

Rates of Change in NATIONAL ECONOMIC INDICATORS

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONTH ENDING: August 31, 1966

RELEASED: September 21, 1966

Total spending continued to grow through August. Prices have continued to rise, reflecting the inability of output of goods and services to keep pace with the rapid growth of final demand.

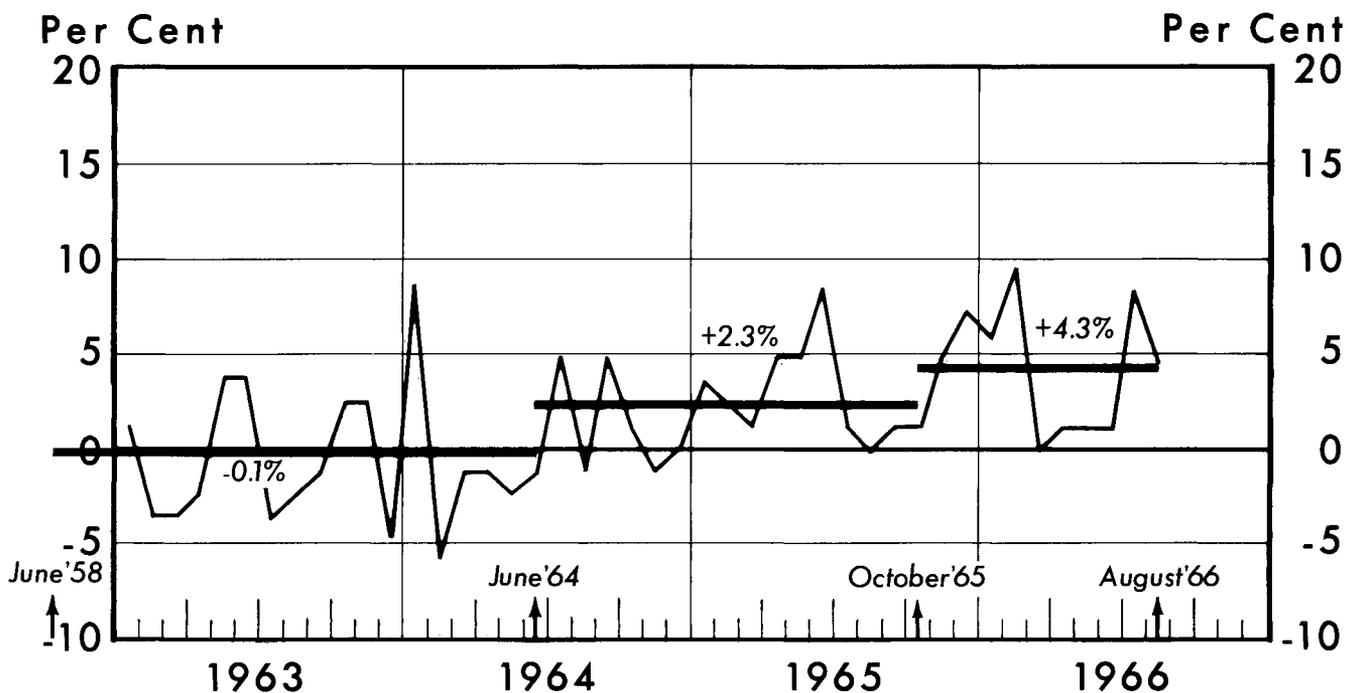
Physical output has advanced since early spring but at a reduced rate. Industrial production rose at a 7 per cent annual rate from June to August, compared with a 9 per cent rate from February to June, and a 15 per cent rate from September 1965 to February 1966. From 1960 to 1965 industrial production rose at an average annual rate of 5.7 per cent.

Total purchasing power as evidenced by personal income has continued to rise rapidly. This income flow rose at an 8.4 per cent annual rate from June to August, about the same rate as during the past year and about twice the rate of growth of productive potential.

Responding to growth of purchasing power much more rapidly than productive capacity, prices have continued to rise (see chart on next page). Led by rising prices of farm products and processed foods, wholesale prices have risen at a 4 per cent rate over the past year. They had been virtually unchanged from 1958 through mid-1964, and then had risen at a 2.3 per cent rate from mid-1964 to October 1965.

Bank loans continued to expand through August. These loans have grown rather steadily at about a 13 per cent annual rate during the past twelve months. Holdings of U. S. Government securities increased in August, in marked contrast to a general downward trend. Such holdings have declined about 5 per cent during the past year.

Wholesale Price Index Annual Rates of Change



Bars on chart are periods of no marked and sustained changes in the rates of change.

Percentages are annual rates of change between months indicated.

Latest data plotted: August preliminary

Prepared by Federal Reserve Bank of St. Louis

TABLE I

Compounded Annual Rates of Change of Selected Business Indicators
Seasonally Adjusted

To August 1966 from Month Indicated

		<u>Employment</u> ^{1/}		<u>Industrial</u>	<u>Personal</u>	<u>Retail</u>
		<u>Civilian</u>	<u>Payroll</u>	<u>Production</u> ^{2/}	<u>Income</u> ^{3/}	<u>Sales</u> ^{3/}
1966	July	4.4 %	4.0 %	7.1 %	10.9 %	20.1 %
	June	2.8	3.0	7.1	8.4	12.1
	May	6.2	5.0	8.2	8.7	25.1
	Apr.	2.2	4.6	9.0	7.8	11.7
	Mar.	3.0	4.0	7.8	6.9	3.3
	Feb.	2.2	4.8	8.6	7.3	5.0
	Jan.	1.5	5.1	9.4	7.7	6.0
1965	Dec.	1.8	5.0	9.8	7.3	6.5
	Nov.	2.6	5.3	11.0	7.7	6.7
	Oct.	3.0	5.6	11.0	8.4	8.4
	Sept.	3.1	5.6	11.3	6.4	9.8
	Aug.	2.7	5.4	9.6	8.8	9.7
	July	2.2	5.2	9.0	8.5	8.6
1964	Aug.	2.7	4.8	8.7	8.1	7.9
1963	Aug.	2.5	4.3	8.1	7.7	7.9

To 1965 from Year Indicated

1961	2.0	3.0 r	6.9	6.5	6.7
1960	1.6	2.3 r	5.7	5.9	5.3
1959	1.6	2.2 r	5.2	5.7	4.7
1957	1.3	1.8 r	4.5	5.4	4.5
1955	1.4	1.8 r	4.0	5.6	4.4
1953	1.3	1.6	3.8	5.3	4.4
1951	1.2	1.7	4.1	5.4	4.4

r- Revised

Sources: ^{1/} U.S. Department of Labor.
^{2/} Board of Governors of the Federal Reserve System.
^{3/} U.S. Department of Commerce.

Prepared by Federal Reserve Bank of St. Louis
September 19, 1966

TABLE II

Compounded Annual Rates of Change of Selected Business Indicators
Seasonally Adjusted

Change from Previous Month to Month Indicated

		<u>Employment</u> ^{1/}		<u>Industrial</u> <u>Production</u> ^{2/}	<u>Personal</u> <u>Income</u> ^{3/}	<u>Retail</u> <u>Sales</u> ^{3/}
		<u>Total</u>				
		<u>Civilian</u>	<u>Payroll</u>			
1966	Aug.	4.4 %	4.0 %	7.1 %	10.9 %	20.1 %
	July	1.2	2.0	7.1	6.0	4.7
	June	13.3	9.2	10.5	9.2	55.6
	May	- 8.9	3.2	11.5	5.4	- 20.6
	Apr.	6.1	2.0	3.2	3.2	- 24.4
	Mar.	- 1.4	8.6	12.5	9.5	13.8
	Feb.	- 3.1	6.8	14.5	10.1	12.1
	Jan.	4.6	4.5	12.8	4.4	10.5
1965	Dec.	9.0	7.6	20.6	11.4	8.6
	Nov.	6.0	8.7	11.3	14.0	24.9
	Oct.	4.5	5.2	14.3	- 10.9	24.7
	Sept.	- 1.5	3.2	- 8.0	38.2	8.9
	Aug.	- 3.7	3.6	2.5	5.5	- 4.1
	July	9.3	4.4	13.4	7.5	19.3

Monthly Seasonally Adjusted Data

		<u>Thousands of Persons</u>		<u>1957-59 = 100</u>	<u>Billions of Dollars</u> <u>Annual Rates</u>	
1966	Aug.	74,338	64,299 p	158.3 p	585.0 p	310.6 p
	July	74,072	64,089 p	157.4 p	580.0 p	305.9 p
	June	73,997	63,983 r	156.5	577.2	304.7
	May	73,231	63,517 r	155.2	573.0	293.7
	Apr.	73,799	63,350 r	153.8	570.5	299.4

p- Preliminary

r- Revised

Sources: ^{1/} U.S. Department of Labor.
^{2/} Board of Governors of the Federal Reserve System.
^{3/} U.S. Department of Commerce.

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TABLE III

Compounded Annual Rates of Change of Selected Business Indicators

To August 1966 from Month IndicatedPrices ^{1/}

		<u>Consumer *</u>	<u>Wholesale Prices</u>		
		<u>All Items</u>	<u>All Commodities</u>	<u>Industrials</u>	<u>Farm Products and Processed Foods</u>
1966	July	- %	4.6 %	0.0 %	16.4 %
	June	4.4	6.4	1.7	21.8
	May	3.8	4.6	1.9	13.2
	Apr.	2.9	3.7	2.6	7.4
	Mar.	3.5	3.2	2.8	4.2
	Feb.	3.7	2.7	2.7	2.8
	Jan.	4.2	3.6	2.8	5.8
1965	Dec.	3.6	3.9	2.9	6.8
	Nov.	3.7	4.3	2.6	9.1
	Oct.	3.5	4.3	2.8	9.0
	Sept.	3.4	4.0	2.7	8.3
	Aug.	3.3	3.8	2.4	7.8
	July	2.8	3.5	2.4	6.8
1964	Aug.	2.4	3.2	2.0	6.7
1963	Aug.	2.0	2.1	1.4	4.0

To 1965 from Year Indicated

1961	1.3	0.6	0.4	0.9
1960	1.3	0.4	0.2	0.7
1959	1.3	0.3	0.2	0.6
1957	1.4	0.4	0.4	0.4
1955	1.7	1.0	1.0	0.6
1953	1.4	0.8	1.1	0.1
1951	1.4	0.4	0.8	

* August data not available, rates of change are to July 1966 from month indicated.

Sources: ^{1/} U.S. Department of Labor.Prepared by Federal Reserve Bank of St. Louis
September 19, 1966

TABLE V

Compounded Annual Rates of Change of Bank Credit
 All U.S. Commercial Banks
 Seasonally Adjusted

to August 1966 from Base Period Indicated 1/

	<u>Base Period</u>	<u>Total</u>	<u>Total Loans</u>	<u>Securities</u>	
				<u>Other</u>	<u>U.S. Gov't.</u>
1966	July	9.2 %	10.4 %	- 3.7 %	16.6 %
	June	9.9	14.8	- 1.9	2.8
	May	9.1	14.2	2.6	- 2.9
	Apr.	8.8	13.3	7.0	- 4.8
	Mar.	9.3	13.6	7.8	- 4.0
	Feb.	8.7	13.6	8.4	- 6.7
	Jan.	8.4	13.6	8.4	- 8.3
1965	Dec.	8.9	13.9	8.6	- 6.7
	Nov.	9.0	13.6	9.0	- 5.6
	Oct.	9.3	13.4	9.3	- 4.1
	Sept.	9.2	13.2	9.5	- 4.0
	Aug.	9.0	13.1	9.9	- 4.8
	July	9.0	13.1	10.3	- 4.9
1964	Aug.	9.8	13.9	13.2	- 4.4
1963	Aug.	9.0	13.3	12.3	- 4.5

1/ Data used are averages of end of preceding and current month.

Prepared by Federal Reserve Bank of St. Louis
 September 20, 1966

TABLE VI

Compounded Annual Rates of Change of Bank Credit
 All U.S. Commercial Banks
 Seasonally Adjusted

Change from Previous Month to Month Indicated ^{1/}

		Total	Total	Securities	
			Loans	Other	U.S. Gov't.
1966	Aug.	9.2 %	10.4 %	- 3.7 %	16.6 %
	July	10.5	19.3	-0-	- 9.4
	June	7.6	13.0	12.2	- 13.2
	May	8.1	10.8	21.4	- 10.2
	Apr.	11.0	14.7	11.1	- 1.1
	Mar.	6.0	13.4	11.2	- 19.1
	Feb.	6.3	13.9	8.3	- 17.2
	Jan.	12.8	15.9	9.9	5.3
1965	Dec.	9.9	11.4	13.0	3.2
	Nov.	11.4	11.5	11.6	11.1
	Oct.	8.5	11.6	11.7	- 3.1
	Sept.	6.3	11.4	15.0	- 13.6
	Aug.	9.6	13.3	15.2	- 5.0
	July	8.5	12.4	17.0	- 7.9

Average Amount Outstanding
 Seasonally Adjusted

Millions of Dollars

1966	Aug.	\$ 309,000	\$ 207,000	\$ 47,000	\$ 55,000
	July	306,750	205,300	47,150	54,300
	June	304,200	202,300	47,150	54,750
	May	302,350	200,250	46,700	55,400

^{1/} Data used are averages of end of preceding and current month.

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