

# Rates of Change in NATIONAL ECONOMIC INDICATORS

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONTH ENDING: December 31, 1966

RELEASED: January 20, 1967

Total employment increased at about a 4 per cent rate from August to December, compared with 3 per cent in the preceding year (Table I). Payroll employment also increased from August to December at a 4 per cent rate, about the same as in the previous 6 months (Chart). Personal income, a measure of purchasing power, has continued to rise at the 8 or 9 per cent rate that has prevailed over the past two years. Retail sales have changed little since last winter after rising at an unsustainable 12 per cent rate in the previous year.

Total spending slowed during 1966. Dollar demand for goods and services rose at a 7 per cent annual rate from the first to the fourth quarter of 1966 compared with about a 9 per cent rate of increase from late 1964 to early 1966 (Chart). From the third to the fourth quarter, the largest increase in total demand was for military goods and business inventories, a part of which was probably involuntary.

Real output, which had risen at an unsustainable 7 per cent rate from late 1964 to early 1966, has since increased at a 3.5 per cent rate (Chart). Industrial production has increased at about a 2 per cent rate (Table I) since August compared with a 7 per cent rate from March to August and a 9 per cent increase in the previous twelve months. Slowdown of real economic activity may reflect bottlenecks inherent in the shift of resources from production of civilian goods to military goods and readjustments which have occurred as essentially all efficient resources have come to be employed.

Associated with the somewhat less excessive total demand has been less upward pressure on prices. General prices, as measured by the GNP price index, rose at a 3 per cent rate from the second to the fourth quarter compared with a 4 per cent rate in the two previous quarters. Consumer prices have followed a roughly similar pattern. From August to November these prices rose at about a 3 per cent annual rate compared with a 3.7 per cent rate from October 1965 to August 1966. Wholesale prices have declined somewhat since August in contrast with a 4 per cent rate of increase from October 1965 to August 1966 (Table III). Wholesale industrial prices have risen at about a 1 per cent rate.

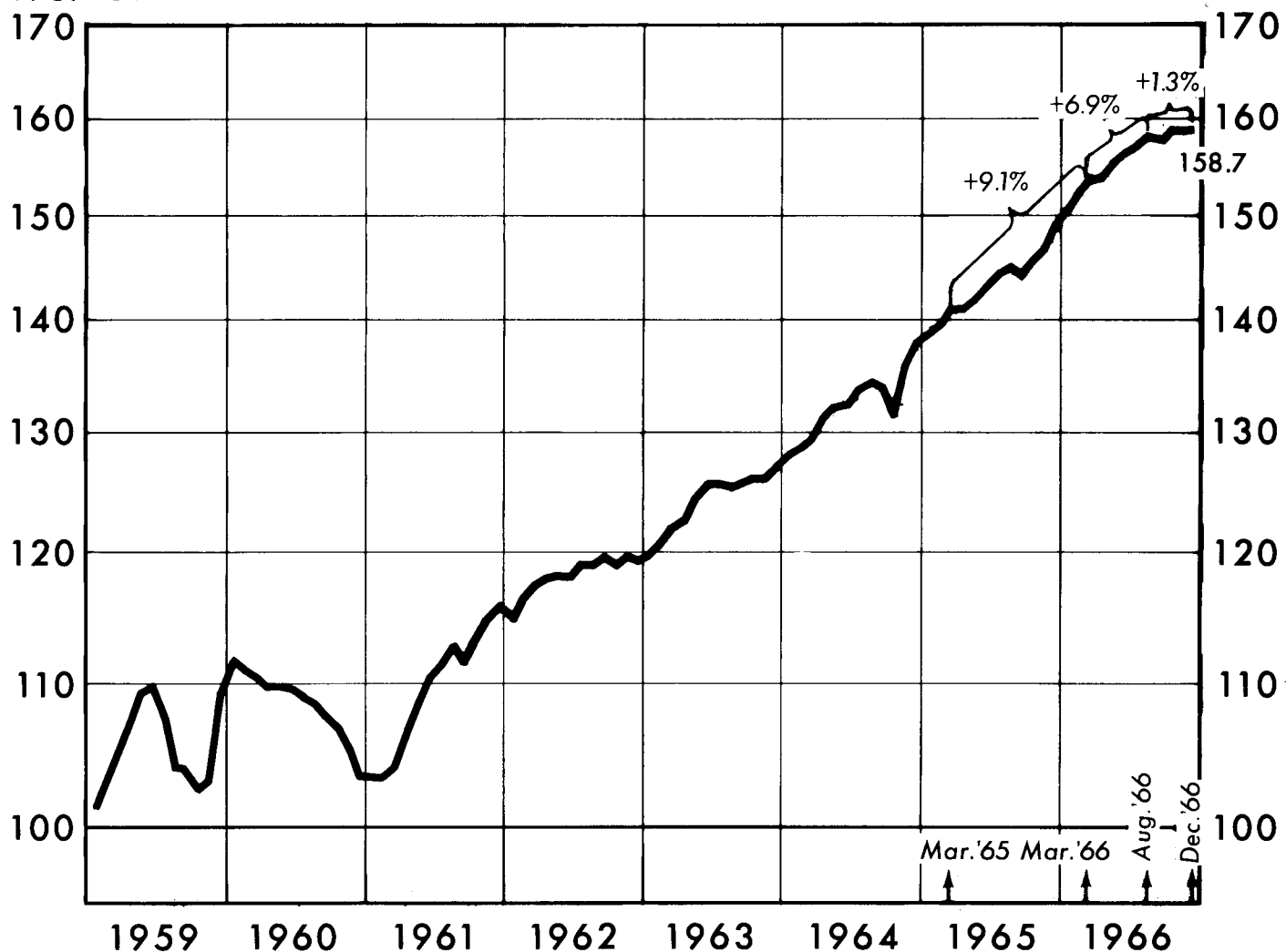
Total bank credit (loans and investments), reflecting primarily the course of commercial bank time deposits, showed little change from August to December compared with a 9 per cent rise in the year ending in August (Table V).

For more detail on rates of change for various economic time series, see this Bank's monthly release "Triangles of U.S. Economic Data."

# Industrial Production

Ratio Scale  
1957-59=100

Ratio Scale  
1957-59=100

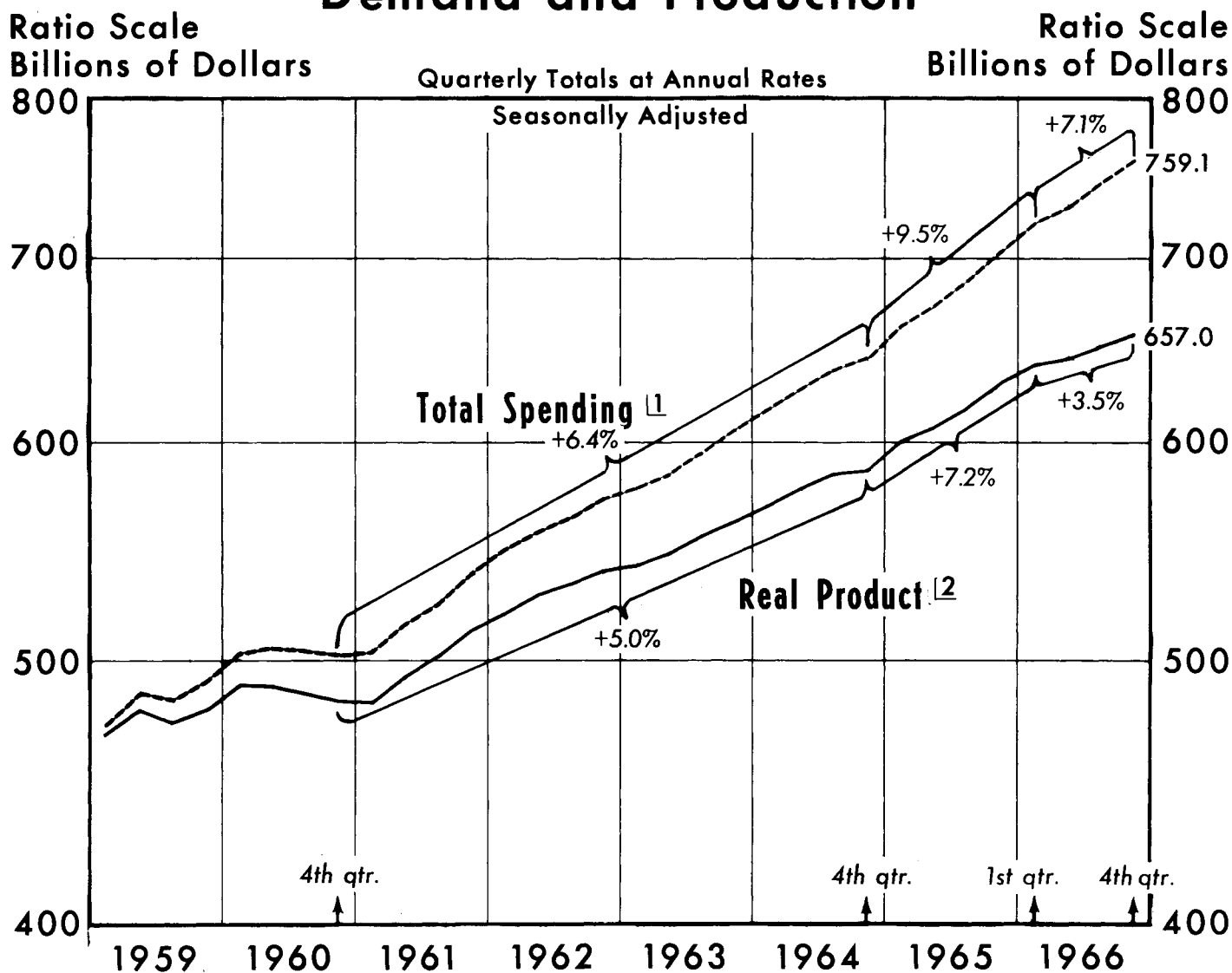


Percentages are annual rates of change between months indicated.

Latest data plotted: December preliminary

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# Demand and Production



Percentages are annual rates of change between quarters indicated.

[1] GNP in current dollars.

[2] GNP in 1958 dollars.

Source: U.S. Department of Commerce

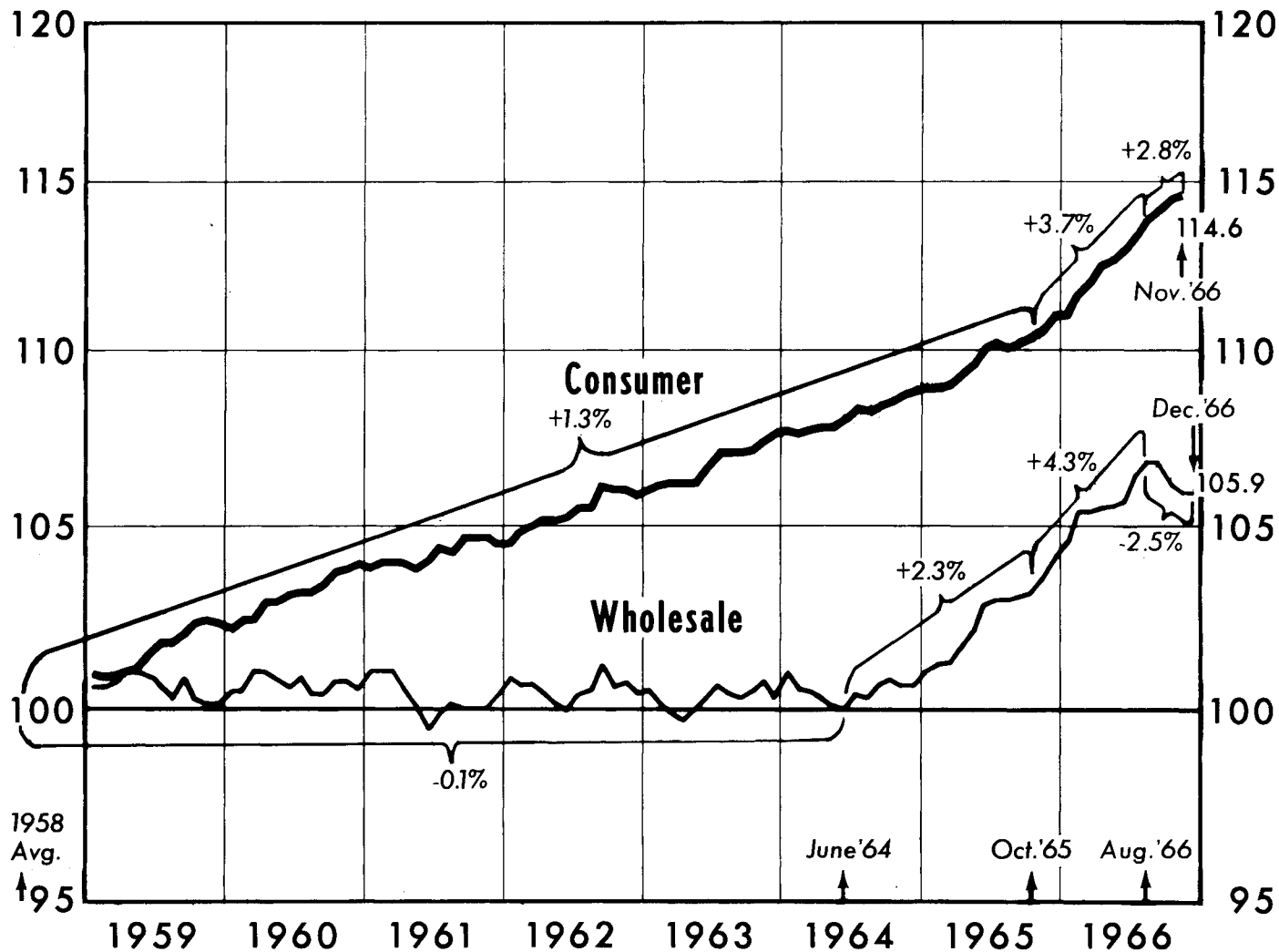
Latest data plotted: 4th quarter preliminary

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# Prices

Ratio Scale  
1957-59=100

Ratio Scale  
1957-59=100

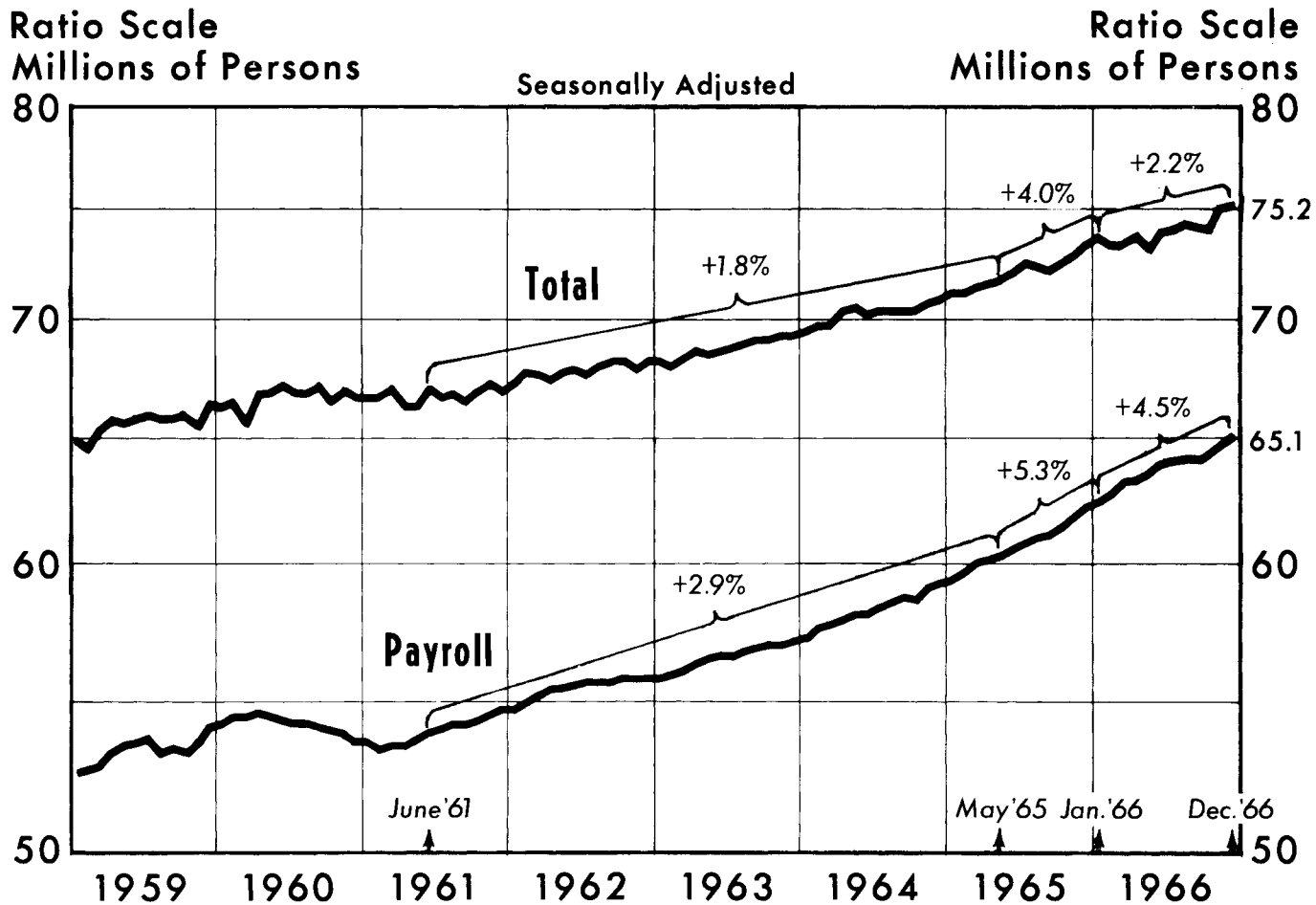


Percentages are annual rates of change between months indicated.

Latest data plotted: Consumer-November preliminary    Wholesale-December preliminary  
Source: U.S. Department of Labor

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# Employment



Percentages are annual rates of change between months indicated.

Latest data plotted: December preliminary

Source: U.S. Department of Labor

Prepared by Federal Reserve Bank of St. Louis

TABLE I

Compounded Annual Rates of Change of Selected Business Indicators  
Seasonally Adjusted

To December 1966 from Month Indicated

		<u>Employment</u> <sup>1/</sup>		<u>Industrial</u>	<u>Personal</u>	<u>Retail</u>
		<u>Total</u>	<u>Payroll</u>	<u>Production</u> <sup>2/</sup>	<u>Income</u> <sup>3/</sup>	<u>Sales</u> <sup>3/</sup>
		<u>Civilian</u>				
1966	Nov.	2.4 %	4.7 %	0.8 %	6.2 %	- 14.9 %
	Oct.	8.9	5.7	- 0.4	7.4	- 4.3
	Sept.	5.9	5.7	2.6	8.0	- 5.2
	Aug.	3.6	4.1	1.3	8.5	- 2.4
	July	3.8	3.8	2.3	9.1	0.0
	June	3.4	3.4	2.8	8.6	- 0.3
	May	4.7	4.2	3.8	8.7	6.3
	Apr.	2.9	4.1	4.7	8.3	2.5
	Mar.	3.3	3.9	4.4	7.7	- 0.9
	Feb.	2.8	4.3	5.0	7.9	0.5
	Jan.	2.2	4.5	5.9	8.1	1.5
1965	Dec.	2.4	4.5	6.5	7.8	2.2
	Nov.	2.9	4.8	7.5	8.0	2.7
1964	Dec.	2.9	4.7	7.3	8.4	5.6
1963	Dec.	2.8	4.4	7.7	7.9	6.6

To 1965 from Year Indicated

1961	2.0	3.0	6.9	6.5	6.7
1960	1.6	2.3	5.7	5.9	5.3
1959	1.6	2.2	5.2	5.7	4.7
1957	1.3	1.8	4.5	5.4	4.5
1955	1.4	1.8	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

Sources: <sup>1/</sup> U.S. Department of Labor.  
<sup>2/</sup> Board of Governors of the Federal Reserve System.  
<sup>3/</sup> U.S. Department of Commerce.

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January 18, 1967

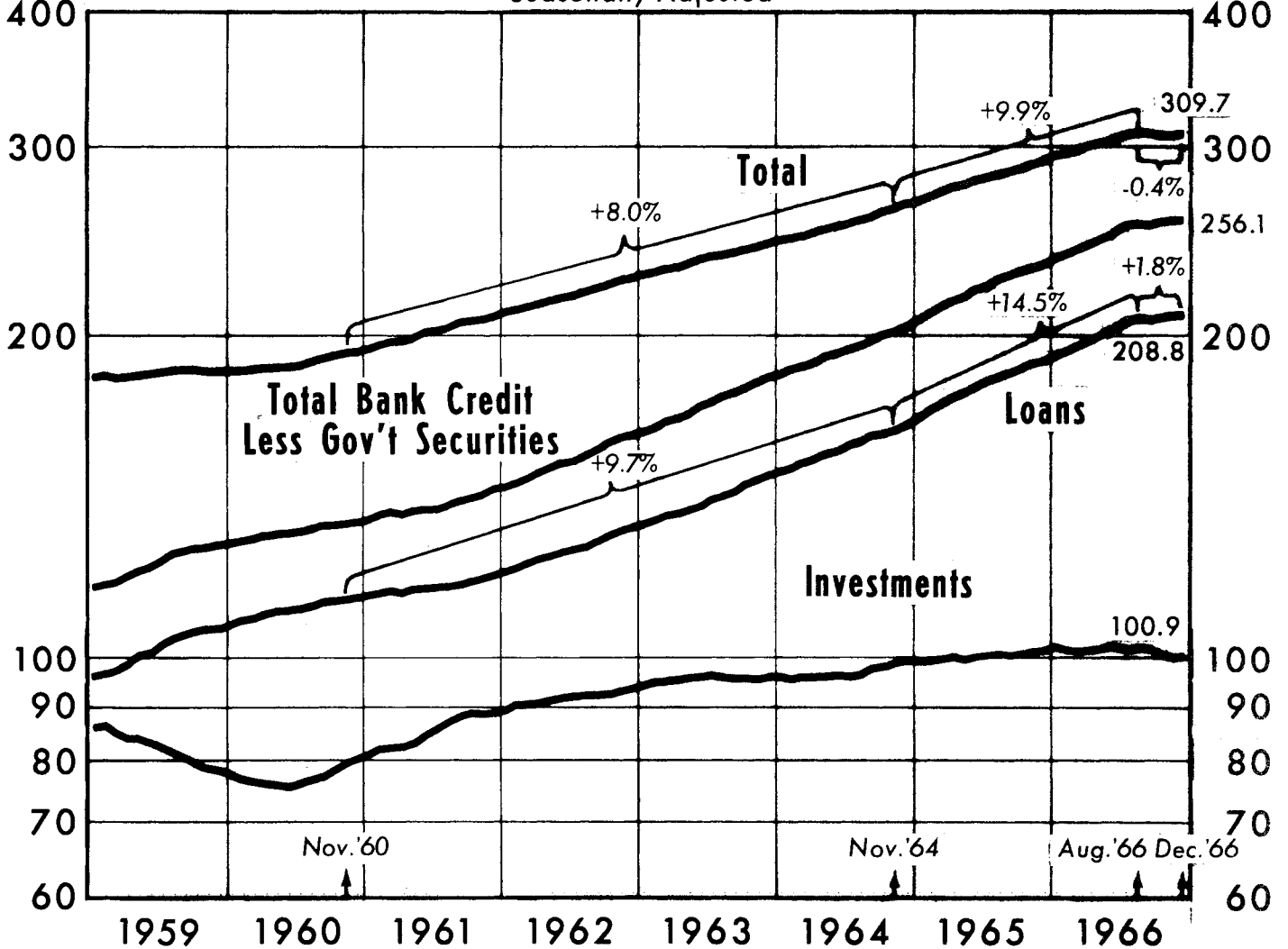
# Bank Credit

All Commercial Banks

Ratio Scale  
Billions of Dollars

Ratio Scale  
Billions of Dollars

Seasonally Adjusted



Percentages are annual rates of change between months indicated.

Latest data plotted: December

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TABLE III

## Compounded Annual Rates of Change of Selected Business Indicators

To December 1966 from Month IndicatedPrices <sup>1/</sup>

		<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	Nov.	- %	0.0 %	0.0 %	- 4.4 %
	Oct.	1.0	- 1.7	1.1	- 11.0
	Sept.	2.7	- 3.3	1.1	- 16.1
	Aug.	2.8	- 2.5	0.9	- 11.9
	July	3.5	- 1.1	0.7	- 6.9
	June	3.7	0.4	1.1	- 1.9
	May	3.6	0.5	1.3	- 1.9
	Apr.	3.2	0.6	1.7	- 2.7
	Mar.	3.5	0.6	1.9	- 3.3
	Feb.	3.6	0.6	2.0	- 3.4
	Jan.	3.9	1.4	2.1	- 1.0
1965	Dec.	3.5	1.7	2.2	0.2
	Nov.	3.6	2.1	2.1	2.1
1964	Dec.	2.8	2.6	1.8	4.8
1963	Dec.	2.2	1.8	1.4	3.2

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	

\* December data not available, rates of change are to November 1966 from month indicated.

Source: <sup>1/</sup> U.S. Department of Labor.

Prepared by Federal Reserve Bank of St. Louis  
January 17, 1967



TABLE II

Compounded Annual Rates of Change of Selected Business Indicators  
Seasonally Adjusted

Change from Previous Month to Month Indicated

		<u>Employment</u> <sup>1/</sup>		<u>Industrial</u>	<u>Personal</u>	<u>Retail</u>
		<u>Civilian</u>	<u>Payroll</u>	<u>Production</u> <sup>2/</sup>	<u>Income</u> <sup>3/</sup>	<u>Sales</u> <sup>3/</sup>
1966	Dec.	2.4 %	4.7 %	0.8 %	6.2 %	- 14.9
	Nov.	15.8	6.8	- 1.5	8.6	7.6
	Oct.	0.0	5.7	8.7	9.3	- 6.9
	Sept.	- 2.8	- 0.6	- 2.3	9.9	6.3
	Aug.	4.4	2.4	6.3	11.8	10.4
	July	1.2	1.7	5.5	6.0	- 1.5
	June	13.3	9.2	9.7	9.2	55.6
	May	- 8.9	3.2	11.5	5.4	- 20.6
	Apr.	6.1	2.0	1.6	3.2	- 24.4
	Mar.	- 1.4	8.6	10.7	9.5	13.8
	Feb.	- 3.1	6.8	15.3	10.1	12.1
	Jan.	4.6	4.5	13.7	4.4	10.5
1965	Dec.	9.0	7.6	20.5	11.4	8.6
	Nov.	6.0	8.7	10.4	14.0	16.8

Monthly Seasonally Adjusted Data

		<u>Thousands of Persons</u> 1957-59 = 100			<u>Billions of Dollars</u> <u>Annual Rates</u>	
1966	Dec.	75,226	65,066 p	158.7 p	601.5 p	304.3 p
	Nov.	75,076	64,818 p	158.6 p	598.5 p	308.5 p
	Oct.	74,163	64,466	158.8	594.4	306.6
	Sept.	74,165	64,168	157.7	590.0	308.4
	Aug.	74,338	64,199	158.0	585.4	306.9

p- Preliminary

Sources: <sup>1/</sup> U.S. Department of Labor.  
<sup>2/</sup> Board of Governors of the Federal Reserve System.  
<sup>3/</sup> U.S. Department of Commerce.

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TABLE V

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

to December 1966 from Base Period Indicated 1/

	Base Period	Total			
		Total	Loans	Other	Securities U.S. Gov't.
1966	Nov.	5.4 %	2.6 %	- 1.3 %	23.9 %
	Oct.	2.5	3.1	- 0.6	2.8
	Sept.	- 0.1	2.7	0.9	- 11.1
	Aug.	- 0.4	1.8	-0-	- 8.7
	July	0.9	3.0	- 1.3	- 5.0
	June	2.6	5.6	- 0.8	- 5.4
	May	3.9	7.2	1.8	- 5.8
	Apr.	4.6	7.8	4.4	- 6.2
	Mar.	5.3	8.6	5.2	- 5.6
	Feb.	5.4	9.0	5.7	- 7.0
	Jan.	5.5	9.5	6.0	- 8.0
1965	Dec.	6.1	10.0	6.3	- 6.9
	Nov.	6.4	10.1	6.8	- 6.2
1964	Dec.	8.0	12.3	10.7	- 6.5
1963	Dec.	8.2	12.1	10.9	- 4.5

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

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 January 17, 1967

TABLE IV

## Compounded Annual Rates of Change of Selected Business Indicators

Change from Previous Month to Month Indicated

		<u>Prices</u> <sup>1/</sup>			
		<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	Dec.	N.A. % *	0.0 %	0.0 %	- 4.4 %
	Nov.	1.0	- 3.3	2.3	- 17.2
	Oct.	4.3	- 6.5	1.1	- 25.5
	Sept.	3.2	0.0	0.0	2.2
	Aug.	5.4	4.6	0.0	16.4
	July	4.4	8.3	3.5	27.5
	June	3.2	1.1	2.3	- 2.2
	May	1.1	1.1	4.7	- 8.5
	Apr.	5.5	1.1	3.5	- 7.4
	Mar.	4.4	0.0	2.3	- 4.3
	Feb.	6.7	9.6	3.5	26.1
	Jan.	0.0	5.9	3.5	14.4
1965	Dec.	4.4	7.2	0.0	28.5
	Nov.	2.2	4.8	4.8	8.4

Monthly Unadjusted Data  
1957-59 = 100

1966	Dec.	N.A. *	105.9 p	105.5 p	106.7 p
	Nov.	114.6	105.9	105.5	107.1
	Oct.	114.5	106.2	105.3	108.8
	Sept.	114.1	106.8	105.2	111.5
	Aug.	113.8	106.8	105.2	111.3

p- Preliminary

\* December data not available.

Source: <sup>1/</sup> U.S. Department of Labor.

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 January 17, 1967

TABLE VI

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

Change from Previous Month to Month Indicated <sup>1/</sup>

		<u>Total</u>	<u>Total</u>	<u>Securities</u>	
			<u>Loans</u>	<u>Other</u>	<u>U.S. Gov't.</u>
1966	Dec.	5.4 %	2.6 %	- 1.3 %	23.9 %
	Nov.	- 0.4	3.5	- 0-	- 14.6
	Oct.	- 5.1	2.1	3.9	- 33.6
	Sept.	- 1.2	- 0.9	- 2.5	- 1.1
	Aug.	6.2	7.8	- 6.1	11.5
	July	11.6	19.9	1.3	- 7.4
	June	12.4	17.1	19.5	- 8.3
	May	9.4	11.8	24.6	- 9.2
	Apr.	11.4	15.0	11.1	- 0-
	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

Average Amount Outstanding  
 Seasonally Adjusted

Millions of Dollars

1966	Dec.	\$ 309,650	\$ 208,750	\$ 47,300	\$ 53,600
	Nov.	308,300	208,300	47,350	52,650
	Oct.	308,400	207,700	47,350	53,350
	Sept.	309,750	207,350	47,200	55,200

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

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