>
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<tr>
<td>1984</td>
<td>3,110.2</td>
<td>439.6</td>
<td>2,670.6</td>
<td>2,501.9</td>
<td>168.7</td>
</tr>
<tr>
<td>1985</td>
<td>3,314.5</td>
<td>486.5</td>
<td>2,828.0</td>
<td>2,684.7</td>
<td>134.3</td>
</tr>
</tbody>
</table>

#### Per Capita Disposable Personal Income

<table>
<thead>
<tr>
<th>Year</th>
<th>1982 Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978</td>
<td>9,735</td>
</tr>
<tr>
<td>1979</td>
<td>9,829</td>
</tr>
<tr>
<td>1980</td>
<td>10,360</td>
</tr>
<tr>
<td>1981</td>
<td>10,479</td>
</tr>
<tr>
<td>1982</td>
<td>10,800</td>
</tr>
<tr>
<td>1983</td>
<td>11,208</td>
</tr>
<tr>
<td>1984</td>
<td>11,817</td>
</tr>
<tr>
<td>1985</td>
<td>12,262</td>
</tr>
</tbody>
</table>

#### Savings as Percent of Disposable Personal Income

<table>
<thead>
<tr>
<th>Year</th>
<th>1982 Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978</td>
<td>8.8%</td>
</tr>
<tr>
<td>1979</td>
<td>7.7%</td>
</tr>
<tr>
<td>1980</td>
<td>6.8%</td>
</tr>
<tr>
<td>1981</td>
<td>7.1%</td>
</tr>
<tr>
<td>1982</td>
<td>7.5%</td>
</tr>
<tr>
<td>1983</td>
<td>6.8%</td>
</tr>
<tr>
<td>1984</td>
<td>6.3%</td>
</tr>
<tr>
<td>1985</td>
<td>5.1%</td>
</tr>
</tbody>
</table>

#### Seasonally adjusted annual rates

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1978</td>
<td>2,792.2</td>
<td>2,753.1</td>
<td>2,812.6</td>
<td>2,864.8</td>
<td>2,841.8</td>
</tr>
<tr>
<td>1979</td>
<td>2,841.8</td>
<td>413.9</td>
<td>2,527.9</td>
<td>2,526.8</td>
<td>2,886.9</td>
</tr>
<tr>
<td>1980</td>
<td>3,084.2</td>
<td>421.5</td>
<td>2,612.7</td>
<td>2,448.2</td>
<td>2,826.4</td>
</tr>
<tr>
<td>1981</td>
<td>3,137.4</td>
<td>451.2</td>
<td>2,646.3</td>
<td>2,529.3</td>
<td>2,852.9</td>
</tr>
<tr>
<td>1982</td>
<td>3,188.6</td>
<td>486.0</td>
<td>2,726.8</td>
<td>2,564.6</td>
<td>2,886.9</td>
</tr>
</tbody>
</table>

#### Sources

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

---

1 Includes personal consumption expenditures, interest paid by consumers to business, and personal transfer payments to foreigners (net).
2 Annual data are averages of quarterly data, which are averages for the period.

---

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Federal Reserve Bank of St. Louis
FARM INCOME

In the second quarter of 1986, according to preliminary estimates, gross farm income rose $19.4 billion (annual rate) and net farm income rose $21.0 billion.

<table>
<thead>
<tr>
<th>Period</th>
<th>Gross farm income</th>
<th>Net farm income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total 1</td>
<td>Cash marketing receipts</td>
<td>Value of inventory changes 2</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Livestock and products</td>
</tr>
<tr>
<td>1978</td>
<td>126.4</td>
<td>112.4</td>
</tr>
<tr>
<td>1979</td>
<td>120.7</td>
<td>131.5</td>
</tr>
<tr>
<td>1980</td>
<td>149.3</td>
<td>139.7</td>
</tr>
<tr>
<td>1981</td>
<td>166.3</td>
<td>141.6</td>
</tr>
<tr>
<td>1982</td>
<td>163.4</td>
<td>142.6</td>
</tr>
<tr>
<td>1983</td>
<td>152.4</td>
<td>136.5</td>
</tr>
<tr>
<td>1984</td>
<td>174.4</td>
<td>142.2</td>
</tr>
<tr>
<td>1985</td>
<td>166.2</td>
<td>142.1</td>
</tr>
<tr>
<td>1983:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>154.9</td>
<td>143.1</td>
</tr>
<tr>
<td>II</td>
<td>148.3</td>
<td>137.1</td>
</tr>
<tr>
<td>III</td>
<td>155.5</td>
<td>142.9</td>
</tr>
<tr>
<td>IV</td>
<td>151.1</td>
<td>122.8</td>
</tr>
<tr>
<td>1984:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>174.4</td>
<td>136.5</td>
</tr>
<tr>
<td>II</td>
<td>168.0</td>
<td>141.2</td>
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<tr>
<td>III</td>
<td>173.8</td>
<td>144.1</td>
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<tr>
<td>IV</td>
<td>181.4</td>
<td>146.8</td>
</tr>
<tr>
<td>1985:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>170.7</td>
<td>137.8</td>
</tr>
<tr>
<td>II</td>
<td>164.7</td>
<td>135.1</td>
</tr>
<tr>
<td>III</td>
<td>157.4</td>
<td>139.8</td>
</tr>
<tr>
<td>IV</td>
<td>173.5</td>
<td>156.2</td>
</tr>
<tr>
<td>1986:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>146.1</td>
<td>131.4</td>
</tr>
<tr>
<td>II</td>
<td>165.5</td>
<td>129.6</td>
</tr>
</tbody>
</table>

1 Cash marketing receipts and inventory changes plus Government payments, other farm cash income, and monetary 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 GNP implicit price deflator (1982 = 100).

SOURCE: DEPARTMENT OF AGRICULTURE
COUNCIL OF ECONOMIC ADVISERS

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

In the second quarter of 1986, corporate profits before tax rose $7.0 billion (annual rate) and after-tax profits rose $2.8 billion.

### Table: Corporate Profits Before and After Tax

<table>
<thead>
<tr>
<th>Period</th>
<th>Domestic Industries</th>
<th>Nonfinancial</th>
<th>Profits before tax</th>
<th>Tax liability</th>
<th>Profits after tax</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Financial</td>
<td>Total</td>
<td>Manufacturing</td>
<td>Wholesale and retail trade</td>
</tr>
<tr>
<td>1980</td>
<td>194.0</td>
<td>150.9</td>
<td>21.0</td>
<td>186.6</td>
<td>77.1</td>
</tr>
<tr>
<td>1981</td>
<td>204.3</td>
<td>193.8</td>
<td>86.5</td>
<td>157.3</td>
<td>86.5</td>
</tr>
<tr>
<td>1982</td>
<td>159.2</td>
<td>131.2</td>
<td>11.8</td>
<td>119.4</td>
<td>58.0</td>
</tr>
<tr>
<td>1983</td>
<td>186.7</td>
<td>176.6</td>
<td>18.1</td>
<td>148.5</td>
<td>70.1</td>
</tr>
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<td>1984</td>
<td>230.2</td>
<td>196.2</td>
<td>15.4</td>
<td>183.8</td>
<td>87.4</td>
</tr>
<tr>
<td>1985</td>
<td>222.6</td>
<td>190.8</td>
<td>21.0</td>
<td>189.7</td>
<td>73.0</td>
</tr>
<tr>
<td>1986</td>
<td>150.7</td>
<td>121.6</td>
<td>18.7</td>
<td>102.9</td>
<td>46.8</td>
</tr>
</tbody>
</table>

### Table Notes:

1. See p. 4 for profits with inventory valuation and capital consumption adjustments.
2. Includes rest of the world, not shown separately.

Source: Department of Commerce, Bureau of Economic Analysis.

**Source:** Department of Commerce, Bureau of Economic Analysis.
According to preliminary estimates for the third quarter, nonresidential fixed investment rose $3.6 billion (annual rate) from its second quarter level while residential investment outlays rose $5.8 billion. There was a $7.5 billion decrease in inventories following an increase of $14.5 billion in the second quarter.

**GROSS PRIVATE DOMESTIC INVESTMENT**

According to preliminary estimates for the third quarter, nonresidential fixed investment rose $3.6 billion (annual rate) from its second quarter level while residential investment outlays rose $5.8 billion. There was a $7.5 billion decrease in inventories following an increase of $14.5 billion in the second quarter.

![Graph showing Gross Private Domestic Investment, Nonresidential Fixed Investment, and Residential Fixed Investment](image)

**Change in Business Inventories**

<table>
<thead>
<tr>
<th>Period</th>
<th>Gross private domestic investment</th>
<th>Fixed investment</th>
<th>Change in business inventories</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Total</td>
<td>Nonresidential</td>
</tr>
<tr>
<td>1978</td>
<td>454.8</td>
<td>441.9</td>
<td>302.8</td>
</tr>
<tr>
<td>1980</td>
<td>437.0</td>
<td>445.3</td>
<td>324.4</td>
</tr>
<tr>
<td>1981</td>
<td>515.5</td>
<td>491.5</td>
<td>369.2</td>
</tr>
<tr>
<td>1982</td>
<td>447.3</td>
<td>471.8</td>
<td>396.7</td>
</tr>
<tr>
<td>1983</td>
<td>502.3</td>
<td>508.4</td>
<td>356.9</td>
</tr>
<tr>
<td>1984</td>
<td>962.1</td>
<td>598.0</td>
<td>411.5</td>
</tr>
<tr>
<td>1985</td>
<td>661.1</td>
<td>650.0</td>
<td>452.8</td>
</tr>
<tr>
<td>1982: IV</td>
<td>408.6</td>
<td>469.5</td>
<td>354.9</td>
</tr>
<tr>
<td>1983: I</td>
<td>425.3</td>
<td>471.0</td>
<td>340.8</td>
</tr>
<tr>
<td>II</td>
<td>481.3</td>
<td>492.5</td>
<td>344.7</td>
</tr>
<tr>
<td>III</td>
<td>518.7</td>
<td>265.2</td>
<td>358.1</td>
</tr>
<tr>
<td>IV</td>
<td>575.8</td>
<td>548.8</td>
<td>383.9</td>
</tr>
<tr>
<td>1984: I</td>
<td>639.5</td>
<td>564.0</td>
<td>388.3</td>
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<tr>
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<td>657.5</td>
<td>597.6</td>
<td>413.3</td>
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<td>670.3</td>
<td>605.8</td>
<td>421.8</td>
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<tr>
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<td>661.1</td>
<td>624.4</td>
<td>442.9</td>
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<td>650.6</td>
<td>628.2</td>
<td>440.8</td>
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<td>697.1</td>
<td>648.0</td>
<td>459.2</td>
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<td>III</td>
<td>657.4</td>
<td>654.3</td>
<td>450.8</td>
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<td>IV</td>
<td>698.5</td>
<td>672.6</td>
<td>474.0</td>
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<td>1986: I</td>
<td>708.3</td>
<td>664.4</td>
<td>450.2</td>
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<td>687.3</td>
<td>672.8</td>
<td>457.5</td>
</tr>
<tr>
<td>III</td>
<td>674.7</td>
<td>682.3</td>
<td>461.1</td>
</tr>
</tbody>
</table>

Source: Department of Commerce, Bureau of Economic Analysis.
EXPENDITURES FOR NEW PLANT AND EQUIPMENT

According to the Commerce Department July-August 1986 survey, business spending for new plant and equipment for the year 1986 is expected to be 1.9 percent below the 1985 level. Spending in 1985 was 9.2 percent above the 1984 level.

**Table:**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Manufacturing</th>
<th>Nonmanufacturing</th>
<th>Addenda</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Durable goods</td>
<td>Non-durable goods</td>
<td>Nonmanufacturing</td>
</tr>
<tr>
<td>1978</td>
<td>217.76</td>
<td>78.58</td>
<td>89.46</td>
<td>39.13</td>
</tr>
<tr>
<td>1979</td>
<td>254.96</td>
<td>95.92</td>
<td>47.50</td>
<td>63.10</td>
</tr>
<tr>
<td>1980</td>
<td>282.80</td>
<td>112.33</td>
<td>55.96</td>
<td>66.19</td>
</tr>
<tr>
<td>1981</td>
<td>310.22</td>
<td>139.24</td>
<td>80.81</td>
<td>67.71</td>
</tr>
<tr>
<td>1982</td>
<td>310.58</td>
<td>130.68</td>
<td>55.35</td>
<td>63.98</td>
</tr>
<tr>
<td>1983</td>
<td>346.70</td>
<td>118.20</td>
<td>52.08</td>
<td>63.12</td>
</tr>
<tr>
<td>1984</td>
<td>354.44</td>
<td>195.82</td>
<td>60.34</td>
<td>73.55</td>
</tr>
<tr>
<td>1985</td>
<td>367.13</td>
<td>153.48</td>
<td>73.27</td>
<td>80.21</td>
</tr>
<tr>
<td>1986</td>
<td>378.39</td>
<td>144.01</td>
<td>68.28</td>
<td>75.78</td>
</tr>
</tbody>
</table>

**Notes:**

1. Excludes forestry, fisheries, and agricultural services; medical services; professional services; total services and membership organizations; and real estate, which, effective with the April-May 1984 survey, 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 July-August 1986, converted for biases.

Source: Department of Commerce, Bureau of Economic Analysis.

**Graph:**

- Bills of dollars (ratio scale)
- Seasonally adjusted annual rates

**Legend:**

- ALL INDUSTRIES
- MANUFACTURING
- NONMANUFACTURING

Source: Department of Commerce, Bureau of Economic Analysis.
In September, seasonally adjusted civilian employment fell 264,000 and unemployment rose 302,000.
SELECTED UNEMPLOYMENT RATES

In September, the seasonally adjusted overall unemployment rate rose 0.2 percentage point to 6.9 percent; the civilian unemployment rate also rose 0.2 percentage point, to 7.0 percent.

![Unemployment Rate Chart]

---

**PERCENT* (SEASONALLY ADJUSTED)**

<table>
<thead>
<tr>
<th>Period</th>
<th>Unemployment rate, all workers</th>
<th>All civilian workers</th>
<th>Men 20 years and over</th>
<th>Women 20 years and over</th>
<th>Both sexes 16-19 years</th>
<th>White</th>
<th>Black and other</th>
<th>Black</th>
<th>Experienced wage and salary workers</th>
<th>Married women, spouse present</th>
<th>Women who maintain families</th>
<th>Full-time workers</th>
<th>Part-time workers</th>
<th>Labor force time lost (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979</td>
<td>5.8</td>
<td>5.8</td>
<td>4.2</td>
<td>5.7</td>
<td>16.6</td>
<td>6.1</td>
<td>11.3</td>
<td>12.3</td>
<td>5.5</td>
<td>2.5</td>
<td>8.3</td>
<td>5.3</td>
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<td>1980</td>
<td>7.0</td>
<td>7.1</td>
<td>5.9</td>
<td>6.4</td>
<td>17.8</td>
<td>6.3</td>
<td>13.1</td>
<td>14.3</td>
<td>6.9</td>
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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.

*Unemployment as percent of civilian labor force in group specified.

Source: Department of Labor, Bureau of Labor Statistics.
SELECTED MEASURES OF UNEMPLOYMENT AND UNEMPLOYMENT INSURANCE PROGRAMS

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

### Duration of Unemployment

- **Percent Distribution**:
  - Less than 5 weeks
  - 5-14 weeks
  - 15-26 weeks
  - 27 weeks and over

### Reason for Unemployment

- **Percent Distribution**:
  - Job losers
  - Reentrants
  - New entrants
  - Job leavers

### Monthly Data

- **Unemployment (Thousands)**
  - Monthly average, thousands

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<tr>
<th>Period</th>
<th>Unemployment (thousands)</th>
<th>Duration of unemployment</th>
<th>Number of weeks</th>
<th>Reason for unemployment: percent distribution</th>
<th>State programs</th>
<th>Insured unemployment, all regular programs (unadjusted)</th>
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<td>Number of weeks</td>
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### Notes

1. Includes State (50 States, District of Columbia, Puerto Rico, and Virgin Islands), ex-service-member (VUM), Federal (CFE) and railroad (ER) programs. Also includes Federal and State extended benefit programs. Does not include Federal supplemental compensation program.

Source: Department of Labor (Bureau of Labor Statistics and Employment and Training Administration)
Total nonagricultural employment as measured by the payroll survey rose 107,000 in September.

**NONAGRICULTURAL EMPLOYMENT**

[Table and chart showing employment by sector and time period]

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 disasters, 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)

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<tr>
<th>Period</th>
<th>Average weekly hours</th>
<th>Average gross hourly earnings</th>
<th>Adjusted hourly earnings index—total private nonagricultural</th>
<th>Percent change from a year earlier</th>
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## AVERAGE WEEKLY EARNINGS
## PRIVATE NONAGRICULTURAL INDUSTRIES

(For production or nonsupervisory workers; monthly data seasonally adjusted, except as noted)

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1 Adjusted for interindustry employment shifts and for overtime in manufacturing.
2 Also includes other private industry groups shown on p. 14.
3 Current dollar index (for earnings) divided by the consumer price index for urban wage earners and clerical workers (on a 1977 = 100 basis).

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Federal Reserve Bank of St. Louis
### PRODUCTIVITY AND RELATED DATA, BUSINESS SECTOR

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#### Data for Selected Years

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<td>174.6</td>
<td>89.4</td>
</tr>
</tbody>
</table>

#### Notes
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.

Source: Department of Labor, Bureau of Labor Statistics.
PRODUCTION AND BUSINESS ACTIVITY

INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION

Industrial production rose 0.1 percent in September, following a similar increase in August. The index for September was 0.8 percent above its year-earlier level.

### Total Industrial Production

<table>
<thead>
<tr>
<th>Period</th>
<th>Index, 1977 = 100</th>
<th>Percent change from year earlier</th>
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<td>1984</td>
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</tr>
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<tr>
<td>Oct</td>
<td>124.3</td>
<td>1.6</td>
</tr>
<tr>
<td>Nov</td>
<td>123.8</td>
<td>1.2</td>
</tr>
<tr>
<td>Dec</td>
<td>123.8</td>
<td>1.7</td>
</tr>
<tr>
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<td>2.3</td>
</tr>
<tr>
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<td>2.9</td>
</tr>
<tr>
<td>Mar</td>
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<tr>
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<td>123.8</td>
<td>.5</td>
</tr>
<tr>
<td>July *</td>
<td>123.8</td>
<td>1.2</td>
</tr>
<tr>
<td>Aug *</td>
<td>123.8</td>
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</tr>
<tr>
<td>Sept *</td>
<td>123.8</td>
<td>—</td>
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</table>

*Output as percent of capacity.

### Capacity Utilization

<table>
<thead>
<tr>
<th>Capacity utilization rate, percent</th>
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<tr>
<td>1978</td>
</tr>
<tr>
<td>1979</td>
</tr>
<tr>
<td>1980</td>
</tr>
<tr>
<td>1981</td>
</tr>
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<td>1985: Sept</td>
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<td>Dec</td>
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<td>1986: Jan</td>
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<td>June *</td>
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<td>July *</td>
</tr>
<tr>
<td>Aug *</td>
</tr>
<tr>
<td>Sept *</td>
</tr>
</tbody>
</table>

Source: Board of Governors of the Federal Reserve System.
# INDUSTRIAL PRODUCTION—MAJOR MARKET GROUPS AND SELECTED MANUFACTURES

[1977 = 100; monthly data seasonally adjusted]

<table>
<thead>
<tr>
<th>Period</th>
<th>Products Final Products</th>
<th>Materials Intermediate Products</th>
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<tbody>
<tr>
<td></td>
<td>Consumer goods</td>
<td>Equipment</td>
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<tr>
<td></td>
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<td></td>
<td>Total</td>
<td>Total 1</td>
</tr>
<tr>
<td></td>
<td>Business</td>
<td>Construction supplies</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
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<td>proportion</td>
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</tr>
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</tr>
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<td>132.8</td>
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<td>1986: Mar</td>
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<td></td>
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<td>132.1</td>
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<tr>
<td></td>
<td>1986: Sept</td>
<td>132.9</td>
</tr>
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</table>

1 Includes rigs and prefabs, not shown separately.

[1977 = 100; monthly data seasonally adjusted]

<table>
<thead>
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<th>Period</th>
<th>Durable manufactures</th>
<th>Non-durable manufactures</th>
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<td>Total</td>
<td>Iron and steel</td>
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<td>92.5</td>
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<td>60.1</td>
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<td>70.4</td>
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<td>72.4</td>
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<td>73.9</td>
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<td>1986: Dec</td>
<td>81.7</td>
<td>71.6</td>
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1986: Jan: 82.4 72.2 106.2 144.9 106.1 128.2 116.5 120.5 105.5 169.9 131.7 132.0

1986: Feb: 80.3 65.5 108.5 143.9 106.8 127.5 116.4 120.3 102.8 166.7 132.0 132.0

1986: Mar: 76.8 64.3 107.2 141.7 105.2 129.5 105.1 129.7 102.8 167.8 132.2 132.2

1986: Apr: 78.1 65.6 108.2 140.8 106.8 128.2 116.2 121.3 103.1 161.6 132.8 133.1

1986: May: 74.8 60.2 106.5 141.3 106.0 124.1 108.7 121.6 106.2 161.9 131.5 133.7

1986: June: 71.4 56.3 106.6 140.4 106.2 125.1 110.6 120.9 101.7 164.0 134.2 134.8

1986: July: 73.5 61.4 105.5 142.5 106.5 125.5 112.5 119.7 103.3 164.0 134.3 134.9

1986: Aug: 72.6 59.9 106.5 142.9 107.0 125.3 108.3 101.5 163.5 135.1 134.9

1986: Sept: 72.6 72.6 107.1 141.5 107.3 127.4 112.8 164.0

Source: Board of Governors of the Federal Reserve System.
### NEW CONSTRUCTION

**[Monthly data seasonally adjusted]**

<table>
<thead>
<tr>
<th>Period</th>
<th>Total new construction expenditures</th>
<th>Private</th>
<th>Construction contracts a</th>
<th>Federal, State, and local</th>
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<tbody>
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<td></td>
<td>Total</td>
<td>Residential</td>
<td>New housing units</td>
<td>Commercial and industrial 2</td>
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<td>224.7</td>
<td>179.0</td>
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<td>126.6</td>
<td>95.7</td>
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<td>292.8</td>
<td>158.8</td>
<td>116.0</td>
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#### Billions of dollars

<table>
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<th>Period</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
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</thead>
<tbody>
<tr>
<td>1985</td>
<td>288.8</td>
<td>294.0</td>
<td>306.0</td>
<td>304.0</td>
<td>301.4</td>
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<td>307.3</td>
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#### Annual rates

### NEW PRIVATE HOUSING AND VACANCY RATES

**[Thousands of units or homes, except as noted]**

<table>
<thead>
<tr>
<th>Period</th>
<th>New private housing units</th>
<th>New private homes</th>
<th>Vacancy rate for rental housing units (percent) 3</th>
</tr>
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<td></td>
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<td>1,072.4</td>
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#### Seasonally adjusted annual rates

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<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
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</thead>
<tbody>
<tr>
<td>1985</td>
<td>1,737</td>
<td>1,071</td>
<td>97</td>
<td>569</td>
<td>1,782</td>
<td>1,782</td>
<td>708</td>
<td>348</td>
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</table>

### Footnotes

1. Includes the following categories of private construction not shown separately: residential improvements, railroads, electric light and power, gas, petroleum pipelines, and farm nonresidential.
4. Includes hotels and motels.
5. Annual rates.
6. Millions of square feet.
7. Includes Federal, State, and local.
8. Includes New York City.

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

**NEW CONSTRUCTION**
BUSINESS SALES AND INVENTORIES—Manufacturing and Trade

Manufacturing and trade sales rose 0.5 percent in August and inventories fell $0.7 billion. According to advance data, retail sales rose 4.6 percent in September following an increase of 1.5 percent in August.

### Retail Inventories

<table>
<thead>
<tr>
<th>Period</th>
<th>Durable goods stores</th>
<th>Nondurable goods stores</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>127,201</td>
<td>160,066</td>
<td>287,267</td>
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<tr>
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<td>121,574</td>
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<tr>
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<td>119,804</td>
<td>190,367</td>
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<tr>
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<td>117,390</td>
<td>187,922</td>
<td>291,312</td>
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<tr>
<td>1986</td>
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<td>184,829</td>
<td>299,262</td>
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</table>

### Retail Sales

<table>
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</tr>
</thead>
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<td>1982</td>
<td>121,574</td>
</tr>
<tr>
<td>1983</td>
<td>129,158</td>
</tr>
<tr>
<td>1984</td>
<td>134,299</td>
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<tr>
<td>1985</td>
<td>138,793</td>
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### Inventory-Sales Ratio

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<td>1.38</td>
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<td>1986</td>
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</table>

1. See page 21 for manufacturing.
2. Book value, end of period, seasonally adjusted.
3. 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 August, manufacturers' shipments were unchanged and inventories and orders fell. In September, according to advance data, durable goods shipments and new orders rose.

**INVENTORIES**

MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS

- Manufacturers' shipments in August were unchanged and inventories and orders fell.
- In September, according to advance data, durable goods shipments and new orders rose.

**Charts and Figures**

- Two line graphs and two bar charts illustrate the data for shipments, inventories, and new orders.

**Table**

<table>
<thead>
<tr>
<th>Period</th>
<th>Manufacturers' shipments 1</th>
<th>Manufacturers' inventories 2</th>
<th>Manufacturers' new orders 4</th>
<th>Durable goods</th>
<th>Non-durable goods</th>
<th>Non-durable goods</th>
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<td>Durable goods</td>
<td>Capital goods industries, non-defense</td>
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<td>Non-durable goods</td>
<td>Non-durable goods</td>
<td>Non-durable goods</td>
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</tbody>
</table>

**Source**

Department of Commerce, Bureau of the Census.

**Footnotes**

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.

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.

**End of Period**

- End of period.

21
In September, the producer price index for all finished goods rose 0.4 percent, seasonally adjusted. The index for finished consumer foods fell 0.2 percent while the index for finished consumer goods excluding foods was up 0.8 percent. The index for capital equipment rose 0.4 percent.

### PRODUCER PRICES

#### INFLATION PERCENTAGE

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<thead>
<tr>
<th>Period</th>
<th>Total finished goods</th>
<th>Consumer goods excluding consumer foods</th>
<th>Total finished consumer goods</th>
<th>Foods and feedstuffs</th>
<th>Other</th>
<th>Total foodstuffs and feedstuffs</th>
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</table>

CONSUMER PRICES—ALL URBAN CONSUMERS

In September, the consumer price index for all urban consumers rose 0.3 percent, seasonally adjusted (0.5 percent not seasonally adjusted). The index was 1.8 percent above its year-earlier level.

![Graph showing consumer prices from 1978 to 1986](image)

**Table: Consumer Prices by Category**

<table>
<thead>
<tr>
<th>Period</th>
<th>All items</th>
<th>Food</th>
<th>Shelter</th>
<th>Transportation</th>
</tr>
</thead>
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<td>Food</td>
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<td>Energy 1</td>
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<td>shelter</td>
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<tr>
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**Notes:**
- Data beginning 1983 incorporate a rental equivalence measure for homeownership costs and therefore are not strictly comparable with figures for earlier periods.
- Includes items not shown separately.
- Fuel oil, coal, and bottled gas; gas (piped) and electricity; and motor fuel. Motor oil, coolant, etc. also included through 1982.

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 by NSA]

<table>
<thead>
<tr>
<th>Period</th>
<th>Change from preceding period</th>
<th>Change from 3 months earlier, annual rate</th>
<th>Change from 6 months earlier, annual rate</th>
<th>Change from year earlier, total finished goods</th>
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<tbody>
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<td>4.2</td>
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</table>

Source: Department of Labor, Bureau of Labor Statistics.

### CHANGES IN CONSUMER PRICES—ALL URBAN CONSUMERS

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

<table>
<thead>
<tr>
<th>Period</th>
<th>All items</th>
<th>Food</th>
<th>Housing</th>
<th>Shelter</th>
<th>Transportation</th>
<th>All items less food, energy, and shelter</th>
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<td>Total 1</td>
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<td>Homeowners' costs</td>
<td>Fuel and other utilities</td>
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Change, month to month

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<th>All items</th>
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<th>Housing</th>
<th>Shelter</th>
<th>Transportation</th>
<th>All items less food, energy, and shelter</th>
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</thead>
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<td>0.4</td>
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Change, December to December, NSA

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<th>Transportation</th>
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<td>-0.6</td>
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<td>-0.5</td>
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<td>-0.4</td>
<td>-0.6</td>
<td>-0.4</td>
<td>-0.5</td>
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</table>

Change, month to month

<table>
<thead>
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<th>Period</th>
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<th>Food</th>
<th>Housing</th>
<th>Shelter</th>
<th>Transportation</th>
<th>All items less food, energy, and shelter</th>
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</table>

Change, December to December, NSA

Note:—Data beginning January 1983 incorporate a rental equivalence measure for homeowners' costs and therefore are not strictly comparable with data for earlier periods.

Source: Department of Labor, Bureau of Labor Statistics.
Prices received by farmers in September fell 2.4 percent from their August level. Prices paid by farmers in July (the latest data available) were unchanged from their April level.

### Prices received by farmers

<table>
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<tr>
<th>Period</th>
<th>All farm products</th>
<th>Crops</th>
<th>Livestock and products</th>
<th>All commodities, services, interest, taxes, and wage rates</th>
<th>Production items, interest, taxes, and wage rates</th>
<th>Production items</th>
<th>Ratio</th>
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<td></td>
<td>76</td>
</tr>
</tbody>
</table>

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.
3 Not available.
4 Derived using prices paid index for April.

**Note:** The official indexes are published on a 1910-14 base as required by law. The indexes have been converted to a 1977 = 100 base to facilitate comparison with other indexes.

**Source:** Department of Agriculture.
MONEY, CREDIT, AND SECURITY MARKETS

MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES

In September, growth in M1 and M2 slowed; growth in M3 was unchanged.

| Period | M1 | M2 | M3 | L | Debt | Percent change from year or 6 months earlier
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sum of currency, demand deposits, travelers' checks, and other checkable deposits (OCDs)</td>
<td>1,388.9</td>
<td>1,906.0</td>
<td>2,712.6</td>
<td>3,556.6</td>
<td>8.3</td>
<td>8.0</td>
</tr>
<tr>
<td>M1 plus overnight RPs and Eurodollars, MMMF balances (general purpose and broker/dealer), MMDAs, and savings and small time deposits</td>
<td>1,646.4</td>
<td>2,114.8</td>
<td>3,150.0</td>
<td>6,769.0</td>
<td>12.2</td>
<td>8.1</td>
</tr>
<tr>
<td>M2 plus large time deposits, term RPs, term Eurodollars, and institution-only MMMF balances</td>
<td>1,645.3</td>
<td>2,111.5</td>
<td>3,145.6</td>
<td>6,760.3</td>
<td>12.2</td>
<td>8.1</td>
</tr>
<tr>
<td>M3 plus other liquid assets</td>
<td>1,646.5</td>
<td>2,114.8</td>
<td>3,150.0</td>
<td>6,769.0</td>
<td>12.2</td>
<td>8.1</td>
</tr>
</tbody>
</table>

1 Consists of outstanding credit market debt of the U.S. Government, State and local governments, and private nonfinancial sector; 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: 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 by NSA]

<table>
<thead>
<tr>
<th>Period</th>
<th>Currency</th>
<th>Demand deposits</th>
<th>Other checkable deposits (OCOs)</th>
<th>Over-night repurchase agreements (REPs), net, plus overnight Eurodollars</th>
<th>General purpose and broker/dealer institutions only</th>
<th>Money market mutual fund balances</th>
<th>Money market deposit accounts (MMDAs)</th>
<th>Savings deposits</th>
<th>Small denomination time deposits</th>
<th>Large denomination time deposits</th>
<th>Term repurchase agreements (REPs)</th>
<th>Term Eurodollars (net)</th>
<th>Savings bonds</th>
<th>Short-term Treasury securities</th>
<th>Bankers' acceptances</th>
<th>Commercial paper</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978: Dec.</td>
<td>97.6</td>
<td>255.5</td>
<td>8.5</td>
<td>20.3</td>
<td>6.4</td>
<td>3.1</td>
<td>0.0</td>
<td>482.0</td>
<td>521.5</td>
<td>195.1</td>
<td>26.6</td>
<td>31.8</td>
<td>80.3</td>
<td>81.1</td>
<td>22.0</td>
<td>79.2</td>
</tr>
<tr>
<td>1979: Dec.</td>
<td>106.4</td>
<td>261.1</td>
<td>14.7</td>
<td>21.3</td>
<td>33.4</td>
<td>9.0</td>
<td>0.0</td>
<td>429.9</td>
<td>635.3</td>
<td>222.1</td>
<td>29.5</td>
<td>44.7</td>
<td>79.6</td>
<td>107.8</td>
<td>27.2</td>
<td>97.0</td>
</tr>
<tr>
<td>1980: Dec.</td>
<td>106.7</td>
<td>265.3</td>
<td>28.0</td>
<td>28.3</td>
<td>61.6</td>
<td>15.2</td>
<td>0.0</td>
<td>401.4</td>
<td>670.2</td>
<td>259.0</td>
<td>34.0</td>
<td>50.3</td>
<td>73.3</td>
<td>133.4</td>
<td>32.1</td>
<td>98.1</td>
</tr>
<tr>
<td>1981: Dec.</td>
<td>134.1</td>
<td>254.6</td>
<td>78.0</td>
<td>35.9</td>
<td>150.6</td>
<td>38.0</td>
<td>0.0</td>
<td>344.8</td>
<td>825.1</td>
<td>201.8</td>
<td>36.0</td>
<td>67.5</td>
<td>67.8</td>
<td>149.6</td>
<td>39.9</td>
<td>102.8</td>
</tr>
<tr>
<td>1982: Dec.</td>
<td>134.3</td>
<td>257.9</td>
<td>103.4</td>
<td>38.8</td>
<td>185.2</td>
<td>51.1</td>
<td>34.2</td>
<td>537.9</td>
<td>852.8</td>
<td>237.8</td>
<td>34.5</td>
<td>81.7</td>
<td>68.0</td>
<td>184.4</td>
<td>44.3</td>
<td>109.9</td>
</tr>
<tr>
<td>1983: Dec.</td>
<td>143.3</td>
<td>247.2</td>
<td>131.3</td>
<td>58.8</td>
<td>138.2</td>
<td>43.2</td>
<td>379.2</td>
<td>785.2</td>
<td>329.9</td>
<td>51.8</td>
<td>91.5</td>
<td>71.2</td>
<td>214.9</td>
<td>44.5</td>
<td>135.6</td>
<td></td>
</tr>
<tr>
<td>1984: Dec.</td>
<td>158.6</td>
<td>268.4</td>
<td>146.3</td>
<td>50.3</td>
<td>167.5</td>
<td>62.7</td>
<td>417.0</td>
<td>877.3</td>
<td>413.9</td>
<td>62.2</td>
<td>85.1</td>
<td>74.3</td>
<td>216.0</td>
<td>43.6</td>
<td>161.8</td>
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</tr>
<tr>
<td>1985: Dec.</td>
<td>170.6</td>
<td>271.5</td>
<td>178.5</td>
<td>70.5</td>
<td>175.5</td>
<td>64.6</td>
<td>512.0</td>
<td>839.5</td>
<td>435.5</td>
<td>86.0</td>
<td>76.7</td>
<td>78.5</td>
<td>508.4</td>
<td>41.1</td>
<td>209.5</td>
<td></td>
</tr>
</tbody>
</table>

**Note.**—See note p. 26.

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

**Source.** Board of Governors of the Federal Reserve System.

### CONSUMER INSTALLMENT CREDIT

[Millions of dollars; seasonally adjusted]

<table>
<thead>
<tr>
<th>Period</th>
<th>Total</th>
<th>Automobile</th>
<th>Revolving</th>
<th>Mobile home</th>
<th>Other</th>
<th>Total</th>
<th>Automobile</th>
<th>Revolving</th>
<th>Mobile home</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977: Dec.</td>
<td>211,475</td>
<td>80,947</td>
<td>24,652</td>
<td>19,921</td>
<td>91,411</td>
<td>33,698</td>
<td>14,147</td>
<td>20,946</td>
<td>624</td>
<td>1,152</td>
</tr>
<tr>
<td>1978: Dec.</td>
<td>231,976</td>
<td>98,739</td>
<td>24,670</td>
<td>19,921</td>
<td>91,411</td>
<td>40,501</td>
<td>17,791</td>
<td>8,513</td>
<td>558</td>
<td>13,688</td>
</tr>
<tr>
<td>1979: Dec.</td>
<td>256,483</td>
<td>112,475</td>
<td>35,357</td>
<td>20,907</td>
<td>112,444</td>
<td>34,507</td>
<td>15,766</td>
<td>8,155</td>
<td>1,296</td>
<td>11,350</td>
</tr>
<tr>
<td>1980: Dec.</td>
<td>279,877</td>
<td>132,255</td>
<td>54,804</td>
<td>19,119</td>
<td>111,306</td>
<td>1,184</td>
<td>2,200</td>
<td>1,537</td>
<td>912</td>
<td>1,045</td>
</tr>
<tr>
<td>1981: Dec.</td>
<td>314,321</td>
<td>120,020</td>
<td>60,750</td>
<td>19,302</td>
<td>111,100</td>
<td>16,654</td>
<td>7,765</td>
<td>5,856</td>
<td>1,285</td>
<td>1,770</td>
</tr>
<tr>
<td>1982: Dec.</td>
<td>327,178</td>
<td>125,369</td>
<td>66,007</td>
<td>20,998</td>
<td>114,799</td>
<td>12,852</td>
<td>5,349</td>
<td>5,255</td>
<td>616</td>
<td>1,680</td>
</tr>
<tr>
<td>1983: Dec.</td>
<td>376,239</td>
<td>145,906</td>
<td>78,369</td>
<td>22,194</td>
<td>120,768</td>
<td>49,066</td>
<td>20,389</td>
<td>12,562</td>
<td>1,196</td>
<td>14,900</td>
</tr>
<tr>
<td>1984: Dec.</td>
<td>435,382</td>
<td>173,122</td>
<td>98,514</td>
<td>24,184</td>
<td>157,730</td>
<td>77,541</td>
<td>27,214</td>
<td>20,145</td>
<td>1,890</td>
<td>27,592</td>
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<tr>
<td>1985: Dec.</td>
<td>535,098</td>
<td>206,482</td>
<td>118,296</td>
<td>25,461</td>
<td>184,859</td>
<td>81,518</td>
<td>33,360</td>
<td>19,782</td>
<td>1,277</td>
<td>27,099</td>
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<tr>
<td>1986: Jan.</td>
<td>506,090</td>
<td>192,929</td>
<td>112,373</td>
<td>25,173</td>
<td>175,821</td>
<td>6,051</td>
<td>1,722</td>
<td>1,469</td>
<td>158</td>
<td>2,702</td>
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<tr>
<td>1987: Sept.</td>
<td>518,420</td>
<td>188,560</td>
<td>113,850</td>
<td>25,541</td>
<td>175,875</td>
<td>10,530</td>
<td>5,733</td>
<td>1,477</td>
<td>188</td>
<td>2,852</td>
</tr>
<tr>
<td>1989: Nov.</td>
<td>528,021</td>
<td>203,768</td>
<td>117,050</td>
<td>25,315</td>
<td>182,490</td>
<td>5,643</td>
<td>1,723</td>
<td>1,832</td>
<td>5</td>
<td>2,044</td>
</tr>
<tr>
<td>1990: Dec.</td>
<td>530,986</td>
<td>206,482</td>
<td>118,296</td>
<td>25,461</td>
<td>184,859</td>
<td>6,477</td>
<td>2,716</td>
<td>1,546</td>
<td>149</td>
<td>2,369</td>
</tr>
</tbody>
</table>

**Note.**—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.

27

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**Digitized for FRASER**
http://frasr.stlouisfed.org/
Federal Reserve Bank of St. Louis
BANK LOANS AND SECURITIES, AND RESERVES
Commercial and industrial loans rose 0.1 percent in September.

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

<table>
<thead>
<tr>
<th>Period</th>
<th>Total loans and securities</th>
<th>Loans and leases</th>
<th>U.S. Government securities</th>
<th>Other securities</th>
<th>Depository institutions</th>
<th>Reserves adjusted for changes in reserve requirements</th>
<th>Borrowings (millions of dollars, unadjusted)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Commercial and industrial loans</td>
<td>Total</td>
<td>Commercial and industrial loans</td>
<td>U.S. Government securities</td>
<td>Total</td>
<td>Non-borrowed</td>
</tr>
<tr>
<td>1978:  Dec</td>
<td>1,014.4</td>
<td>747.5</td>
<td>246.2</td>
<td>137.6</td>
<td>129.3</td>
<td>27.85</td>
<td>26.99</td>
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<tr>
<td>1979:  Dec</td>
<td>1,136.2</td>
<td>849.9</td>
<td>291.3</td>
<td>144.4</td>
<td>142.0</td>
<td>29.15</td>
<td>27.67</td>
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<td>1,240.5</td>
<td>915.4</td>
<td>327.4</td>
<td>150.8</td>
<td>154.5</td>
<td>50.80</td>
<td>49.90</td>
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<td>968.4</td>
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<td>172.2</td>
<td>160.0</td>
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<td>1,033.9</td>
<td>392.5</td>
<td>201.9</td>
<td>165.3</td>
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<td>33.78</td>
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<td>1,126.7</td>
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<td>258.7</td>
<td>170.1</td>
<td>36.16</td>
<td>35.58</td>
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<td>1,319.7</td>
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<td>269.9</td>
<td>142.1</td>
<td>39.51</td>
<td>38.82</td>
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<td>1,900.4</td>
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<td>499.5</td>
<td>272.1</td>
<td>177.6</td>
<td>45.61</td>
<td>44.29</td>
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<td>1,418.0</td>
<td>492.1</td>
<td>275.5</td>
<td>153.6</td>
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<td>492.7</td>
<td>274.2</td>
<td>157.3</td>
<td>44.24</td>
<td>43.06</td>
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<td>1,876.0</td>
<td>1,436.8</td>
<td>495.7</td>
<td>276.0</td>
<td>163.3</td>
<td>44.85</td>
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<tr>
<td>Dec</td>
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<td>1,449.7</td>
<td>499.5</td>
<td>272.1</td>
<td>177.6</td>
<td>45.61</td>
<td>44.29</td>
</tr>
<tr>
<td>1987:  Jan</td>
<td>1,930.3</td>
<td>1,469.3</td>
<td>502.1</td>
<td>268.2</td>
<td>192.6</td>
<td>45.88</td>
<td>45.11</td>
</tr>
<tr>
<td>Feb</td>
<td>1,935.5</td>
<td>1,473.7</td>
<td>502.4</td>
<td>273.8</td>
<td>188.1</td>
<td>46.37</td>
<td>45.49</td>
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<td>Mar</td>
<td>1,944.6</td>
<td>1,491.8</td>
<td>506.1</td>
<td>269.5</td>
<td>183.3</td>
<td>46.87</td>
<td>46.10</td>
</tr>
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<td>1,947.9</td>
<td>1,468.8</td>
<td>507.8</td>
<td>270.0</td>
<td>182.1</td>
<td>47.28</td>
<td>46.38</td>
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<td>May</td>
<td>1,957.5</td>
<td>1,507.5</td>
<td>508.7</td>
<td>278.1</td>
<td>181.9</td>
<td>48.58</td>
<td>47.70</td>
</tr>
<tr>
<td>June</td>
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<td>1,503.3</td>
<td>508.7</td>
<td>274.8</td>
<td>183.6</td>
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<td>48.64</td>
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<tr>
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<td>1,513.4</td>
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<td>285.4</td>
<td>186.1</td>
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<td>49.74</td>
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<tr>
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<td>1,534.5</td>
<td>510.4</td>
<td>290.9</td>
<td>192.2</td>
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<td>294.1</td>
<td>200.5</td>
<td>51.81</td>
<td>50.80</td>
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</tbody>
</table>

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

2 Excludes loans to commercial banks in the United States.

3 Source: Board of Governors of the Federal Reserve System.

SOURCES: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM COUNCIL OF ECONOMIC ADVISERS * SEASONALLY ADJUSTED
### SOURCES AND USES OF FUNDS, NONFARM NONFINANCIAL CORPORATE BUSINESS

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

<table>
<thead>
<tr>
<th>Period</th>
<th>Total</th>
<th>Internal</th>
<th>External</th>
<th>Credit market funds</th>
<th>Uses</th>
<th>Capital expenditures</th>
<th>Increase in financial assets</th>
<th>Discrepancy (sources less uses)</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Securities and mortgages</td>
<td></td>
<td>Loans and short-term paper</td>
<td>Other</td>
<td>Total</td>
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<td>182.3</td>
<td>146.3</td>
<td>85.0</td>
<td>33.2</td>
<td>51.8</td>
<td>61.3</td>
<td>309.3</td>
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<td>197.6</td>
<td>155.1</td>
<td>87.8</td>
<td>20.9</td>
<td>66.9</td>
<td>67.2</td>
<td>362.8</td>
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<td>94.3</td>
<td>55.1</td>
<td>41.2</td>
<td>55.2</td>
<td>343.2</td>
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<td>22.8</td>
<td>70.9</td>
<td>49.3</td>
<td>346.1</td>
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<td>285.3</td>
<td>146.5</td>
<td>87.6</td>
<td>57.3</td>
<td>30.3</td>
<td>58.1</td>
<td>399.1</td>
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<td>326.8</td>
<td>175.7</td>
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<td>10.1</td>
<td>126.5</td>
<td>60.7</td>
<td>485.1</td>
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<td>78.5</td>
<td>15.3</td>
<td>63.2</td>
<td>48.4</td>
<td>445.0</td>
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<td>429.2</td>
<td>339.4</td>
<td>89.9</td>
<td>64.1</td>
<td>-10.2</td>
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<tr>
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<td>258.5</td>
<td>119.6</td>
<td>72.2</td>
<td>44.9</td>
<td>27.3</td>
<td>29.5</td>
<td>369.0</td>
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<td>355.2</td>
<td>118.8</td>
<td>64.0</td>
<td>16.9</td>
<td>23.5</td>
<td>72.4</td>
<td>431.3</td>
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<td>355.1</td>
<td>202.3</td>
<td>137.1</td>
<td>24.8</td>
<td>112.3</td>
<td>65.2</td>
<td>520.1</td>
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<tr>
<td>1986</td>
<td>498.3</td>
<td>361.1</td>
<td>96.2</td>
<td>45.5</td>
<td>50.5</td>
<td>-20.0</td>
<td>49.7</td>
<td>419.7</td>
</tr>
</tbody>
</table>

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


Source: Board of Governors of the Federal Reserve System.

### CURRENT ASSETS AND LIABILITIES OF NONFINANCIAL CORPORATIONS

(Billions of dollars, except as noted)

<table>
<thead>
<tr>
<th>End of period</th>
<th>Total</th>
<th>Cash</th>
<th>U.S. Government securities</th>
<th>Notes and accounts receivable</th>
<th>Inventories</th>
<th>Other current assets</th>
<th>Total</th>
<th>Notes and accounts payable</th>
<th>Other current liabilities</th>
<th>Net working capital</th>
<th>Current ratio</th>
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<tr>
<td>QFR-FRB series: 2</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1978</td>
<td>1,043.7</td>
<td>105.5</td>
<td>17.2</td>
<td>388.0</td>
<td>431.8</td>
<td>101.1</td>
<td>669.5</td>
<td>383.0</td>
<td>286.5</td>
<td>374.3</td>
<td>1.559</td>
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<td>18.7</td>
<td>420.7</td>
<td>505.1</td>
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<td>807.3</td>
<td>460.8</td>
<td>346.5</td>
<td>407.3</td>
<td>1.605</td>
</tr>
<tr>
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<td>127.0</td>
<td>19.7</td>
<td>507.5</td>
<td>543.0</td>
<td>152.1</td>
<td>890.6</td>
<td>514.4</td>
<td>378.2</td>
<td>437.8</td>
<td>1.492</td>
</tr>
<tr>
<td>1981</td>
<td>1,419.6</td>
<td>155.6</td>
<td>17.7</td>
<td>532.5</td>
<td>584.0</td>
<td>149.7</td>
<td>971.3</td>
<td>547.1</td>
<td>424.2</td>
<td>448.3</td>
<td>1.492</td>
</tr>
<tr>
<td>1982</td>
<td>1,437.1</td>
<td>147.8</td>
<td>23.0</td>
<td>517.4</td>
<td>579.0</td>
<td>169.8</td>
<td>860.5</td>
<td>550.7</td>
<td>405.8</td>
<td>451.1</td>
<td>1.439</td>
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<td>453.9</td>
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<td>30.2</td>
<td>638.1</td>
<td>656.9</td>
<td>203.2</td>
<td>1,163.6</td>
<td>647.8</td>
<td>514.5</td>
<td>539.5</td>
<td>1.492</td>
</tr>
</tbody>
</table>

1. Total current assets divided by total current liabilities.


Source: Board of Governors of the Federal Reserve System, Department of Commerce (Bureau of the Census), and Federal Trade Commission.
INTEREST RATES AND BOND YIELDS
Interest rates were unchanged in October.

**U.S. Treasury security yields**

<table>
<thead>
<tr>
<th>Period</th>
<th>3-month bills (new issues)</th>
<th>Constant maturities ²</th>
<th>High-grade municipal bonds (Standard &amp; Poor’s) ⁵</th>
<th>Corporate Aaa bonds (Moody’s) ⁴</th>
<th>Prime commercial paper, 6 months ¹</th>
<th>Discount rate (N.Y. F.R. Bank) ⁴</th>
<th>Prime rate charged by banks ⁴</th>
<th>New-home mortgage yields (F.H.L.B.M. ⁵)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5-year</td>
<td>10-year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1980</td>
<td>11.506</td>
<td>11.55</td>
<td>11.46</td>
<td>8.51</td>
<td>11.94</td>
<td>12.29</td>
<td>11.77</td>
<td>15.27</td>
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</tbody>
</table>

1985: Oct, Nov, Dec...

1986: Jan, Feb, Mar...

<table>
<thead>
<tr>
<th>Period</th>
<th>3-month bills (new issues)</th>
<th>Constant maturities ²</th>
<th>High-grade municipal bonds (Standard &amp; Poor’s) ⁵</th>
<th>Corporate Aaa bonds (Moody’s) ⁴</th>
<th>Prime commercial paper, 6 months ¹</th>
<th>Discount rate (N.Y. F.R. Bank) ⁴</th>
<th>Prime rate charged by banks ⁴</th>
<th>New-home mortgage yields (F.H.L.B.M. ⁵)</th>
</tr>
</thead>
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<tr>
<td></td>
<td>5-year</td>
<td>10-year</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1986: Aug...</td>
<td>5.57</td>
<td>6.49</td>
<td>7.17</td>
<td>6.72</td>
<td>7.31</td>
<td>5.83</td>
<td>6.00-5.50</td>
<td>8.00-7.50</td>
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<tr>
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<td>5.19</td>
<td>6.62</td>
<td>7.45</td>
<td>7.14</td>
<td>8.89</td>
<td>5.61</td>
<td>5.50-5.50</td>
<td>7.50-7.50</td>
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<tr>
<td>Week ended:</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1986: Week.</td>
<td>5.18</td>
<td>6.57</td>
<td>7.43</td>
<td>7.12</td>
<td>8.87</td>
<td>5.82</td>
<td>5.50-5.50</td>
<td>7.50-7.50</td>
</tr>
</tbody>
</table>

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

⁶ Effective rate on 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.


1986: Week ended:

1986: Oct...

1986: Nov...

1986: Dec...
**COMMON STOCK PRICES AND YIELDS**

Stock prices fell slightly in October.

### New York Stock Exchange indexes (Dec. 31, 1965 = 50)

<table>
<thead>
<tr>
<th>Period</th>
<th>Composite</th>
<th>Industrial</th>
<th>Transportation</th>
<th>Utility</th>
<th>Finance</th>
<th>Dow-Jones industrial average</th>
<th>Standard &amp; Poor's composite index (1896–43 = 10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>68.10</td>
<td>78.70</td>
<td>60.61</td>
<td>37.35</td>
<td>64.35</td>
<td>891.41</td>
<td>118.78</td>
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<td>74.02</td>
<td>85.44</td>
<td>72.61</td>
<td>38.91</td>
<td>73.52</td>
<td>932.92</td>
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<td>68.93</td>
<td>78.18</td>
<td>60.41</td>
<td>39.75</td>
<td>71.99</td>
<td>884.56</td>
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<td>92.63</td>
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<td>89.36</td>
<td>47.06</td>
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<td>89.28</td>
<td>1,178.48</td>
<td>100.46</td>
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<td>104.11</td>
<td>56.75</td>
<td>114.21</td>
<td>1,328.23</td>
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<td>125.65</td>
<td>103.72</td>
<td>55.84</td>
<td>112.86</td>
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<td>56.07</td>
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<td>116.83</td>
<td>126.77</td>
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<td>61.82</td>
<td>128.86</td>
<td>1,517.02</td>
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<td>120.16</td>
<td>137.18</td>
<td>115.72</td>
<td>62.46</td>
<td>132.36</td>
<td>1,534.86</td>
<td>208.19</td>
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<td>126.48</td>
<td>144.08</td>
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<td>65.18</td>
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<td>68.06</td>
<td>153.84</td>
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<td>69.46</td>
<td>155.07</td>
<td>1,607.65</td>
<td>238.46</td>
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<td>137.27</td>
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<td>69.46</td>
<td>155.07</td>
<td>1,607.65</td>
<td>238.46</td>
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<td>140.82</td>
<td>163.15</td>
<td>120.65</td>
<td>70.68</td>
<td>151.73</td>
<td>1,867.70</td>
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<td>138.52</td>
<td>158.65</td>
<td>123.03</td>
<td>71.20</td>
<td>150.23</td>
<td>1,809.92</td>
<td>240.18</td>
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<td>140.91</td>
<td>160.10</td>
<td>111.24</td>
<td>77.84</td>
<td>152.90</td>
<td>1,848.45</td>
<td>245.00</td>
</tr>
<tr>
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<td>137.06</td>
<td>156.02</td>
<td>114.96</td>
<td>74.56</td>
<td>145.06</td>
<td>1,813.47</td>
<td>239.27</td>
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<tr>
<td>Week ended: 1986: Sept 27</td>
<td>136.57</td>
<td>156.35</td>
<td>119.93</td>
<td>75.29</td>
<td>143.82</td>
<td>1,814.28</td>
<td>237.06</td>
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| Common stock yields (percent) 2 |

<table>
<thead>
<tr>
<th>Period</th>
<th>Dividend-price ratio</th>
<th>Earnings-price ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>5.26</td>
<td>12.66</td>
</tr>
<tr>
<td>1981</td>
<td>5.20</td>
<td>11.96</td>
</tr>
<tr>
<td>1982</td>
<td>5.91</td>
<td>11.05</td>
</tr>
<tr>
<td>1983</td>
<td>4.40</td>
<td>8.03</td>
</tr>
<tr>
<td>1984</td>
<td>4.64</td>
<td>10.02</td>
</tr>
<tr>
<td>1985</td>
<td>4.25</td>
<td>8.12</td>
</tr>
<tr>
<td>1986</td>
<td>3.88</td>
<td>6.91</td>
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</tbody>
</table>

1. Average of daily closing prices.
2. Includes all the stocks (more than 1,500) listed on the NYSE.
3. Includes 50 stocks.

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

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**COMPOSITE STOCK PRICE INDEX (NYSE)**

**EARNINGS-PRICE RATIO ON COMMON STOCKS (S&P)**

**SOURCES:** New York Stock Exchange and Standard & Poor's Corporation

**COUNCIL OF ECONOMIC ADVISERS**
FEDERAL FINANCE

FEDERAL RECEIPTS, OUTLAYS, AND DEBT

In fiscal 1986, there was a deficit of $220.7 billion compared with a deficit of $212.3 billion in fiscal 1985.

<table>
<thead>
<tr>
<th>Fiscal year or period</th>
<th>Total</th>
<th>On-budget</th>
<th>Off-budget</th>
<th>Gross Federal debt (end of period)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Receipts</td>
<td>Outlays</td>
<td>Surplus or deficit</td>
<td>Receipts</td>
</tr>
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<td>1975</td>
<td>279.1</td>
<td>322.3</td>
<td>-55.2</td>
<td>216.6</td>
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<td>1976</td>
<td>298.1</td>
<td>371.8</td>
<td>-73.7</td>
<td>231.7</td>
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<tr>
<td>Transition quarter</td>
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<td>96.0</td>
<td>-14.7</td>
<td>63.2</td>
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<tr>
<td>1977</td>
<td>355.8</td>
<td>409.2</td>
<td>-53.6</td>
<td>278.5</td>
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<tr>
<td>1978</td>
<td>389.6</td>
<td>458.7</td>
<td>-69.2</td>
<td>314.2</td>
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<tr>
<td>1979</td>
<td>483.3</td>
<td>503.5</td>
<td>-20.2</td>
<td>365.3</td>
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<tr>
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<td>806.3</td>
<td>-207.8</td>
<td>453.2</td>
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<td>851.8</td>
<td>-155.5</td>
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<td>946.3</td>
<td>-212.3</td>
<td>547.9</td>
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<td>768.1</td>
<td>988.8</td>
<td>-220.7</td>
<td>568.9</td>
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<tr>
<td>1987 (estimates)</td>
<td>821.2</td>
<td>975.1</td>
<td>-153.9</td>
<td>615.2</td>
</tr>
</tbody>
</table>


Sources: Department of the Treasury and Office of Management and Budget.
In fiscal 1986, receipts were $35.0 billion higher than in fiscal 1985 and outlays were $43.5 billion higher.
FEDERAL SECTOR, NATIONAL INCOME ACCOUNTS BASIS

In the second quarter of 1986, Federal receipts rose $7.7 billion (annual rate) and expenditures rose $44.2 billion, yielding a deficit of $238.1 billion. In the third quarter, according to preliminary estimates, expenditures fell $21.7 billion; receipts data are incomplete.

![Graph showing Federal receipts and expenditures]

<table>
<thead>
<tr>
<th>Period</th>
<th>Federal Government receipts</th>
<th>Federal Government expenditures</th>
<th>Surplus or deficit (−)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Personal tax and nontax receipts</td>
<td>Corporate profits tax accruals</td>
<td>Indirect business tax and nontax accruals</td>
</tr>
<tr>
<td>1983</td>
<td>650.0</td>
<td>294.5</td>
<td>61.3</td>
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<tr>
<td>1984</td>
<td>633.1</td>
<td>303.0</td>
<td>46.7</td>
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<tr>
<td>1985</td>
<td>630.5</td>
<td>297.1</td>
<td>46.7</td>
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<tr>
<td>1986</td>
<td>675.5</td>
<td>291.9</td>
<td>70.2</td>
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Source: Department of Commerce, Bureau of Economic Analysis.
### INTERNATIONAL STATISTICS

#### INDUSTRIAL PRODUCTION AND CONSUMER PRICES—MAJOR INDUSTRIAL COUNTRIES

<table>
<thead>
<tr>
<th>Period</th>
<th>Industrial production (1972 = 100; seasonally adjusted)</th>
<th>Consumer prices (1967 = 100)</th>
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<tr>
<td></td>
<td>United States</td>
<td>Canada</td>
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<tr>
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<td>109.8</td>
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<tr>
<td>1980</td>
<td>109.6</td>
<td>110.1</td>
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<tr>
<td>1981</td>
<td>111.0</td>
<td>110.6</td>
</tr>
<tr>
<td>1982</td>
<td>103.1</td>
<td>108.6</td>
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<td>1983</td>
<td>110.2</td>
<td>106.1</td>
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<td>1984</td>
<td>121.4</td>
<td>112.7</td>
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<td>1985</td>
<td>121.8</td>
<td>118.2</td>
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<td>1986</td>
<td>124.3</td>
<td>120.0</td>
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<tr>
<td>1987</td>
<td>125.6</td>
<td>119.9</td>
</tr>
<tr>
<td>1988</td>
<td>124.8</td>
<td>119.3</td>
</tr>
<tr>
<td>1989</td>
<td>125.8</td>
<td>121.2</td>
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<tr>
<td>1990</td>
<td>126.2</td>
<td>130.3</td>
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<tr>
<td>1991</td>
<td>125.3</td>
<td>130.3</td>
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<tr>
<td>1992</td>
<td>124.2</td>
<td>117.1</td>
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<tr>
<td>1993</td>
<td>124.7</td>
<td>120.4</td>
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<tr>
<td>1994</td>
<td>124.2</td>
<td>117.7</td>
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<tr>
<td>1995</td>
<td>124.9</td>
<td>117.7</td>
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<td>1996</td>
<td>125.1</td>
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</tr>
<tr>
<td>1997</td>
<td>125.3</td>
<td>116.6</td>
</tr>
</tbody>
</table>

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 for statistical month, not seasonally adjusted]

<table>
<thead>
<tr>
<th>Period</th>
<th>Merchandise exports</th>
<th>Domestic exports</th>
<th>Crude materials and fuels</th>
<th>Manufactured goods</th>
<th>Total (f.o.b. value)</th>
<th>Merchan lise imports</th>
<th>Merchandise trade balance</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Food, beverages, and tobacco</td>
<td>Crude materials and fuels</td>
<td>Manufactured goods</td>
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<td></td>
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<tr>
<td></td>
<td>Domestic exports</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Food, beverages, and tobacco</td>
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<tr>
<td></td>
<td>Manufactured goods</td>
<td></td>
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<td>(f.o.b.)</td>
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<tr>
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<td>(f.o.b.)</td>
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<td>(f.o.b.)</td>
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<td></td>
<td>(f.o.b.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(f.o.b.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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 insurance advances.  

N.B.—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.  

1 Beginning with data released in March 1989, the Bureau of the Census no longer publishes these data on a seasonally adjusted basis. For further information and details regarding revisions to the statistical month and monthly survey data, see Bureau of the Census release FT 900.  
2 Foreign exports more than imports include $2,000 million of nonmonetary gold bullion for January and April 1990.  

Source: Department of Commerce, Bureau of the Census.

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Federal Reserve Bank of St. Louis
U.S. INTERNATIONAL TRANSACTIONS

In the second quarter of 1986 the current account deficit was $34.7 billion, up from $34.0 billion in the first quarter. The merchandise trade deficit fell to $36.0 billion from $36.5 billion in the first quarter.

### Table: U.S. International Transactions

<table>
<thead>
<tr>
<th>Period</th>
<th>Merchandise</th>
<th>Investment income</th>
<th>Net military transactions</th>
<th>Net travel and transportation receipts</th>
<th>Other services, net 1</th>
<th>Balance on goods and services 1</th>
<th>Remittances, pensions, and other unilateral transfers 1</th>
<th>Balance on current account</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Exports</td>
<td>Imports</td>
<td>Receipts</td>
<td>Payments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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<td>1979........</td>
<td>184,473</td>
<td>-212,069</td>
<td>-27,596</td>
<td>64,132</td>
<td>-32,960</td>
<td>31,172</td>
<td>-1,778</td>
<td>-2,935</td>
</tr>
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<td>1980........</td>
<td>224,269</td>
<td>-249,749</td>
<td>-25,480</td>
<td>72,908</td>
<td>-42,120</td>
<td>30,586</td>
<td>-2,257</td>
<td>-7,907</td>
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<td>1983........</td>
<td>201,820</td>
<td>-268,900</td>
<td>-67,080</td>
<td>77,201</td>
<td>-52,410</td>
<td>24,541</td>
<td>-569</td>
<td>-4,227</td>
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<td>1984........</td>
<td>219,900</td>
<td>-332,422</td>
<td>-112,522</td>
<td>86,221</td>
<td>-67,468</td>
<td>16,752</td>
<td>-1,927</td>
<td>-8,563</td>
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<td>1985........</td>
<td>214,454</td>
<td>-338,863</td>
<td>-124,439</td>
<td>89,991</td>
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<td>25,188</td>
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<td>49,642</td>
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<td>-9,834</td>
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<td>-12,228</td>
<td>5,849</td>
<td>489</td>
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<td>II..........</td>
<td>49,216</td>
<td>-64,798</td>
<td>-15,582</td>
<td>18,732</td>
<td>-12,807</td>
<td>5,925</td>
<td>32</td>
<td>-916</td>
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<tr>
<td>III........</td>
<td>50,551</td>
<td>-70,740</td>
<td>-20,889</td>
<td>20,654</td>
<td>-13,536</td>
<td>7,148</td>
<td>-131</td>
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<td>IV..........</td>
<td>52,611</td>
<td>-73,866</td>
<td>-21,275</td>
<td>19,756</td>
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<td>5,919</td>
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<td>-1,497</td>
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<td>-83,684</td>
<td>-29,094</td>
<td>21,104</td>
<td>-17,208</td>
<td>3,896</td>
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<td>-84,144</td>
<td>-28,453</td>
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<td>-17,961</td>
<td>3,405</td>
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<td>-29,174</td>
<td>20,861</td>
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<td>-30,367</td>
<td>22,253</td>
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<td>-2,863</td>
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<td>52,498</td>
<td>-84,173</td>
<td>-31,675</td>
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<td>5,502</td>
<td>-619</td>
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<tr>
<td>IV..........</td>
<td>52,727</td>
<td>-90,079</td>
<td>-37,352</td>
<td>24,506</td>
<td>-18,254</td>
<td>9,555</td>
<td>-1,222</td>
<td>-5,034</td>
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<tr>
<td>1990: I</td>
<td>53,861</td>
<td>-90,190</td>
<td>-36,459</td>
<td>24,216</td>
<td>-17,890</td>
<td>6,517</td>
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<td>II..........</td>
<td>54,705</td>
<td>-90,818</td>
<td>-38,023</td>
<td>22,198</td>
<td>-19,008</td>
<td>5,800</td>
<td>-704</td>
<td>-2,324</td>
</tr>
</tbody>
</table>

---

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.
U.S. INTERNATIONAL TRANSACTIONS—Continued

In the capital accounts, claims on foreigners reported by U.S. banks increased $10.7 billion in the second quarter compared to a decrease of $6.3 billion in the first quarter. Liabilities to foreigners and international financial institutions reported by U.S. banks increased $5.0 billion in the second quarter compared to an increase of $8.4 billion in the first quarter.

<table>
<thead>
<tr>
<th>Period</th>
<th>U.S. assets abroad, net</th>
<th>Foreign assets in the U.S., net</th>
<th>Allocations of special drawing rights (SDRs)</th>
<th>Statistical discrepancy</th>
<th>U.S. official reserve assets, net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>U.S. official reserve assets</td>
<td>Other U.S. Government assets</td>
<td>U.S. private assets</td>
<td>Total</td>
<td>Foreign official assets</td>
</tr>
<tr>
<td>1979</td>
<td>-64,331</td>
<td>-1,133</td>
<td>-3,746</td>
<td>58,453</td>
<td>38,752</td>
</tr>
<tr>
<td>1980</td>
<td>-86,118</td>
<td>-8,155</td>
<td>-5,182</td>
<td>-72,902</td>
<td>58,112</td>
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<td>1981</td>
<td>-111,031</td>
<td>-5,175</td>
<td>-5,007</td>
<td>-100,748</td>
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<td>-4,865</td>
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<td>-5,005</td>
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<td>-5,523</td>
<td>-14,986</td>
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<td>1985</td>
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<td>-2,824</td>
<td>-25,754</td>
<td>127,106</td>
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<td>-29,681</td>
<td>-787</td>
<td>-1,134</td>
<td>-21,770</td>
<td>16,200</td>
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</tr>
</tbody>
</table>

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

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.
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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:
# Preliminary.
* Revised.
^ Corrected.
... Not available (also, not applicable).
NSA not seasonally adjusted.