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Davis/Martin
Title: Eaward
May 15, 1990
Draft: One

PRESIDENTIAL ADDRESS: E AWARDS, THE ROSE GARDEN
Wednesday, May 23, 1990, ((Time))

((Acknowledgements -- And, finally, we have with us today Secretary Mosbacher and Ambassador Hills. For American business, hitting protectionist barriers is like having a door shut rudely in your face. And more and more, American business is looking to Carla to open the door, and Bob to guide them to it.))

But, in the end, it is up to American business to walk through, to enter a foreign market. And that is why I am here today to present the "E" awards honoring those American firms that have been such outstanding competitors abroad.

((And for those of you wondering what the "E" stands for, it's an old Navy term for JOKE))

But before I proceed, let me address this Administration's approach to trade. We believe the protectionist path leads to closed markets, lower living standards and high unemployment. So our direction is toward open markets, expanding trade and negotiating a set of clear and enforceable rules to govern world commerce. This is the path to prosperity, growth and high employment.

That is why my top priority in trade for this year is an ambitious agreement. We must conclude the Uruguay Round of global trade talks by December.

Unfortunately, world trade has outgrown the rules of the General Agreement on Tariffs and Trade, or GATT, that served so well for four decades. The United States and almost 100 other nations representing more than 85 percent of the world's trade agree, and are working with us to revise and improve GATT rules.

This is what we are striving to achieve:

*** First and foremost, we seek to reform agricultural trade, a market inadequately covered by GATT rules, and badly distorted by subsidies that cost farmers and consumers alike hundreds of billions of dollars. There cannot be a successful conclusion to the Uruguay Round without fundamental agricultural reform.

*** Second, we want to substantially expand market access for the trading of goods. And so, we challenge our trading partners to envision a world free of tariffs.

*** Third, the United States wants to curb hundreds of billions of dollars of trade-distorting subsidies. We hold the tried and true belief that entrepreneurs should compete on the basis of price and quality, not by bribes to the market.

*** Fourth, we want to ensure that the rules we have, and those that we are negotiating, apply to developing countries no longer at the margin of the trading system.

*** Fifth, we want to develop fair rules for new areas: services, investment and intellectual property not covered under current GATT rules.

*** Sixth and last, we want to create swift and effective means to resolve trade disputes.

All told, we are striving to incorporate into the global trading system roughly one trillion dollars worth of goods and services -- a third of world trade that is not sufficiently covered by internationally agreed rules of fair play.

Underlying all our efforts in the Uruguay Round is our belief in the benefits of integrated world trade. A solid agreement coming out of this round of GATT talks can be a unifying force, from Budapest to Brasilia. But only through such an agreement will each nation alone, and the world as a whole, gain the assurance that come from a strong set of fair and enforceable global trade rules.

Of course, we will continue to work with our friends in Congress and in the business community to ensure that all our agreements meet their concerns. But time is short, our task is great. I call on our trading partners to match our commitment. I urge them to move these negotiations forward at the Organization for Economic Cooperation and Development meeting this month, and at the end of the Economic Summit in July.

This round of the GATT is a bold and ambitious undertaking. It is the last, best chance for the world to enter the next century with free and fair trade for all. But let me be blunt: **The United States regards no agreement as better than a bad agreement.**

Even as we are driving at full-speed to complete the Round, the United States is also making progress in market-opening negotiations with important trading partners. For example, in recent months, Japan has demonstrated a real commitment to make

fundamental market-opening changes in its trade policies. Our neighbors, Canada and Mexico, are working with us to keep the flow of goods and services between us truly free and open. We are working to the same end with our friends in the European Community, as they come ever closer to forming a single market by 1992. And, we've started dialogues with the dynamic states of the Pacific Rim.

We are also negotiating trade and investment agreements with the reform governments of Eastern Europe and Latin America. They stand to reap enormous gains from integration into the global trading system; but we also will gain from their long pent-up industry and imagination. Our objective is to anchor these countries in the ideal of freedom -- economic freedom, political freedom. Our vision is to strive for free trade, not just because it is good for America, but also because it is good for all mankind.

As the winds of change sweep out old barriers and liberalize markets from Managua to Warsaw, we must be prepared to take advantage of this historic opportunity, to compete and win. That is why I am announcing today a new Presidential initiative -- the Commercial Diplomacy Initiative -- to will encourage American business to compete abroad.

And so I direct the creation of a Trade Promotion Coordination Group of federal departments and agencies that deal with international trade, to be chaired by the Secretary of Commerce, to promote trade and exports as a vital national priority. The group will assist American firms seeking

information on markets, distributors, export financing, joint venture partners and standards of foreign markets. And, when necessary, it will provide representation to foreign governments and international organizations.

I am also asking the group to lead Presidential Trade Promotion Missions, to stimulate U.S. businesses to seek to do business in new or neglected markets. In short, this initiative will focus and coordinate existing federal resources in an imaginative and forceful way to lead to greater U.S. exports.

Now, for the matter at hand.

At the height of the Second World War, "E" awards were presented to war plants in recognition of excellence in production. In a time of peace, President Kennedy revived the "E" symbol of excellence in exports. It is my pleasure today to present this prestigious award of exporting excellence.

E awards

[[Drugs: In Cartagena, back in February, we ended a futile, decade-old debate. The bravery of President Barco, his government and the people of Columbia.... The determination of Bolivia's President Paz to mutual responsibility for the problem -- and that the only solution is a mutual response.... The drug problem is one of supply **and** demand -- not just a battle against the drug lords in their jungle villas, but against the drug dealers and drug users on the streets of every American city....]]

[[Three trips this year by Vice President Quayle. [[And of course, most recently, my Good Will Ambassador -- Barbara Bush - - .]] My own trip this fall to five nations in Latin America....]] /////



International Trade Administration
U. S. Department of Commerce
Washington, D. C. 20230

United States and Foreign Commercial Service
OFFICE OF DOMESTIC OPERATIONS



Daniel E. Sullivan
Deputy Assistant Secretary
for Domestic Operations

FACSIMILE COVER SHEET

TO: Christina Martin FROM: Evelyn Scott

FAX # 456 6218 FAX # 202-377-0687 No. pages 2
(including cover sheet)

COMMENTS:

Short + Sweet.

Let us know if you
Want more. Thanks.

- 3551

101st Congress, 2d Session

Economic Indicators

OCTOBER 1990

(Includes data available as of October 31, 1990)

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

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1990

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

JOINT RESOLUTION [S.J. Res. 55]

To print the monthly publication entitled "Economic Indicators"

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

Approved June 23, 1949.

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

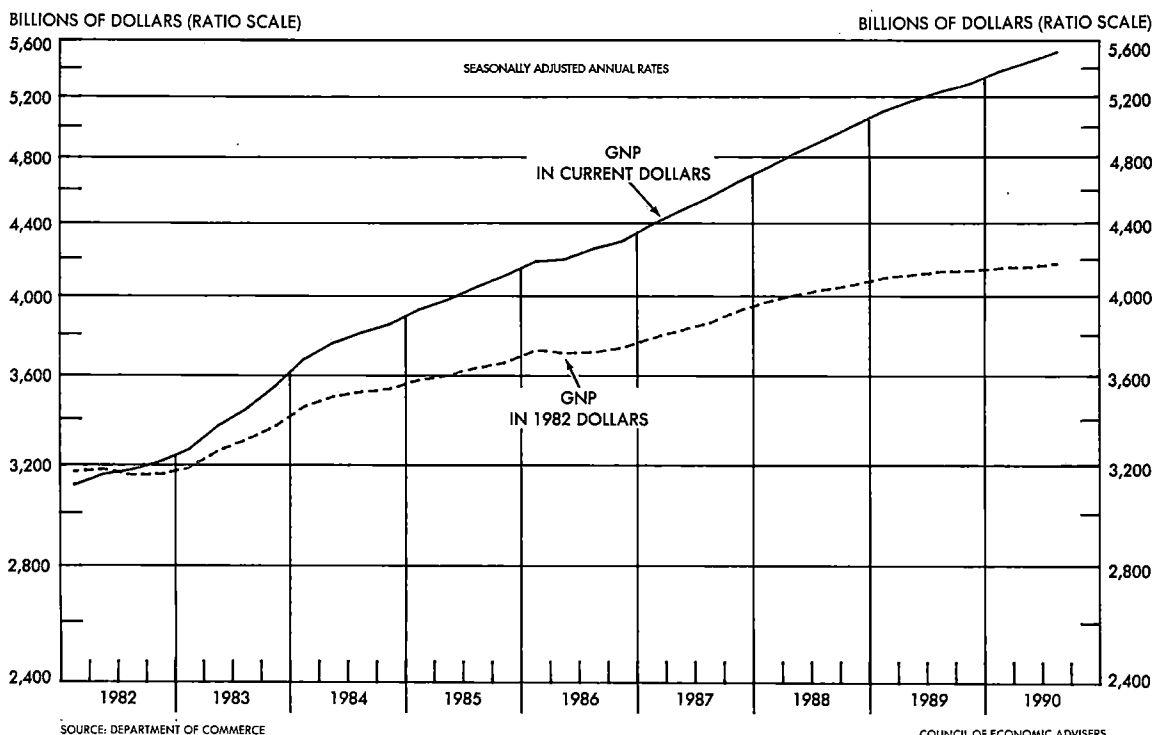
Economic Indicators, published monthly, is available at \$2.25 a single copy (\$2.81 foreign), or by subscription at \$24.00 per year (\$30.00 for foreign mailing) from:

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TOTAL OUTPUT, INCOME, AND SPENDING

GROSS NATIONAL PRODUCT

In the third quarter of 1990, according to advance estimates, current-dollar gross national product (GNP) rose 5.3 percent (annual rate) or \$71.1 billion. Real GNP (GNP adjusted for price changes) rose 1.8 percent and the implicit price deflator rose 3.4 percent.



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

Period	Gross national product	Personal consumption expenditures	Gross private domestic investment	Exports and imports of goods and services			Government purchases of goods and services					Final sales	Gross domestic purchases ¹
				Net exports	Exports	Imports	Total	Federal			State and local		
								Total	National defense	Non-defense			
1980.....	2,732.0	1,732.6	437.0	32.1	351.0	318.9	530.3	208.1	142.7	65.4	322.2	2,740.3	2,699.8
1981.....	3,052.6	1,915.1	515.5	33.9	382.8	348.9	588.1	242.2	167.5	74.8	345.9	3,028.6	3,018.7
1982.....	3,166.0	2,050.7	447.3	26.3	361.9	335.6	641.7	272.7	193.8	78.9	369.0	3,190.5	3,139.7
1983.....	3,405.7	2,234.5	502.3	-6.1	352.5	358.7	675.0	283.5	214.4	69.1	391.5	3,412.8	3,411.8
1984.....	3,772.2	2,430.5	664.8	-58.9	383.5	442.4	735.9	310.5	234.3	76.2	425.3	3,704.5	3,831.1
1985.....	4,014.9	2,629.0	643.1	-78.0	370.9	448.9	820.8	355.2	259.1	96.0	465.6	4,003.6	4,092.8
1986.....	4,231.6	2,797.4	659.4	-97.4	396.5	493.8	872.2	366.5	277.8	88.7	505.7	4,224.8	4,329.0
1987.....	4,515.6	3,009.4	699.5	-114.7	449.6	564.3	921.4	381.3	294.6	86.7	540.2	4,487.3	4,630.3
1988.....	4,873.7	3,238.2	747.1	-74.1	552.0	626.1	962.5	380.3	297.2	83.1	582.3	4,847.5	4,947.8
1989.....	5,200.8	3,450.1	771.2	-46.1	626.2	672.3	1,025.6	400.0	301.1	98.9	625.6	5,172.5	5,246.9
1982: IV.....	3,212.5	2,117.0	409.6	14.1	335.9	321.9	671.8	293.2	205.4	87.7	378.7	3,272.4	3,198.5
1983: IV.....	3,545.8	2,315.8	579.8	-25.8	364.7	390.5	676.1	276.1	221.5	54.6	400.0	3,514.8	3,571.6
1984: IV.....	3,851.8	2,493.4	661.8	-67.9	385.7	453.6	764.5	326.0	244.1	81.9	438.5	3,806.8	3,919.7
1985: IV.....	4,107.9	2,700.4	654.1	-103.2	369.2	472.4	856.7	376.6	268.6	108.0	480.1	4,100.7	4,211.2
1986: IV.....	4,297.3	2,868.5	648.8	-108.9	402.4	511.3	888.9	368.8	280.7	88.1	520.1	4,309.4	4,406.2
1987: IV.....	4,647.6	3,079.1	741.4	-115.0	485.8	600.7	942.0	388.2	296.0	92.2	553.9	4,591.9	4,762.6
1988: IV.....	5,009.8	3,332.6	747.5	-70.3	583.1	653.5	1,000.0	401.1	299.6	101.6	598.9	4,993.6	5,080.1
1989: I.....	5,101.3	3,371.7	769.7	-48.5	609.7	658.2	1,008.5	398.3	298.2	100.1	610.2	5,074.7	5,149.8
1989: II.....	5,174.0	3,425.9	776.7	-51.3	628.8	680.0	1,022.7	402.5	300.6	101.9	620.2	5,141.3	5,225.3
1989: III.....	5,288.6	3,484.3	775.8	-49.3	623.7	673.0	1,027.8	399.2	306.3	93.0	628.6	5,209.7	5,287.9
1989: IV.....	5,289.3	3,518.5	762.7	-35.3	642.8	678.1	1,043.3	399.9	299.2	100.7	643.4	5,264.3	5,324.6
1990: I.....	5,375.4	3,588.1	747.2	-30.0	661.3	691.3	1,070.1	410.6	307.2	103.4	659.6	5,387.2	5,405.3
1990: II.....	5,443.3	3,622.7	759.0	-24.9	659.7	684.6	1,086.4	421.9	309.6	112.3	664.6	5,429.9	5,468.2
1990: III ²	5,514.4	3,700.6	759.6	-49.2	662.6	711.8	1,103.4	425.4	311.1	114.3	678.0	5,505.6	5,563.7

¹ GNP less exports of goods and services plus imports of goods and services.

Source: Department of Commerce, Bureau of Economic Analysis.

GROSS NATIONAL PRODUCT IN 1982 DOLLARS

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

Period	Gross national product	Personal consumption expenditures	Gross private domestic investment				Exports and imports of goods and services			Government purchases of goods and services				Final sales	Gross domestic purchases ¹	
			Total	Nonresidential fixed	Residential fixed	Change in business inventories	Net exports	Exports	Imports	Total	Federal					State and local
											Total	National defense	Non-defense			
1980.....	3,187.1	2,000.4	509.3	379.2	137.0	-6.9	57.0	388.9	332.0	620.5	246.9	171.2	75.7	373.6	3,194.0	3,180.1
1981.....	3,248.8	2,024.2	545.5	395.2	126.5	23.9	49.4	392.7	343.4	629.7	259.6	180.3	79.3	370.1	3,225.0	3,199.4
1982.....	3,166.0	2,050.7	447.3	366.7	105.1	-24.5	26.3	361.9	335.6	641.7	272.7	193.8	78.9	369.0	3,190.5	3,199.7
1983.....	3,279.1	2,146.0	504.0	361.2	149.3	-6.4	-19.9	348.1	368.1	649.0	275.1	206.9	68.2	373.9	3,285.5	3,299.1
1984.....	3,501.4	2,249.3	658.4	425.2	170.9	62.3	-84.0	371.8	455.8	677.7	290.8	218.5	72.3	387.0	3,439.1	3,585.4
1985.....	3,618.7	2,354.8	637.0	453.5	174.4	9.1	-104.3	367.2	471.4	731.2	326.0	237.2	88.8	405.2	3,609.6	3,723.0
1986.....	3,717.9	2,446.4	639.6	438.4	195.7	5.6	-129.7	397.1	526.9	761.6	334.1	252.1	82.0	427.5	3,712.4	3,847.6
1987.....	3,845.3	2,515.8	669.0	449.8	196.4	22.8	-118.5	451.8	570.3	779.1	339.6	265.1	74.5	439.5	3,822.5	3,963.8
1988.....	4,016.9	2,606.5	705.7	487.2	194.9	23.6	-75.9	534.7	610.6	780.5	328.1	260.7	67.5	452.4	3,993.2	4,092.8
1989.....	4,117.7	2,656.8	716.9	506.1	187.0	23.8	-54.1	593.3	647.4	798.1	334.9	256.3	78.7	463.2	4,094.0	4,171.8
1982: IV.....	3,159.3	2,078.7	408.8	352.3	115.8	-59.3	11.7	336.0	324.3	660.1	289.5	201.4	88.2	370.6	3,218.6	3,147.6
1983: IV.....	3,365.1	2,191.9	577.2	390.4	159.9	27.0	-46.2	355.5	401.6	642.2	266.0	211.6	54.4	376.2	3,338.1	3,411.3
1984: IV.....	3,535.2	2,281.1	655.7	444.4	169.6	41.7	-94.8	376.6	471.4	693.2	300.5	225.3	75.2	392.7	3,493.5	3,630.0
1985: IV.....	3,662.4	2,386.9	648.0	460.9	179.4	7.7	-125.3	367.4	492.6	752.7	340.6	241.4	99.2	412.1	3,654.7	3,787.6
1986: IV.....	3,733.6	2,477.8	615.2	435.7	200.3	-20.8	-135.4	406.5	541.9	776.0	342.4	255.8	86.6	433.6	3,754.4	3,869.0
1987: IV.....	3,920.7	2,534.2	706.6	462.3	195.8	48.4	-111.3	487.0	598.3	791.3	347.7	266.0	81.7	443.6	3,872.3	4,032.0
1988: IV.....	4,059.3	2,638.8	696.2	486.6	195.6	14.0	-75.7	555.3	631.0	799.9	342.3	261.1	81.2	457.5	4,045.2	4,134.9
1989: I.....	4,095.7	2,636.7	717.0	497.1	193.8	26.1	-51.1	576.1	627.3	798.2	334.2	253.7	80.4	459.0	4,069.6	4,146.8
1989: II.....	4,112.2	2,645.3	719.1	505.5	188.1	25.5	-53.3	593.2	646.5	801.0	339.9	255.7	84.2	461.1	4,086.6	4,165.4
1989: III.....	4,129.7	2,675.3	722.3	513.3	184.4	24.6	-64.1	592.5	656.6	796.2	333.0	260.2	72.8	463.2	4,105.1	4,193.9
1989: IV.....	4,133.2	2,669.9	709.1	508.4	181.8	18.9	-47.9	611.6	659.4	802.2	332.7	255.5	77.2	469.5	4,114.4	4,181.1
1990: I.....	4,150.6	2,677.3	700.7	514.6	188.3	-2.2	-35.4	628.1	663.5	807.9	333.0	254.4	78.6	475.0	4,152.8	4,185.9
1990: II.....	4,155.1	2,678.8	700.7	508.4	182.8	9.5	-44.6	620.1	664.7	802.2	345.9	256.5	89.4	474.3	4,145.6	4,199.7
1990: III ²	4,173.6	2,702.7	700.6	517.6	175.3	7.8	-52.5	622.0	674.5	822.8	345.6	256.8	88.8	477.2	4,165.8	4,226.1

¹ GNP less exports of goods and services plus imports of goods and services.

Source: Department of Commerce, Bureau of Economic Analysis.

IMPLICIT PRICE DEFATORS FOR GROSS NATIONAL PRODUCT

[1982=100; quarterly data are seasonally adjusted]

Period	Gross national product	Personal consumption expenditures				Gross private domestic investment		Exports and imports of goods and services		Government purchases of goods and services			
		Total	Durable goods	Nondurable goods	Services	Nonresidential fixed	Residential fixed	Exports	Imports	Federal			State and local
										Total	National defense	Non-defense	
1980.....	85.7	86.6	89.2	89.4	83.9	85.1	89.4	90.2	96.0	84.3	83.4	86.4	86.2
1981.....	94.0	94.6	95.7	96.9	92.6	93.4	96.6	97.5	101.6	93.3	92.9	94.3	93.4
1982.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1983.....	103.9	104.1	102.1	102.1	106.2	98.8	102.2	101.3	97.4	103.1	103.6	101.4	104.7
1984.....	107.7	108.1	103.8	105.0	111.6	97.9	106.0	103.2	97.1	106.8	107.2	105.5	109.9
1985.....	110.9	111.6	104.8	107.5	116.8	97.7	108.3	101.0	95.2	109.0	109.2	108.2	114.9
1986.....	113.8	114.3	105.6	107.3	122.4	99.3	111.1	99.8	93.7	109.7	110.2	108.1	118.3
1987.....	117.4	119.6	108.2	112.2	128.7	98.9	115.2	99.5	99.0	112.3	111.1	116.3	122.9
1988.....	121.3	124.2	109.4	116.6	134.5	100.2	119.3	103.2	102.5	115.9	114.0	123.2	128.7
1989.....	126.3	129.9	110.9	122.8	141.0	101.2	123.5	105.5	103.8	119.4	117.5	125.8	135.1
1982: IV.....	101.7	101.8	100.7	101.0	102.7	100.7	99.1	100.0	99.3	101.3	102.0	99.5	102.2
1983: IV.....	105.4	105.7	103.1	103.1	108.3	98.3	103.1	102.6	97.2	103.8	104.7	100.3	106.3
1984: IV.....	109.0	109.3	104.1	105.8	113.5	97.9	107.2	102.4	96.2	108.5	108.3	108.9	111.7
1985: IV.....	112.2	113.1	104.7	108.7	119.0	97.9	109.0	100.5	95.9	110.6	111.3	108.8	116.5
1986: IV.....	115.1	115.8	106.2	107.8	124.9	100.0	112.4	99.0	94.4	107.7	109.7	101.7	120.0
1987: IV.....	118.5	121.5	108.9	113.9	130.9	99.0	116.5	99.7	100.4	111.7	111.3	112.8	124.9
1988: IV.....	123.4	126.3	110.3	118.6	137.0	101.8	120.6	105.0	103.6	117.2	114.7	125.1	130.9
1989: I.....	124.6	127.9	110.4	120.5	138.8	101.9	122.1	105.8	104.9	119.2	117.5	124.4	132.9
1989: II.....	125.8	129.5	110.6	123.2	140.1	101.2	123.7	106.0	105.2	118.4	117.6	121.0	134.5
1989: III.....	126.8	130.2	111.2	123.2	141.6	100.9	124.2	105.3	102.5	119.9	117.7	127.8	135.7
1989: IV.....	128.0	131.8	111.4	124.5	143.4	100.7	124.3	105.1	102.8	120.2	117.1	130.4	137.1
1990: I.....	129.5	134.0	112.5	128.3	145.1	101.6	125.3	105.3	104.2	123.3	120.8	131.5	138.9
1990: II.....	131.0	135.2	112.1	129.4	146.6	101.6	125.3	106.4	103.0	122.0	120.7	125.6	140.1
1990: III ²	132.1	136.9	112.4	131.5	148.4	102.4	126.0	106.5	105.5	123.1	121.2	128.7	142.1

Source: Department of Commerce, Bureau of Economic Analysis.

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

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

Period	Gross national product					Personal consumption expenditures				
	Current dollars	Constant (1982) dollars	Implicit price deflator	Chain price index	Fixed-weighted price index (1982 weights)	Current dollars	Constant (1982) dollars	Implicit price deflator	Chain price index	Fixed-weighted price index (1982 weights)
1980.....	8.9	-0.2	9.0	9.0	9.3	10.6	-0.2	10.7	10.9	10.5
1981.....	11.7	1.9	9.7	9.4	9.3	10.5	1.2	9.2	9.2	9.0
1982.....	3.7	-2.5	6.4	6.3	6.2	7.1	1.3	5.7	5.7	5.6
1983.....	7.6	3.6	3.9	4.1	4.1	9.0	4.6	4.1	4.2	4.2
1984.....	10.8	6.8	3.7	3.9	4.0	8.8	4.8	3.8	3.9	4.0
1985.....	6.4	3.4	3.0	3.3	3.4	8.2	4.7	3.2	3.5	3.5
1986.....	5.4	2.7	2.6	2.5	2.7	6.4	3.9	2.4	2.7	2.7
1987.....	6.7	3.4	3.2	3.3	3.5	7.6	2.8	4.6	4.6	4.6
1988.....	7.9	4.5	3.3	3.7	4.2	7.6	3.6	3.8	4.0	4.1
1989.....	6.7	2.5	4.1	4.3	4.5	6.5	1.9	4.6	4.7	4.8
1987: I.....	9.1	5.2	3.5	4.3	4.4	7.3	.7	6.4	6.2	6.3
II.....	7.5	4.2	3.1	3.1	3.5	9.6	4.5	4.8	4.9	5.1
III.....	7.4	4.1	3.5	3.3	3.5	8.9	4.3	4.4	4.3	4.3
IV.....	8.7	6.6	1.7	3.1	3.7	3.7	-.4	4.1	4.0	4.3
1988: I.....	7.8	5.1	2.7	3.3	3.9	9.2	6.9	2.3	2.5	2.6
II.....	8.3	3.6	4.4	4.2	4.7	7.4	2.7	4.3	4.7	4.8
III.....	7.4	2.7	4.7	4.8	5.5	8.2	3.5	4.6	4.8	5.1
IV.....	7.7	2.7	4.7	4.4	4.4	8.1	3.5	4.6	4.8	4.9
1989: I.....	7.5	3.6	3.9	4.7	4.9	4.8	-.3	5.2	5.0	5.0
II.....	5.8	1.6	3.9	4.4	4.6	6.6	1.3	5.1	5.3	5.7
III.....	5.1	1.7	3.2	3.1	3.1	7.0	4.6	2.2	2.6	2.7
IV.....	3.9	.3	3.8	3.7	3.8	4.0	-.8	5.0	4.9	4.7
1990: I.....	6.7	1.7	4.8	6.1	6.6	8.2	1.1	6.8	6.8	7.4
II.....	5.1	.4	4.7	4.1	3.9	3.9	.2	3.6	3.4	3.1
III P.....	5.3	1.8	3.4	3.6	4.1	8.9	3.6	5.1	5.2	5.7

Note.—Annual changes are from preceding year and quarterly changes are from preceding quarter.

Source: Department of Commerce, Bureau of Economic Analysis.

NONFINANCIAL CORPORATE BUSINESS-OUTPUT, COSTS, AND PROFITS

[Quarterly data at seasonally adjusted annual rates]

Period	Gross domestic product of nonfinancial corporate business (billions of dollars)		Current-dollar cost and profit per unit of output (dollars) ¹							Output per hour of all employees (1982 dollars)	Compensation per hour of all employees (dollars)	
			Total cost and profit ²	Capital consumption allowances with capital consumption adjustment	Indirect business taxes ³	Compensation of employees	Net interest	Corporate profits with inventory valuation and capital consumption adjustments				
	Current dollars	1982 dollars						Total	Profits tax liability	Profits after tax ⁴		
1980.....	1,540.8	1,807.9	0.852	0.095	0.077	0.581	0.031	0.068	0.037	0.031	18.524	10.769
1981.....	1,738.4	1,837.2	.946	.109	.090	.632	.037	.078	.035	.044	18.643	11.777
1982.....	1,782.2	1,782.2	1.000	.125	.094	.676	.043	.063	.026	.037	18.704	12.635
1983.....	1,914.2	1,866.0	1.026	.123	.098	.679	.037	.089	.032	.057	19.217	13.039
1984.....	2,146.7	2,036.5	1.054	.118	.100	.687	.039	.109	.036	.073	19.682	13.528
1985.....	2,267.1	2,117.4	1.071	.119	.103	.704	.038	.106	.033	.073	19.996	14.069
1986.....	2,367.1	2,173.9	1.089	.123	.106	.721	.041	.098	.035	.064	20.456	14.746
1987.....	2,524.8	2,290.2	1.102	.123	.105	.726	.041	.107	.041	.067	20.968	15.231
1988.....	2,720.7	2,403.7	1.132	.124	.107	.750	.041	.111	.043	.068	21.203	15.892
1989.....	2,854.5	2,431.2	1.174	.131	.112	.782	.050	.099	.042	.057	20.929	16.376
1982: IV.....	1,779.4	1,760.2	1.011	.131	.096	.685	.042	.057	.023	.034	18.771	12.866
1983: IV.....	2,012.5	1,940.5	1.037	.120	.098	.680	.037	.103	.036	.066	19.422	13.208
1984: IV.....	2,201.8	2,069.5	1.064	.118	.102	.694	.042	.107	.032	.075	19.784	13.735
1985: IV.....	2,309.4	2,137.7	1.080	.120	.104	.713	.037	.106	.033	.072	20.117	14.341
1986: IV.....	2,408.7	2,198.5	1.096	.124	.106	.727	.042	.096	.038	.058	20.650	15.008
1987: IV.....	2,597.4	2,339.4	1.110	.122	.105	.734	.040	.109	.042	.067	21.118	15.492
1988: IV.....	2,797.3	2,428.6	1.152	.126	.108	.763	.042	.112	.043	.069	21.173	16.158
1989: I.....	2,812.8	2,427.8	1.159	.127	.110	.774	.046	.102	.044	.058	21.042	16.288
II.....	2,847.5	2,431.3	1.171	.129	.111	.780	.049	.102	.042	.060	20.970	16.347
III.....	2,879.1	2,443.9	1.178	.132	.113	.782	.051	.100	.041	.059	21.011	16.421
IV.....	2,878.5	2,421.8	1.189	.135	.114	.795	.052	.092	.040	.052	20.786	16.517
1990: I.....	2,907.5	2,423.1	1.200	.135	.117	.803	.052	.093	.039	.053	20.670	16.602
II.....	2,960.0	2,440.1	1.213	.135	.116	.812	.053	.097	.040	.057	20.755	16.841

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

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

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

⁴ With inventory valuation and capital consumption adjustments.

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

NATIONAL INCOME

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

Period	National income	Compensation of employees ¹	Proprietors' income with inventory valuation and capital consumption adjustments		Rental income of persons with capital consumption adjustment	Corporate profits with inventory valuation and capital consumption adjustments					Net interest
			Farm	Nonfarm		Total	Profits with inventory valuation adjustment and without capital consumption adjustment			Capital consumption adjustment	
							Total	Profits before tax	Inventory valuation adjustment		
1982.....	2,518.4	1,907.0	24.6	150.9	13.6	150.0	159.2	169.6	-10.4	-9.2	272.3
1983.....	2,719.5	2,020.7	12.4	178.4	13.2	213.7	196.7	207.6	-10.9	17.0	281.0
1984.....	3,028.6	2,213.9	30.5	204.0	8.5	266.9	234.2	240.0	-5.8	32.7	304.8
1985.....	3,234.0	2,367.5	30.2	225.6	9.2	282.3	222.6	224.3	-1.7	59.7	319.0
1986.....	3,412.6	2,511.4	34.7	247.2	11.6	282.1	228.3	221.6	6.7	53.8	325.5
1987.....	3,660.3	2,686.4	42.8	280.6	13.7	308.3	255.9	275.3	-19.4	52.4	328.6
1988.....	3,984.9	2,905.1	43.7	310.5	16.3	337.6	289.8	316.7	-27.0	47.8	371.8
1989.....	4,223.3	3,079.0	48.6	330.7	8.2	311.6	286.1	307.7	-21.7	25.5	445.1
1982: IV.....	2,548.2	1,931.1	28.5	159.8	15.8	146.1	150.7	164.1	-13.4	-4.5	266.9
1983: IV.....	2,851.5	2,092.7	19.3	188.6	12.4	248.5	223.4	231.5	-8.1	25.1	290.2
1984: IV.....	3,096.1	2,272.7	28.1	209.7	5.6	266.9	224.6	226.1	-1.6	42.3	313.1
1985: IV.....	3,312.8	2,426.7	29.2	235.0	7.8	291.4	228.4	235.0	-6.6	63.0	322.7
1986: IV.....	3,473.1	2,571.2	37.2	252.0	13.5	275.2	226.1	234.1	-8.0	49.1	324.0
1987: IV.....	3,791.5	2,770.3	52.3	293.0	14.6	323.1	268.6	289.7	-21.1	54.5	338.2
1988: IV.....	4,104.1	2,986.7	35.5	321.5	16.8	349.6	308.7	331.1	-22.5	40.9	394.1
1989: I.....	4,177.3	3,029.7	59.6	328.2	13.3	327.3	292.1	335.1	-43.0	35.2	419.2
II.....	4,216.8	3,062.6	50.5	329.1	9.7	321.4	291.5	314.6	-23.1	29.9	443.4
III.....	4,232.1	3,095.2	38.7	329.5	5.8	306.7	285.3	291.4	-6.1	21.4	456.2
IV.....	4,267.1	3,128.6	45.7	336.0	4.1	290.9	275.3	289.8	-14.5	15.6	461.7
1990: I.....	4,350.3	3,180.4	57.4	346.6	5.5	296.8	285.5	296.9	-11.4	11.3	463.6
II.....	4,411.3	3,232.5	51.0	350.8	4.3	306.6	298.8	299.3	-5	7.7	466.2
III ^P		3,276.1	42.8	355.2	7.6				-30.6	2.3	468.9

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

Source: Department of Commerce, Bureau of Economic Analysis.

PERSONAL CONSUMPTION EXPENDITURES

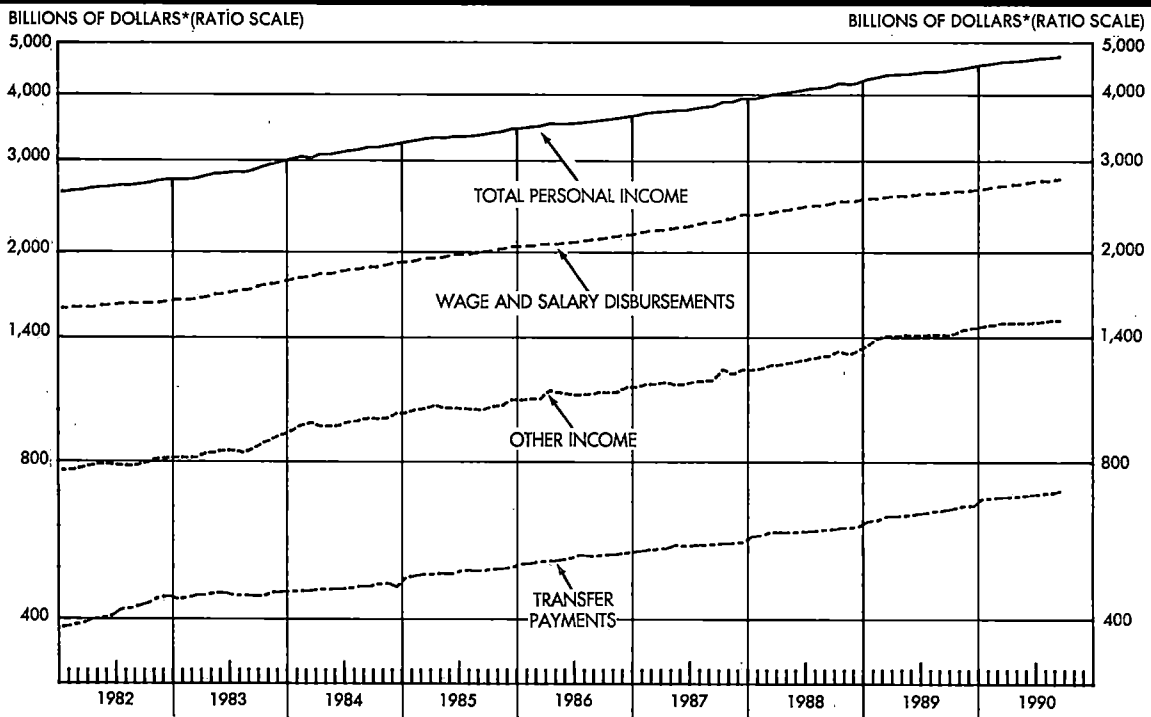
[Billions of dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Period	Total personal consumption expenditures	Durable goods				Nondurable goods					Services	Retail sales of new passenger cars (millions of units)	
		Total durable goods	Motor vehicles and parts	Furniture and household equipment	Other	Total non-durable goods	Food	Clothing and shoes	Gasoline and oil	Other		Do-mestics	Im-ports
1982.....	2,050.7	252.7	108.9	95.7	48.1	771.0	398.8	124.4	89.1	158.7	1,027.0	5.8	2.2
1983.....	2,234.5	289.1	130.4	107.1	51.6	816.7	421.9	135.1	90.2	169.5	1,128.7	6.8	2.4
1984.....	2,430.5	335.5	157.4	118.8	59.3	867.3	448.5	146.7	90.0	182.1	1,227.6	8.0	2.4
1985.....	2,629.0	372.2	179.1	129.9	63.2	911.2	471.6	156.4	90.6	192.6	1,345.6	8.2	2.8
1986.....	2,797.4	406.0	196.2	139.7	70.0	942.0	500.0	166.8	73.5	201.7	1,449.5	8.2	3.2
1987.....	3,009.4	423.4	197.9	148.8	76.7	1,001.3	530.7	178.4	75.3	216.9	1,584.7	7.1	3.2
1988.....	3,298.2	457.5	212.2	161.8	83.5	1,060.0	562.6	191.1	77.3	229.1	1,720.7	7.5	3.1
1989.....	3,450.1	474.6	215.5	171.4	87.8	1,130.0	595.3	204.6	83.8	246.3	1,845.5	7.1	2.8
1982: IV.....	2,117.0	263.8	115.7	99.1	49.0	786.6	407.0	126.5	89.8	163.4	1,066.5	6.0	2.5
1983: IV.....	2,315.8	310.0	144.4	112.4	53.2	837.9	430.8	141.1	91.9	174.0	1,167.9	7.4	2.6
1984: IV.....	2,493.4	346.7	162.3	122.7	61.8	879.6	456.1	149.8	89.0	184.7	1,267.1	7.7	2.6
1985: IV.....	2,700.4	373.2	173.8	134.7	64.7	932.7	482.5	160.6	91.0	198.5	1,394.5	7.0	3.1
1986: IV.....	2,868.5	422.0	201.1	143.8	77.1	952.1	511.9	168.7	66.0	205.5	1,494.4	7.7	3.4
1987: IV.....	3,079.1	427.4	198.9	151.1	77.4	1,019.9	539.0	182.2	77.3	221.5	1,631.8	6.6	3.3
1988: IV.....	3,332.6	473.1	217.8	166.8	88.5	1,088.0	577.1	198.6	78.5	233.9	1,771.5	7.5	3.0
1989: I.....	3,371.7	466.4	211.3	170.2	84.9	1,106.7	588.8	199.3	79.0	239.7	1,798.6	7.0	2.8
II.....	3,425.9	473.6	216.2	170.7	86.7	1,127.1	592.5	203.4	88.2	243.0	1,825.1	7.3	3.0
III.....	3,484.3	487.1	226.9	171.5	88.7	1,137.3	597.6	206.9	84.5	248.3	1,859.8	7.8	2.9
IV.....	3,518.5	471.2	207.5	173.0	90.7	1,148.8	602.2	208.7	83.5	254.4	1,898.5	6.2	2.6
1990: I.....	3,588.1	492.1	221.1	178.9	92.0	1,174.7	616.4	212.9	87.1	258.2	1,921.3	7.0	2.8
II.....	3,622.7	478.4	212.4	176.8	89.3	1,179.0	623.3	212.6	84.5	258.6	1,965.3	6.8	2.7
III ^P	3,700.6	483.1	216.8	175.9	90.3	1,202.8	627.9	215.8	95.4	263.6	2,014.7	7.2	2.5

Source: Department of Commerce, Bureau of Economic Analysis.

SOURCES OF PERSONAL INCOME

Personal income increased \$23.8 billion (annual rate) in September, following an increase of \$9.8 billion in August. Wages and salaries rose \$17.4 billion in September compared to a rise of \$0.6 billion in August.



* SEASONALLY ADJUSTED ANNUAL RATES
SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

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

Period	Total personal income	Wage and salary disbursements ¹	Other labor income ^{1 2}	Proprietors' income ³		Rental income of persons ⁴	Personal dividend income	Personal interest income	Transfer payments ⁵	Less: Personal contributions for social insurance	Nonfarm personal income ⁶
				Farm	Nonfarm						
1980	2,258.4	1,372.0	138.4	20.5	160.1	6.6	52.9	271.9	324.7	88.6	2,215.8
1981	2,520.9	1,510.3	150.3	30.7	156.1	13.3	61.3	335.4	368.1	104.5	2,465.6
1982	2,670.8	1,586.1	163.6	24.6	150.9	13.6	63.9	369.7	410.6	112.3	2,618.7
1983	2,838.6	1,676.6	173.6	12.4	178.4	13.2	68.7	393.1	442.6	120.1	2,799.0
1984	3,108.7	1,838.6	182.9	30.5	204.0	8.5	75.5	444.7	456.6	132.7	3,052.1
1985	3,325.3	1,975.4	187.6	30.2	225.6	9.2	78.7	478.0	489.8	149.3	3,271.3
1986	3,526.2	2,094.8	199.3	34.7	247.2	11.6	85.8	493.2	521.5	161.9	3,469.4
1987	3,766.4	2,249.7	209.4	42.8	280.6	13.7	91.8	501.3	549.9	172.9	3,702.2
1988	4,070.8	2,431.1	225.5	43.7	310.5	16.3	102.2	547.9	587.7	194.1	4,006.0
1989	4,384.3	2,573.2	241.9	48.6	330.7	8.2	114.4	643.2	636.9	212.8	4,314.6
1989: Sept	4,411.6	2,593.9	244.8	37.8	329.6	.0	116.3	657.6	646.1	214.5	4,352.7
Oct	4,441.0	2,611.4	246.1	45.6	331.9	-7.4	117.4	661.2	650.8	215.9	4,374.4
Nov	4,470.0	2,603.8	247.5	45.2	337.4	9.6	118.4	665.0	658.4	215.3	4,403.6
Dec	4,496.7	2,623.0	248.9	46.4	338.7	10.1	118.9	668.5	658.6	216.3	4,429.2
1990: Jan	4,532.2	2,633.3	251.6	51.1	343.3	7.7	119.7	669.5	679.8	223.9	4,459.9
Feb	4,561.6	2,652.2	252.8	55.6	347.0	4.5	120.6	670.5	679.6	221.2	4,484.9
Mar	4,594.7	2,669.2	254.0	65.5	349.4	4.3	121.3	671.4	683.4	223.8	4,508.1
Apr	4,604.5	2,682.4	255.2	55.0	349.2	3.8	122.3	674.5	683.5	221.4	4,528.2
May	4,621.4	2,695.5	256.4	51.8	351.3	4.2	123.0	677.9	685.3	223.9	4,548.3
June	4,640.7	2,711.1	257.6	46.1	351.8	4.9	123.4	681.5	691.4	227.1	4,573.2
July ^r	4,663.2	2,727.1	258.8	45.7	353.3	5.7	124.3	684.3	692.1	228.1	4,596.0
Aug ^r	4,673.0	2,727.7	260.0	42.9	355.3	8.2	125.0	686.6	695.4	228.2	4,608.7
Sept ^p	4,696.8	2,745.1	261.2	39.9	356.9	8.8	125.3	688.3	700.6	229.4	4,635.4

¹ The total of wage and salary disbursements and other labor income differs from compensation of employees (see p. 4) in that it excludes employer contributions for social insurance and the excess of wage accruals over wage disbursements.

² Consists primarily of employer contributions to private pension and private welfare funds.

³ With inventory valuation and capital consumption adjustments.

⁴ With capital consumption adjustment.

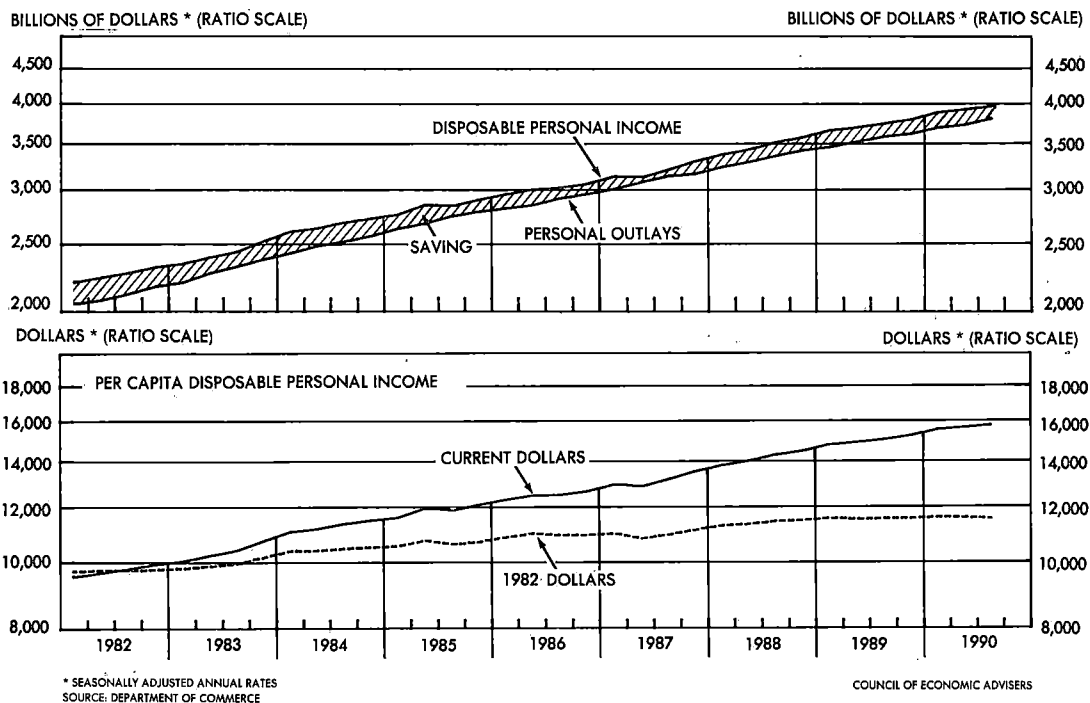
⁵ Consists mainly of social insurance benefits, direct relief, and veterans payments.

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

Source: Department of Commerce, Bureau of Economic Analysis.

DISPOSITION OF PERSONAL INCOME

According to advance estimates, real per capita disposable personal income fell in the third quarter of 1990.



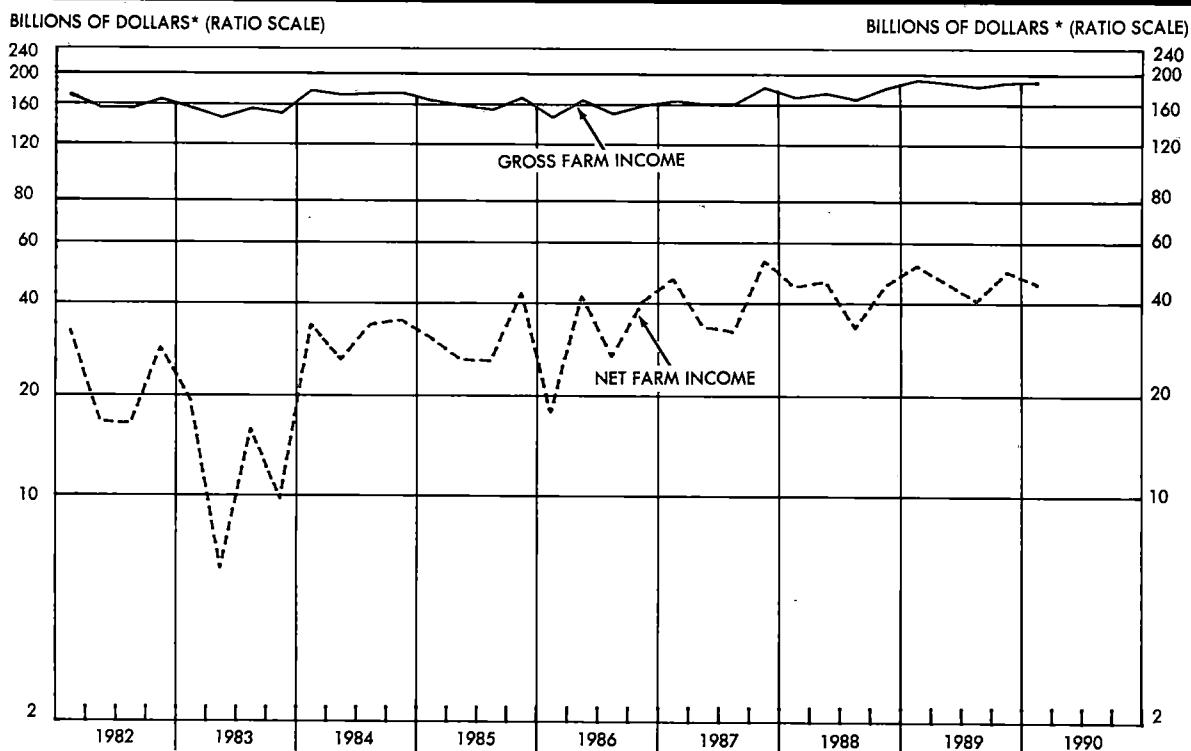
Period	Personal income	Less: Personal tax and nontax payments	Equals: Disposable personal income	Less: Personal outlays ¹	Equals: Personal saving	Dispos-able personal income in 1982 dollars (billions)	Per capita disposable personal income		Per capita personal consumption expenditures		Percent change in real per capita disposable personal income	Saving as percent of disposable personal income	Population, including Armed Forces abroad (thou-sands) ²
							Current dollars	1982 dollars	Current dollars	1982 dollars			
	Billions of dollars						Dollars				Percent		
1980.....	2,258.5	340.5	1,918.0	1,781.1	136.9	2,214.3	8,421	9,722	7,607	8,783	-1.1	7.1	227,754
1981.....	2,520.9	393.3	2,127.6	1,968.1	159.4	2,248.6	9,243	9,769	8,320	8,794	.5	7.5	230,182
1982.....	2,670.8	409.3	2,261.4	2,107.5	153.9	2,261.5	9,724	9,724	8,818	8,818	- .5	6.8	232,549
1983.....	2,838.6	410.5	2,428.1	2,297.4	130.6	2,331.9	10,340	9,930	9,515	9,139	2.1	5.4	234,829
1984.....	3,108.7	440.2	2,668.6	2,504.5	164.1	2,469.8	11,257	10,419	10,253	9,489	4.9	6.1	237,051
1985.....	3,325.3	486.6	2,838.7	2,713.3	125.4	2,542.8	11,861	10,625	10,985	9,839	2.0	4.4	239,322
1986.....	3,526.2	512.9	3,013.3	2,888.5	124.9	2,635.3	12,469	10,905	11,576	10,123	2.6	4.1	241,660
1987.....	3,766.4	571.6	3,194.7	3,102.2	92.5	2,670.7	13,094	10,946	12,335	10,311	.4	2.9	243,982
1988.....	4,070.8	591.6	3,479.2	3,333.6	145.6	2,800.5	14,123	11,368	13,144	10,580	3.9	4.2	246,358
1989.....	4,384.3	658.8	3,725.5	3,553.7	171.8	2,869.0	14,973	11,531	13,866	10,678	1.4	4.6	248,810
	Seasonally adjusted annual rates												
1982: IV.....	2,729.2	411.1	2,318.1	2,174.9	143.1	2,276.1	9,929	9,749	9,068	8,904	1.2	6.2	233,466
1983: IV.....	2,941.8	413.9	2,527.9	2,382.5	145.4	2,392.7	10,725	10,151	9,825	9,299	9.1	5.8	235,707
1984: IV.....	3,188.3	459.7	2,728.6	2,571.3	157.3	2,496.3	11,467	10,491	10,479	9,587	1.7	5.8	237,946
1985: IV.....	3,399.1	499.6	2,899.5	2,787.7	111.7	2,562.8	12,068	10,667	11,240	9,935	3.3	3.9	240,257
1986: IV.....	3,597.8	534.4	3,063.4	2,961.4	102.0	2,646.2	12,629	10,909	11,825	10,214	.3	3.3	242,579
1987: IV.....	3,890.9	588.6	3,302.3	3,172.6	129.7	2,717.9	13,483	11,097	12,572	10,347	6.4	3.9	244,925
1988: IV.....	4,186.2	607.3	3,578.9	3,430.4	148.5	2,833.9	14,470	11,458	13,474	10,669	1.2	4.1	247,329
1989: I.....	4,302.2	640.5	3,661.7	3,472.0	189.8	2,863.5	14,773	11,553	13,603	10,638	3.4	5.2	247,863
1989: II.....	4,362.9	665.5	3,697.3	3,528.5	168.9	2,854.9	14,883	11,492	13,790	10,648	-2.1	4.6	248,431
1989: III.....	4,402.8	659.5	3,743.4	3,588.8	154.5	2,874.3	15,026	11,538	13,986	10,739	1.6	4.1	249,127
1989: IV.....	4,469.2	669.6	3,799.6	3,625.5	174.1	2,883.2	15,210	11,541	14,084	10,687	.1	4.6	249,818
1990: I.....	4,562.8	675.1	3,887.7	3,696.4	191.3	2,900.9	15,527	11,586	14,330	10,692	1.6	4.9	250,392
1990: II.....	4,622.2	696.5	3,925.7	3,730.6	195.1	2,902.8	15,639	11,564	14,432	10,671	- .8	5.0	251,026
1990: III P.....	4,677.7	709.0	3,968.6	3,809.2	159.4	2,898.4	15,762	11,511	14,697	10,734	-1.8	4.0	251,785

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

FARM INCOME

In the first quarter of 1990, according to preliminary estimates, gross farm income rose \$0.9 billion (annual rate) and net farm income fell \$4.0 billion.



SEASONALLY ADJUSTED ANNUAL RATES
SOURCE: DEPARTMENT OF AGRICULTURE

COUNCIL OF ECONOMIC ADVISERS

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

Period	Income of farm operators from farming							
	Gross farm income					Production expenses	Net farm income	
	Total ¹	Cash marketing receipts			Value of inventory changes ²		Current dollars	1982 dollars ³
		Total	Livestock and products	Crops				
1980	149.3	139.7	68.0	71.7	-6.3	133.1	16.2	18.8
1981	166.4	141.7	69.2	72.5	6.5	139.4	27.0	28.7
1982	163.5	142.6	70.3	72.3	-1.4	140.0	23.5	23.5
1983	152.9	136.5	69.4	67.1	-10.9	140.4	12.5	12.0
1984	175.0	142.5	73.0	69.5	6.3	142.7	32.3	29.9
1985	162.9	144.1	69.8	74.3	-2.3	131.7	31.2	28.1
1986	156.5	135.2	71.5	63.7	-2.4	125.1	31.4	27.6
1987	169.0	141.7	76.0	65.6	-2.8	127.7	41.2	35.1
1988	173.8	150.2	78.8	71.4	-4.1	131.8	42.0	34.6
1989	189.1	159.2	83.7	75.4	4.4	142.6	46.5	36.8
1988: I	169.9	144.4	78.1	66.3	-6.1	125.8	44.1	37.0
II	175.2	145.9	76.8	69.2	-5.3	129.2	46.0	38.2
III	167.7	154.9	79.2	75.7	-3.6	134.8	33.0	27.0
IV	182.2	155.5	81.2	74.2	-1.3	137.4	44.7	36.3
1989: I	192.8	153.7	81.6	72.1	5.8	141.3	51.5	41.4
II	189.3	157.4	80.8	76.5	4.8	144.0	45.3	36.0
III	184.3	163.9	83.6	80.3	3.8	144.3	40.0	31.5
IV	189.8	161.7	88.9	72.8	3.3	140.7	49.2	38.4
1990: I ^p	190.7	159.1	87.3	71.8	2.8	145.5	45.2	34.8

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

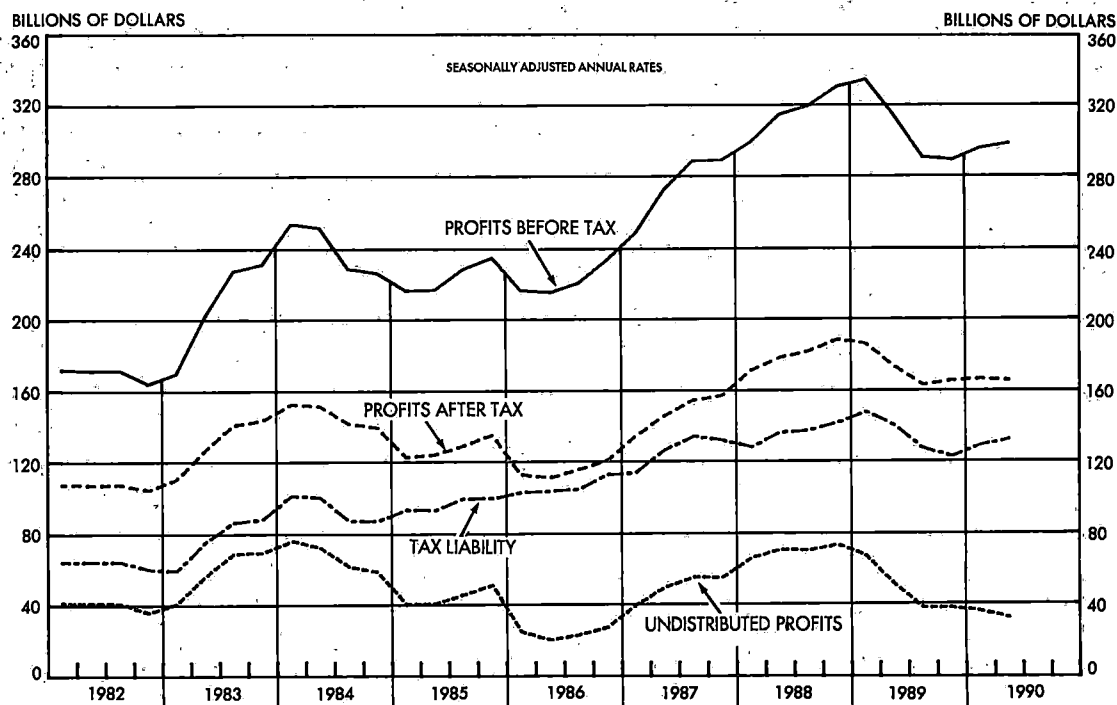
² Physical changes in end-of-year inventory of crop and livestock commodities valued at average prices during the year.

³ Income in current dollars divided by the GNP implicit price deflator.

NOTE.—Data include net Commodity Credit Corporation loans and operator households.
Sources: Department of Agriculture and Department of Commerce.

CORPORATE PROFITS

In the second quarter of 1990, corporate profits before tax rose \$2.4 billion (annual rate) and after-tax profits fell \$1.0 billion.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

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

Period	Profits (before tax) with inventory valuation adjustment ¹						Profits before tax	Tax liability	Profits after tax			Inventory valuation adjustment
	Total ²	Domestic industries							Total	Dividends	Undistributed profits	
		Total	Financial	Nonfinancial								
				Total ³	Manufacturing	Wholesale and retail trade						
1980.....	194.0	159.6	21.0	138.6	77.1	21.6	237.1	84.8	152.3	54.7	97.6	-43.1
1981.....	202.3	173.8	16.5	157.3	88.5	32.5	226.5	81.1	145.4	63.6	81.8	-24.2
1982.....	159.2	131.2	11.8	119.4	58.0	34.6	169.6	63.1	106.5	66.9	39.6	-10.4
1983.....	196.7	166.6	18.1	148.5	70.1	38.9	207.6	77.2	130.4	71.5	58.9	-10.9
1984.....	234.2	203.3	13.0	190.3	88.8	51.2	240.0	93.9	146.1	79.0	67.0	-5.8
1985.....	222.6	191.4	22.8	168.6	79.7	44.1	224.3	96.4	127.8	83.3	44.6	-1.7
1986.....	228.3	195.2	32.0	163.2	59.5	44.1	221.6	106.3	115.3	91.3	24.0	6.7
1987.....	255.9	218.4	20.7	197.8	86.7	37.9	275.3	126.9	148.4	98.2	50.2	-19.4
1988.....	289.8	246.5	22.4	224.1	106.5	37.1	316.7	136.2	180.5	110.0	70.5	-27.0
1989.....	286.1	235.2	15.4	219.8	96.1	38.7	307.7	135.1	172.6	123.5	49.1	-21.7
1989: IV.....	150.7	121.6	18.7	102.9	46.8	33.6	164.1	59.8	104.3	68.5	35.8	-13.4
1989: I.....	223.4	190.7	15.5	175.2	88.6	43.1	231.5	88.1	143.4	73.9	69.5	-8.1
1989: II.....	224.6	193.9	13.6	180.3	79.8	51.8	226.1	87.0	139.2	80.8	58.4	-1.6
1989: III.....	228.4	193.6	26.0	167.6	83.8	38.5	235.0	99.8	135.2	84.0	51.2	-6.6
1989: IV.....	226.1	193.4	28.6	164.8	64.8	41.0	234.1	113.1	121.0	93.6	27.4	-8.0
1987: IV.....	268.6	226.2	19.8	206.4	98.2	37.8	289.7	132.1	157.6	102.2	55.4	-21.1
1988: IV.....	308.7	261.9	24.1	237.8	112.6	42.3	331.1	142.1	189.1	115.3	73.8	-22.5
1989: I.....	292.1	241.5	24.0	217.4	102.0	33.7	335.1	148.3	186.7	119.1	67.6	-43.0
1989: II.....	291.5	244.9	21.6	223.4	98.9	37.6	314.6	140.8	173.8	122.1	51.7	-23.1
1989: III.....	285.3	236.0	9.2	226.9	99.9	41.4	291.4	127.8	163.6	125.0	38.6	-6.1
1989: IV.....	275.3	218.4	6.9	211.5	83.7	41.9	289.8	123.5	166.3	127.7	38.6	-14.5
1990: I.....	285.5	232.6	16.1	216.5	90.1	39.2	296.9	129.9	167.1	130.3	36.8	-11.4
1990: II.....	298.8	249.9	18.2	231.7	100.8	44.4	299.3	133.1	166.1	133.0	33.2	-5.5
1990: III ^p										135.1		-30.6

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

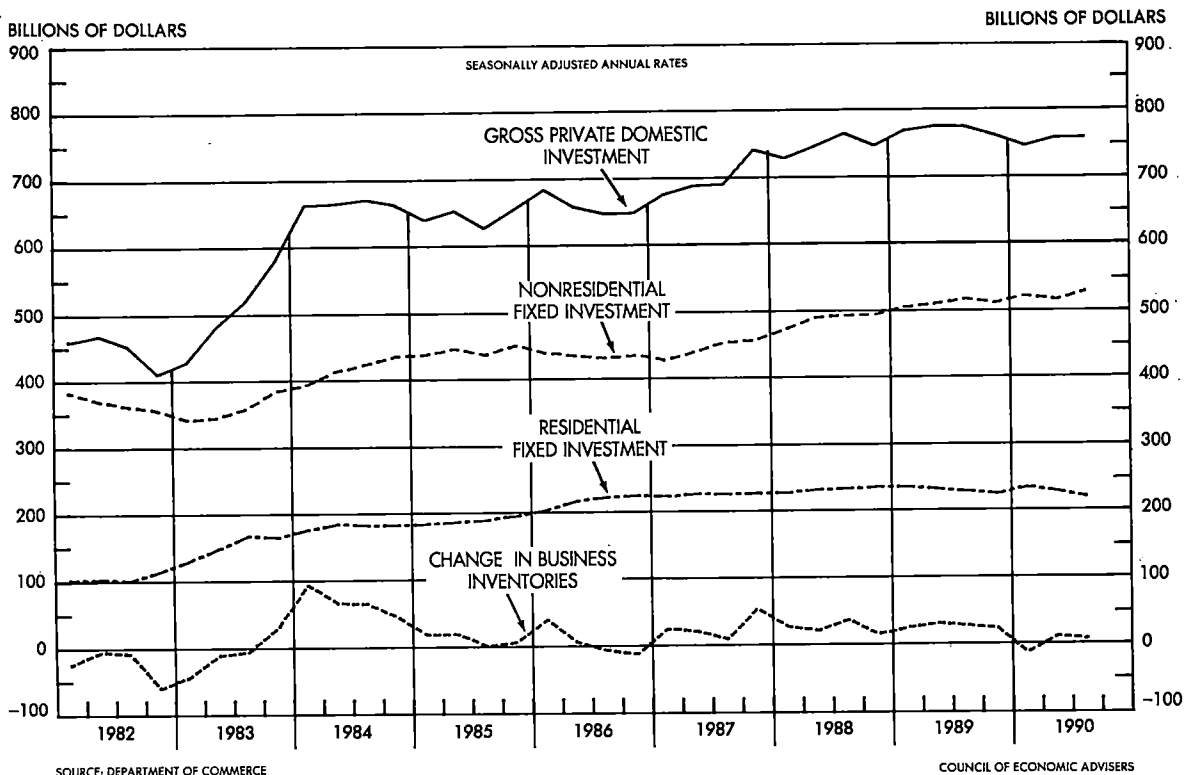
² Includes rest of the world, not shown separately.

³ Includes industries not shown separately.

Source: Department of Commerce, Bureau of Economic Analysis.

GROSS PRIVATE DOMESTIC INVESTMENT

According to advance estimates for the third quarter of 1990, nonresidential fixed investment rose \$13.6 billion (annual rate) and residential investment fell \$8.3 billion. There was an \$8.8 billion increase in inventories, following a rise of \$13.4 billion in the second quarter.



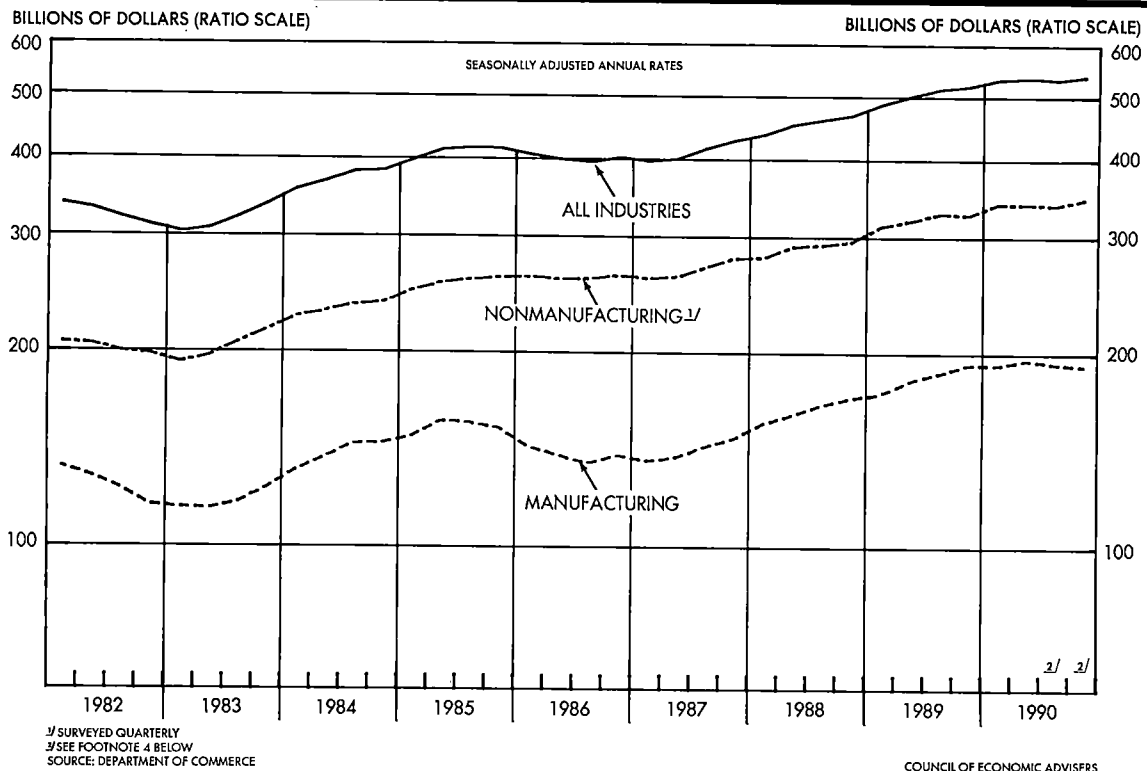
[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Period	Gross private domestic investment	Fixed investment					Change in business inventories	
		Total	Nonresidential			Residential	Total	Nonfarm
			Total	Structures	Producers' durable equipment			
1980.....	437.0	445.3	322.8	113.9	208.9	122.5	-8.3	-2.4
1981.....	515.5	491.5	369.2	138.5	230.7	122.3	24.0	18.3
1982.....	447.3	471.8	366.7	143.3	223.4	105.1	-24.5	-23.1
1983.....	502.3	509.4	356.9	124.0	232.8	152.5	-7.1	.4
1984.....	664.8	597.1	416.0	141.1	274.9	181.1	67.7	60.5
1985.....	643.1	631.8	442.9	153.2	289.7	188.8	11.3	14.6
1986.....	659.4	652.5	435.2	139.0	296.2	217.3	6.9	8.6
1987.....	699.9	671.2	444.9	133.7	311.2	226.3	28.3	32.3
1988.....	747.1	720.8	488.4	139.9	348.4	232.5	26.2	29.8
1989.....	771.2	742.9	511.9	146.2	365.7	231.0	28.3	23.3
1989: IV.....	409.6	469.5	354.9	137.6	217.3	114.7	-59.9	-51.1
1989: III.....	579.8	548.8	383.9	127.4	256.5	164.9	31.0	21.3
1989: II.....	661.8	616.8	435.0	146.6	288.4	181.8	45.0	41.3
1989: I.....	654.1	646.8	451.3	155.9	295.5	195.5	7.2	23.7
1990: IV.....	648.8	660.9	435.8	133.7	302.2	225.1	-12.2	-8.0
1990: III.....	741.4	685.7	457.5	137.2	320.4	228.1	55.7	59.6
1990: II.....	747.5	731.3	495.3	141.2	354.0	236.0	16.2	35.0
1990: I.....	769.7	743.1	506.5	146.5	360.0	236.6	26.6	16.7
1990: IV.....	776.7	744.0	511.4	144.2	367.2	232.7	32.7	26.1
1990: III.....	775.8	746.9	518.1	147.0	371.0	228.9	28.9	26.2
1990: II.....	762.7	737.7	511.8	147.1	364.7	225.9	25.0	24.1
1990: I.....	747.2	758.9	523.1	148.8	374.3	235.9	-11.8	-17.0
1990: IV.....	759.0	745.6	516.5	147.2	369.3	229.1	13.4	13.0
1990: III.....	759.6	750.9	530.1	150.2	379.9	220.8	8.8	7.8

Source: Department of Commerce, Bureau of Economic Analysis.

EXPENDITURES FOR NEW PLANT AND EQUIPMENT

According to the Commerce Department July-August survey, business spending for new plant and equipment is expected to rise 5.4 percent in 1990, following a rise of 11.4 percent in 1989.



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

Period	Industries surveyed quarterly										Addenda			
	All industries	Manufacturing			Nonmanufacturing					Total non-farm business ²	Manufacturing	Nonmanufacturing		
		Total	Durable goods	Non-durable goods	Total ¹	Mining	Transportation	Public utilities	Commercial and other			Total	Surveyed quarterly	Surveyed annually ³
1980.....	286.40	112.60	54.82	57.77	173.80	12.71	13.56	41.32	106.21	318.08	112.60	205.48	173.80	31.68
1981.....	324.73	128.68	58.93	69.75	196.06	15.81	12.67	47.17	120.41	358.77	128.68	230.09	196.06	34.04
1982.....	326.19	123.97	54.58	69.39	202.22	14.11	11.75	53.58	122.79	363.08	123.97	239.11	202.22	36.89
1983.....	321.16	117.35	51.61	65.74	203.82	10.64	10.81	52.95	129.41	359.73	117.35	242.38	203.82	38.56
1984.....	373.83	139.61	64.57	75.04	234.22	11.86	13.44	57.53	151.39	418.38	139.61	278.77	234.22	44.55
1985.....	410.12	152.88	70.87	82.01	257.24	12.00	14.57	59.58	171.09	454.93	152.88	302.05	257.24	44.81
1986.....	399.36	137.95	65.68	72.28	261.40	8.15	15.05	56.61	181.59	447.11	137.95	309.16	261.40	47.75
1987.....	410.52	141.06	68.03	73.03	269.46	8.28	15.07	56.26	189.84	461.51	141.06	320.45	269.46	50.99
1988.....	455.49	163.45	77.04	86.41	292.04	9.29	16.63	60.37	205.76	508.22	163.45	344.77	292.04	52.73
1989.....	507.40	183.80	82.56	101.24	323.60	9.21	18.84	66.28	229.28	563.93	183.80	380.13	323.60	56.53
1990 ⁴	534.76	192.44	84.69	107.75	342.31	9.96	21.10	65.91	245.34	.....	192.44	.....	342.31	.....
1988: I.....	436.30	155.13	73.74	81.39	281.16	9.28	16.11	57.51	198.26	.....	155.13	.....	281.16	.....
1988: II.....	452.24	160.00	76.13	83.87	292.24	9.62	16.45	58.46	207.71	.....	160.00	.....	292.24	.....
1988: III.....	460.33	165.99	77.49	88.49	294.35	9.26	16.71	61.00	207.37	.....	165.99	.....	294.35	.....
1988: IV.....	467.92	170.02	79.74	90.28	297.89	9.00	17.15	63.42	208.33	.....	170.02	.....	297.89	.....
1989: I.....	487.43	172.73	80.20	92.53	314.70	8.94	17.84	66.09	221.82	.....	172.73	.....	314.70	.....
1989: II.....	502.05	180.91	82.44	98.47	321.14	9.24	18.42	68.09	225.39	.....	180.91	.....	321.14	.....
1989: III.....	514.95	185.99	83.60	102.40	328.96	9.24	21.03	65.19	233.50	.....	185.99	.....	328.96	.....
1989: IV.....	519.58	191.88	83.41	108.47	327.70	9.38	18.25	65.82	234.25	.....	191.88	.....	327.70	.....
1990: I.....	532.45	191.36	86.35	105.02	341.09	9.58	22.13	65.72	243.66	.....	191.36	.....	341.09	.....
1990: II.....	535.49	195.16	84.34	110.82	340.33	9.84	21.86	64.27	244.37	.....	195.16	.....	340.33	.....
1990: III ⁴	532.47	192.37	83.63	108.74	340.09	10.23	20.61	66.20	243.05	.....	192.37	.....	340.09	.....
1990: IV ⁴	538.61	190.88	84.45	106.42	347.74	10.19	19.81	67.46	250.27	.....	190.88	.....	347.74	.....

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

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

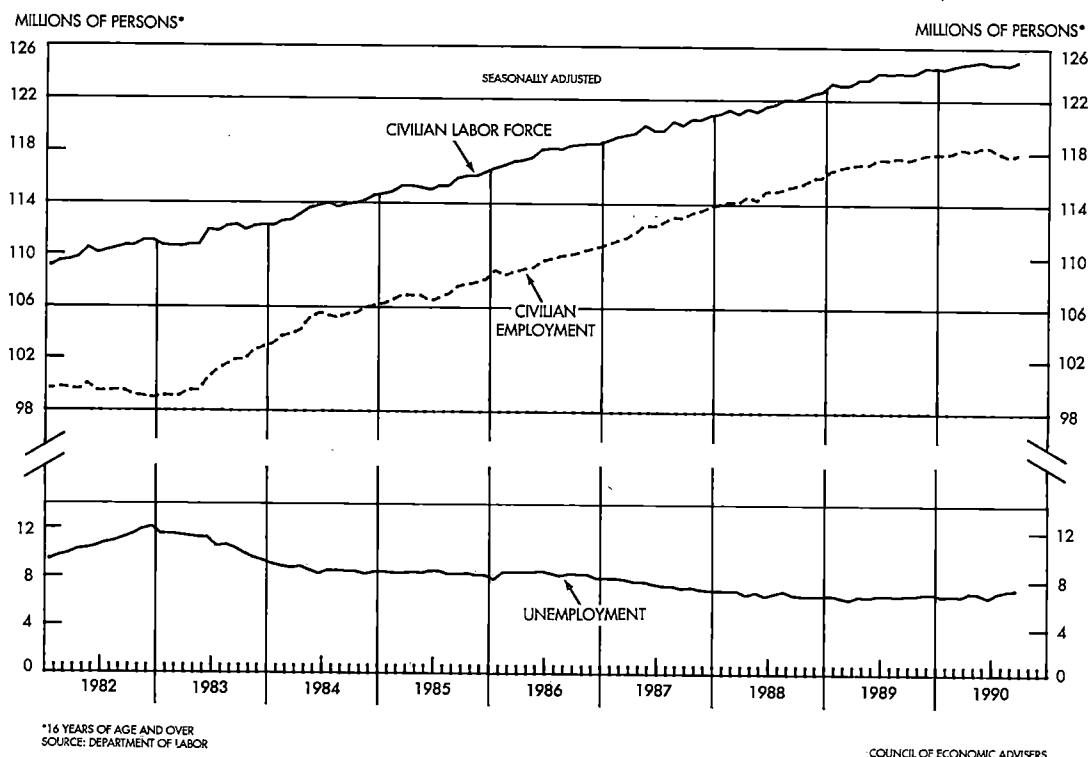
³ Consists of forestry, fisheries, and agricultural services; medical services; professional services; social services and membership organizations; and real estate.

⁴ Planned capital expenditures as reported by business in July-August 1990, corrected for biases.

Source: Department of Commerce, Bureau of the Census.

EMPLOYMENT, UNEMPLOYMENT, AND WAGES

In September, civilian employment rose 240,000 and unemployment rose 66,000.



[Thousands of persons 16 years of age and over, except as noted; monthly data seasonally adjusted except as noted by NSA]

Period	Noninstitutional population including resident Armed Forces NSA	Resident Armed Forces NSA	Labor force including resident Armed Forces	Employment including resident Armed Forces	Civilian labor force	Civilian employment				Unemployment		Civilian	
						Total	Agricultural	Nonsgricultural		Total	15 weeks and over	Labor force participation rate (per-cent) ²	Employment/population ratio (per-cent) ²
								Total	Part time for economic reasons ¹				
1981	171,775	1,645	110,315	102,042	108,670	100,397	3,368	97,030	4,499	8,273	2,285	63.9	59.0
1982	173,939	1,668	111,872	101,194	110,204	99,526	3,401	96,125	5,852	10,678	3,485	64.0	57.8
1983	175,891	1,676	113,226	102,510	111,550	100,834	3,383	97,450	5,997	10,717	4,210	64.0	57.9
1984	178,080	1,697	115,241	106,702	113,544	105,005	3,321	101,685	5,512	8,539	2,737	64.4	59.5
1985	179,912	1,706	117,167	108,856	115,461	107,150	3,179	103,971	5,334	8,312	2,305	64.8	60.1
1986*	182,293	1,706	119,540	111,303	117,834	109,597	3,163	106,434	5,345	8,237	2,232	65.3	60.7
1987	184,490	1,737	121,602	114,177	119,865	112,440	3,208	109,232	5,122	7,425	1,983	65.6	61.5
1988	186,322	1,709	123,378	116,677	121,669	114,968	3,169	111,800	4,965	6,701	1,610	65.9	62.3
1989	188,081	1,688	125,557	119,030	123,869	117,342	3,199	114,142	4,657	6,528	1,375	66.5	63.0
1989:													
Sept	188,428	1,702	125,725	119,121	124,023	117,419	3,219	114,200	4,605	6,604	1,359	66.4	62.9
Oct	188,580	1,709	125,857	119,294	124,148	117,585	3,197	114,388	4,526	6,563	1,378	66.4	62.9
Nov	188,721	1,704	126,192	119,540	124,488	117,836	3,160	114,676	4,552	6,652	1,422	66.6	63.0
Dec	188,865	1,700	126,246	119,588	124,546	117,888	3,197	114,691	4,554	6,658	1,362	66.5	63.0
1990:													
Jan	188,990	1,697	126,094	119,560	124,397	117,863	3,134	114,728	4,729	6,535	1,430	66.4	62.9
Feb	189,090	1,678	126,308	119,713	124,630	118,035	3,079	114,957	4,703	6,594	1,369	66.5	63.0
Mar	189,198	1,669	126,498	120,003	124,829	118,334	3,200	115,133	4,747	6,495	1,333	66.6	63.1
Apr	189,326	1,657	126,543	119,773	124,886	118,116	3,133	114,983	4,630	6,770	1,386	66.5	62.9
May	189,467	1,639	126,643	119,989	125,004	118,350	3,305	115,045	4,666	6,653	1,374	66.6	63.0
June	189,607	1,630	126,466	120,019	124,836	118,389	3,348	115,041	4,734	6,447	1,406	66.4	63.0
July	189,763	1,627	126,394	119,580	124,767	117,953	3,085	114,867	4,710	6,814	1,513	66.3	62.7
Aug	189,901	1,640	126,300	119,298	124,660	117,658	3,137	114,521	4,780	7,003	1,609	66.2	62.5
Sept	190,002	1,601	126,568	119,499	124,967	117,898	3,181	114,717	5,093	7,069	1,620	66.3	62.6

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

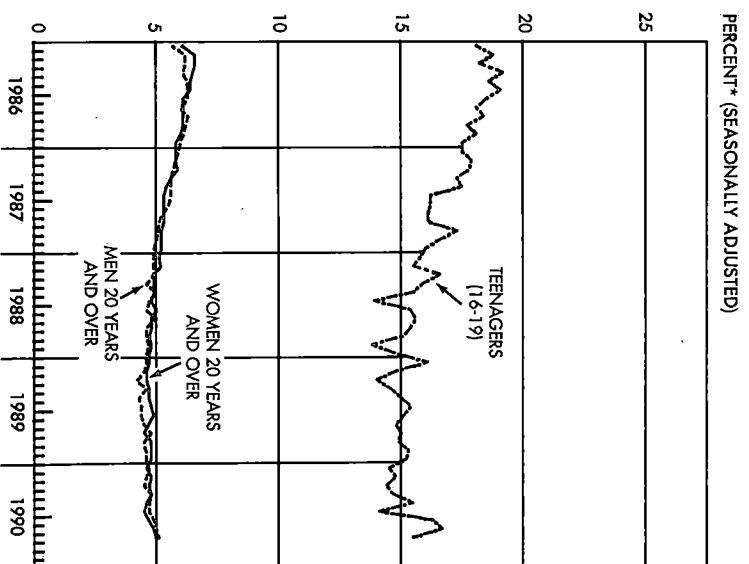
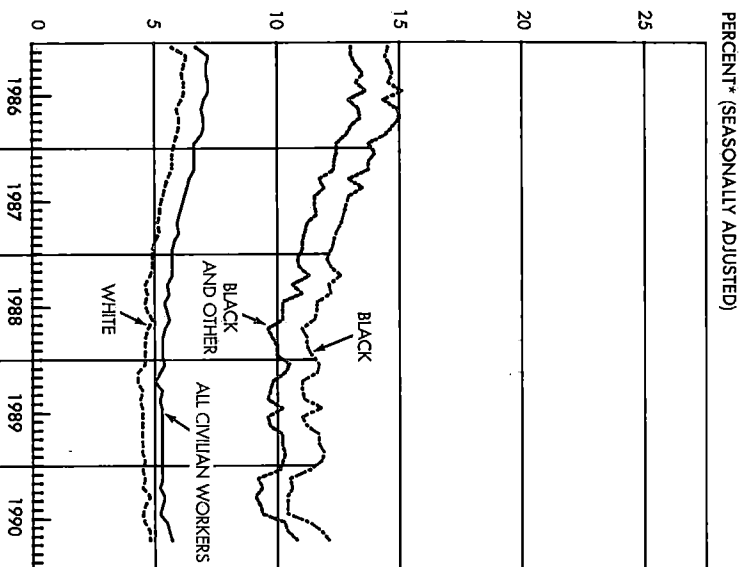
² Civilian labor force (or employment) as percent of civilian noninstitutional population.

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

Source: Department of Labor, Bureau of Labor Statistics.

SELECTED UNEMPLOYMENT RATES

In September, the overall unemployment rate rose to 5.6 percent and the civilian unemployment rate rose to 5.7 percent.



*UNEMPLOYMENT AS PERCENT OF CIVILIAN LABOR FORCE IN GROUP SPECIFIED
SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

[Monthly data seasonally adjusted]

Period	Unem- ploy- ment rate, all work- ers ¹	Unemployment rate (percent of civilian labor force in group)											Labor force time lost (per- cent) ²	
		All civilian work- ers	By sex and age			By race			By selected groups					
			Men 20 years and over	Women 20 years and over	Both sexes 16-19 years	White	Black and other	Black	Experi- enced wage and salary workers	Married men, spouse present	Women who main- tain families	Full- time workers		Part- time workers
1981	7.5	7.6	6.3	6.8	19.6	6.7	14.2	15.6	7.3	4.3	10.4	7.3	9.4	8.5
1982	9.5	9.7	8.8	8.3	23.2	8.6	17.3	18.9	9.3	6.5	11.7	9.6	10.5	11.0
1983	9.5	9.6	8.9	8.1	22.4	8.4	17.8	19.5	9.2	6.5	12.2	9.5	10.4	10.9
1984	7.4	7.5	6.6	6.8	18.9	6.5	14.4	15.9	7.1	4.6	10.3	7.2	9.3	8.6
1985	7.1	7.2	6.2	6.6	18.6	6.2	13.7	15.1	6.8	4.3	10.4	6.8	9.3	8.1
1986	6.9	7.0	6.1	6.2	18.3	6.0	13.1	14.5	6.6	4.4	9.8	6.6	9.1	7.9
1987	6.1	6.2	5.4	5.4	16.9	5.3	11.6	13.0	5.8	3.9	9.2	5.8	8.4	7.1
1988	5.4	5.5	4.8	4.9	15.3	4.7	10.4	11.7	5.2	3.3	8.1	5.2	7.6	6.3
1989	5.2	5.3	4.5	4.7	15.0	4.5	10.0	11.4	5.0	3.0	8.1	4.9	7.3	5.9
1989: Sept.....	5.3	5.3	4.8	4.5	15.0	4.5	10.2	11.7	5.0	3.3	7.7	5.0	7.3	6.0
Oct.....	5.2	5.3	4.5	4.8	14.9	4.5	10.2	11.7	5.0	3.0	7.8	4.9	7.1	5.9
Nov.....	5.3	5.3	4.6	4.8	15.3	4.5	10.3	11.9	5.1	3.1	8.2	5.0	7.4	5.8
Dec.....	5.3	5.3	4.6	4.8	15.2	4.6	10.2	11.8	5.0	3.0	8.1	5.0	7.5	6.0
1990: Jan.....	5.2	5.3	4.7	4.6	14.5	4.5	10.1	11.3	5.1	3.4	7.5	5.0	7.0	6.0
Feb.....	5.2	5.3	4.6	4.8	14.8	4.6	9.2	10.5	5.1	3.0	7.5	4.9	7.4	5.8
Mar.....	5.1	5.2	4.5	4.7	14.4	4.5	9.4	10.6	5.0	3.2	8.4	4.9	7.2	5.3
Apr.....	5.3	5.4	4.8	4.8	14.7	4.8	9.1	10.4	5.2	3.3	7.5	5.1	7.1	6.2
May.....	5.3	5.3	4.7	4.6	15.5	4.6	9.3	10.4	5.0	3.3	7.4	4.9	7.4	6.0
June.....	5.1	5.2	4.7	4.5	14.1	4.5	9.4	10.4	5.0	3.2	8.0	4.8	7.6	5.5
July.....	5.4	5.5	4.9	4.7	16.3	4.6	10.3	11.3	5.1	3.3	8.5	5.0	8.1	6.0
Aug.....	5.5	5.6	5.0	4.9	16.7	4.8	10.4	11.8	5.3	3.5	8.5	5.2	7.9	6.3
Sept.....	5.6	5.7	5.1	5.0	15.5	4.8	10.8	12.1	5.4	3.4	8.9	5.4	7.1	6.4

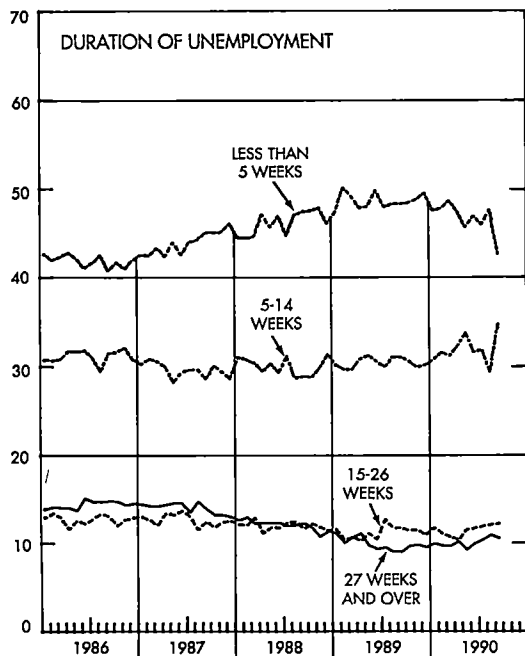
¹ Unemployed as percent of total labor force including resident Armed Forces.
² Aggregate hours lost by the unemployed and persons on part time for economic reasons as per-

cent of potentially available labor force hours.
Source: Department of Labor, Bureau of Labor Statistics.

SELECTED MEASURES OF UNEMPLOYMENT AND UNEMPLOYMENT INSURANCE PROGRAMS

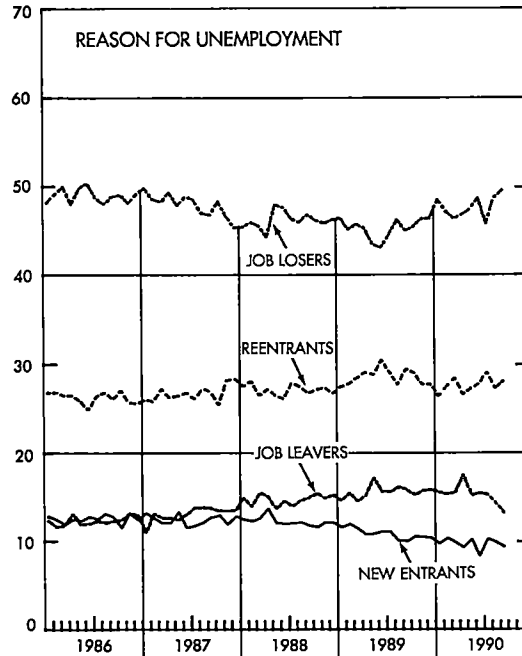
In September, the percentages of the unemployed who had been out of work for less than 5 weeks and for 27 weeks and over fell and the percentages for 5-14 weeks and 15-26 weeks rose. Both the mean duration of unemployment and the median rose.

PERCENT DISTRIBUTION*



* SEASONALLY ADJUSTED
SOURCE: DEPARTMENT OF LABOR

PERCENT DISTRIBUTION*



COUNCIL OF ECONOMIC ADVISERS

[Monthly data seasonally adjusted, except as noted]

Period	Unemployment (thousands)	Duration of unemployment						Reason for unemployment: percent distribution				State programs		Insured unem- ployment, all regular programs (unadjust- ed) ¹
		Percent distribution				Number of weeks		Job losers	Job leav- ers	Reen- trants	New entrants	Insured unem- ployment	Initial claims	
		Less than 5 weeks	5-14 weeks	15-26 weeks	27 weeks and over	Average (mean)	Medi- an							
Weekly average, thousands														
1981	8,273	41.7	30.7	13.6	14.0	13.7	6.9	51.6	11.2	25.4	11.9	3,047	460	3,410
1982	10,678	36.4	31.0	16.0	16.6	15.6	8.7	58.7	7.9	22.3	11.1	4,061	583	4,594
1983	10,717	33.3	27.4	15.4	23.9	20.0	10.1	58.4	7.7	22.5	11.3	3,396	438	3,775
1984	8,539	39.2	28.7	12.9	19.1	18.2	7.9	51.8	9.6	25.6	13.0	2,476	377	2,561
1985	8,312	42.1	30.2	12.3	15.4	15.6	6.8	49.8	10.6	27.1	12.5	2,611	396	2,693
1986	8,237	41.9	31.0	12.7	14.4	15.0	6.9	48.9	12.3	26.2	12.5	2,650	378	2,746
1987	7,425	43.7	29.6	12.7	14.0	14.5	6.5	48.0	13.0	26.6	12.4	2,332	328	2,401
1988	6,701	46.0	30.0	12.0	12.1	13.5	5.9	46.1	14.7	27.0	12.2	2,193	310	2,248
1989	6,528	48.6	30.3	11.2	9.9	11.9	4.8	45.7	15.7	28.2	10.4	2,269	330	2,324
1989: Sept.....	6,604	48.3	31.0	11.7	9.0	11.5	5.0	44.9	15.8	29.4	9.9	2,208	331	1,863
Oct.....	6,563	48.4	30.5	11.4	9.7	11.7	5.0	45.5	15.2	28.9	10.5	2,295	366	1,912
Nov.....	6,652	48.8	29.8	11.5	9.8	11.6	4.8	46.3	15.7	27.6	10.4	2,305	348	2,146
Dec.....	6,658	49.5	30.1	10.9	9.5	11.5	4.8	46.3	15.8	27.7	10.3	2,373	367	2,518
1990: Jan.....	6,535	47.5	30.7	11.8	9.9	12.1	5.1	48.5	15.5	26.3	9.7	2,367	359	3,059
Feb.....	6,594	47.8	31.5	11.1	9.7	11.7	5.4	47.1	15.3	27.4	10.3	2,334	357	2,992
Mar.....	6,495	48.6	31.1	10.7	9.6	12.0	5.1	46.3	15.5	28.4	9.8	2,349	347	2,843
Apr.....	6,770	47.4	32.2	10.3	10.2	12.1	5.0	46.8	17.5	26.5	9.2	2,381	360	2,526
May.....	6,653	45.6	33.7	11.5	9.2	11.6	5.4	47.4	15.2	27.2	10.2	2,400	351	2,268
June.....	6,447	46.9	31.5	11.7	9.9	12.0	5.1	48.7	15.4	27.7	8.3	2,442	357	2,213
July.....	6,814	45.9	31.8	11.9	10.4	12.0	5.2	45.7	15.2	29.0	10.2	2,470	354	2,441
Aug.....	7,003	47.6	29.3	12.1	10.9	12.3	5.2	48.7	14.3	27.2	9.8	2,492	371	2,293
Sept.....	7,069	42.6	34.7	12.2	10.5	12.5	6.2	49.5	13.2	28.0	9.3	2,602	393	

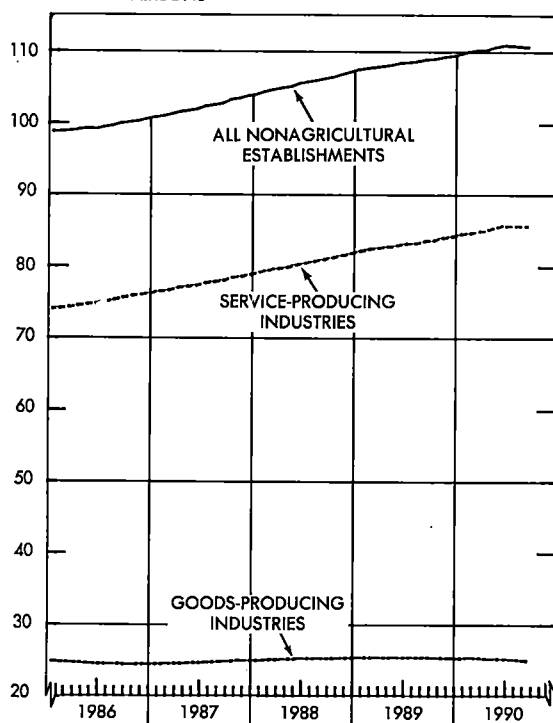
¹ Includes State (50 States, District of Columbia, Puerto Rico, and Virgin Islands), ex-servicemen (UCX), Federal (UCFE), and railroad (RR) programs. Also includes Federal and State extended benefit programs. Does not include Federal supplemental compensation program.

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

NONAGRICULTURAL EMPLOYMENT

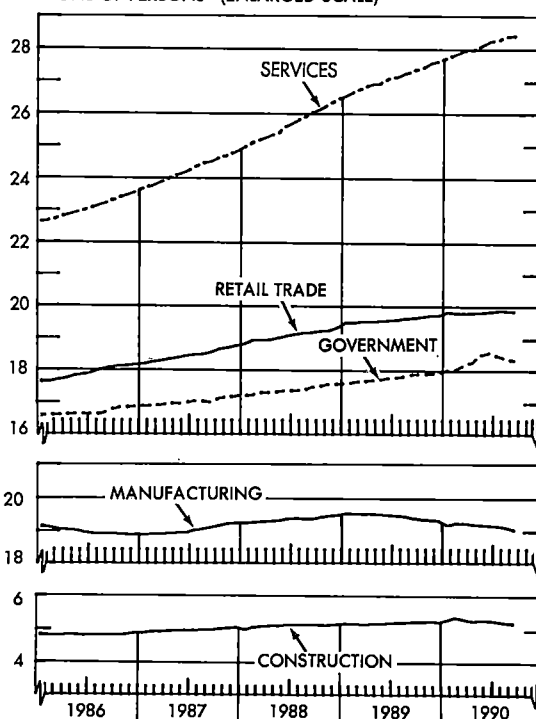
Total nonagricultural employment as measured by the payroll survey fell 101,000 in September.

MILLIONS OF PERSONS*



*SEASONALLY ADJUSTED
SOURCE: DEPARTMENT OF LABOR

MILLIONS OF PERSONS* (ENLARGED SCALE)



COUNCIL OF ECONOMIC ADVISERS

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

Period	Total nonagricultural employment	Goods-producing industries					Service-producing industries							
		Total ²	Construction	Manufacturing			Total	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	Government	
				Total	Durable goods	Nondurable goods							Total	Federal
1981	91,156	25,497	4,188	20,170	12,085	8,085	65,659	5,165	5,376	15,172	5,298	18,619	16,031	2,772
1982	89,566	23,813	3,905	18,781	11,016	7,765	65,753	5,082	5,296	15,161	5,341	19,036	15,837	2,739
1983	90,200	23,334	3,948	18,434	10,708	7,726	66,866	4,954	5,286	15,595	5,468	19,694	15,869	2,774
1984	94,496	24,727	4,383	19,378	11,479	7,899	69,769	5,159	5,574	16,526	5,689	20,797	16,024	2,807
1985	97,519	24,859	4,673	19,260	11,463	7,796	72,660	5,238	5,736	17,336	5,955	21,999	16,394	2,875
1986	99,525	24,558	4,816	18,965	11,203	7,762	74,967	5,255	5,774	17,909	6,283	23,053	16,693	2,899
1987	102,200	24,708	4,967	19,024	11,166	7,858	77,492	5,372	5,865	18,462	6,547	24,235	17,010	2,943
1988	105,536	25,173	5,110	19,350	11,881	7,969	80,363	5,527	6,055	19,077	6,649	25,669	17,386	2,971
1989	108,413	25,326	5,200	19,426	11,422	8,004	83,087	5,648	6,271	19,580	6,724	27,096	17,769	2,988
1989: Sept....	108,868	25,304	5,225	19,370	11,369	8,001	83,564	5,656	6,303	19,634	6,753	27,335	17,883	2,992
Oct	108,980	25,283	5,239	19,334	11,337	7,997	83,697	5,671	6,313	19,665	6,756	27,408	17,884	2,986
Nov	109,245	25,280	5,258	19,306	11,314	7,992	83,965	5,693	6,335	19,714	6,774	27,548	17,901	2,982
Dec.....	109,383	25,218	5,216	19,284	11,296	7,988	84,165	5,776	6,344	19,710	6,785	27,623	17,927	2,977
1990: Jan.....	109,654	25,188	5,294	19,171	11,192	7,979	84,466	5,790	6,356	19,807	6,794	27,721	17,998	3,000
Feb.....	109,958	25,339	5,368	19,244	11,278	7,966	84,619	5,804	6,357	19,758	6,817	27,842	18,041	3,005
Mar.....	110,122	25,259	5,313	19,217	11,261	7,956	84,863	5,808	6,361	19,764	6,821	27,950	18,159	3,089
Apr.....	110,177	25,180	5,256	19,190	11,229	7,961	84,997	5,809	6,363	19,778	6,823	27,969	18,255	3,151
May.....	110,617	25,191	5,286	19,167	11,217	7,950	85,426	5,833	6,369	19,795	6,838	28,094	18,497	3,346
June.....	110,829	25,162	5,270	19,148	11,201	7,947	85,667	5,846	6,383	19,822	6,844	28,225	18,547	3,338
July.....	110,740	25,105	5,229	19,131	11,179	7,952	85,635	5,841	6,374	19,851	6,842	28,287	18,440	3,164
Aug.....	110,657	25,013	5,194	19,083	11,130	7,953	85,644	5,845	6,375	19,838	6,850	28,386	18,350	3,049
Sept ^p	110,556	24,929	5,174	19,017	11,072	7,945	85,627	5,859	6,374	19,828	6,843	28,407	18,316	3,010

¹ Includes all full- and part-time wage and salary workers in nonagricultural establishments who 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 disputes, 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, HOURLY EARNINGS, AND WEEKLY EARNINGS

PRIVATE NONAGRICULTURAL INDUSTRIES

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

Period	Average weekly hours			Average gross hourly earnings		Average gross weekly earnings							Percent change from a year earlier, total private nonagricultural ³	
	Total private nonagri-cultural ¹	Manufacturing		Total private nonagri-cultural ¹	Manufac-turing	Total private nonagricultural ¹		Current dollars						
		Total	Overtime			Current dollars	1982 dollars ²	Manufac-turing	Construc-tion	Retail trade				
1981	35.2	39.8	2.8	\$7.25	\$7.99	\$255.20	\$270.63	\$318.00	\$399.26	\$157.99	8.5	-1.5		
1982	34.8	38.9	2.3	7.68	8.49	267.26	267.26	330.26	426.82	163.83	4.7	-1.2		
1983	35.0	40.1	3.0	8.02	8.83	280.70	272.52	354.08	442.97	171.13	5.0	2.0		
1984	35.2	40.7	3.4	8.32	9.19	292.86	274.73	374.03	458.51	174.47	4.3	.8		
1985	34.9	40.5	3.3	8.57	9.54	299.09	271.16	386.37	464.46	174.81	2.1	-1.3		
1986	34.8	40.7	3.4	8.76	9.73	304.85	271.94	396.01	466.75	175.80	1.9	.3		
1987	34.8	41.0	3.7	8.98	9.91	312.50	269.16	406.31	480.44	178.80	2.5	-1.0		
1988	34.7	41.1	3.9	9.28	10.19	322.02	266.79	418.81	495.73	183.62	3.0	-.9		
1989	34.6	41.0	3.8	9.66	10.49	334.24	264.22	430.09	512.41	188.72	3.8	-1.0		
1989: Sept	34.6	40.9	3.8	9.73	10.55	336.66	264.25	431.50	515.28	189.87	4.0	-.3		
Oct	34.6	40.8	3.7	9.78	10.57	338.39	264.57	431.26	519.90	190.74	3.6	-.8		
Nov	34.5	40.7	3.7	9.78	10.58	337.41	262.99	430.61	524.54	190.37	3.5	-1.0		
Dec	34.4	40.6	3.7	9.83	10.62	338.15	262.54	431.17	516.00	191.23	3.5	-1.0		
1990: Jan	34.4	40.7	3.6	9.82	10.57	337.81	259.45	430.20	523.03	192.38	2.7	-2.4		
Feb	34.6	40.8	3.6	9.88	10.67	341.85	261.35	435.34	527.48	193.34	3.9	-1.2		
Mar	34.6	40.8	3.7	9.93	10.73	343.58	261.48	437.78	523.18	195.17	3.7	-1.5		
Apr	34.5	40.7	3.5	9.96	10.75	343.62	261.31	437.53	508.03	195.46	2.8	-1.6		
May	34.5	40.9	3.8	9.98	10.81	344.31	261.63	442.13	520.98	196.04	4.0	-.1		
June	34.7	41.0	3.8	10.03	10.86	348.04	262.87	445.26	531.35	196.62	4.5	-.0		
July	34.5	40.9	3.7	10.07	10.89	347.42	261.61	445.40	516.00	196.23	3.4	-1.0		
Aug ^r	34.5	41.0	3.8	10.08	10.90	347.76	259.72	446.90	526.40	195.73	3.8	-1.7		
Sept ^p	34.7	41.0	3.7	10.14	10.93	351.86	260.64	448.13	541.80	197.97	4.4	-1.5		

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

² Current dollar earnings divided by the consumer price index for urban wage earners and clerical workers (on a 1982=100 base).

³ Based on seasonally unadjusted data.

Source: Department of Labor, Bureau of Labor Statistics.

EMPLOYMENT COST INDEX—PRIVATE INDUSTRY

[Not seasonally adjusted]

Period	Index (June 1989 = 100)			Percent change from					
	Total compensation	Wages and salaries	Benefits ¹	3 months earlier			12 months earlier		
				Total compensation	Wages and salaries	Benefits ¹	Total compensation	Wages and salaries	Benefits ¹
1981: Dec	71.2	73.0	66.6	2.0	1.8	2.1	9.9	8.8	12.1
1982: Dec	75.8	77.6	71.4	1.3	1.2	1.4	6.5	6.3	7.2
1983: Dec	80.1	81.4	76.7	1.3	1.1	1.3	5.7	4.9	7.4
1984: Dec	84.0	84.8	81.7	1.3	1.2	1.4	4.9	4.2	6.5
1985: Dec	87.3	88.3	84.6	.6	.6	.5	3.9	4.1	3.5
1986: Dec	90.1	91.1	87.5	.7	.6	.6	3.2	3.2	3.4
1987: Dec	93.1	94.1	90.5	.6	.6	1.0	3.3	3.3	3.4
1988: Dec	97.6	98.0	96.7	1.0	1.0	1.0	4.8	4.1	6.9
1989: Dec	102.3	102.0	102.6	1.1	.8	1.2	4.8	4.1	6.1
1988: Mar	94.5	95.0	93.4	1.5	1.0	3.2	3.8	3.3	5.9
June	95.7	96.1	94.7	1.3	1.2	1.4	4.5	3.8	6.4
Sept	96.6	97.0	95.7	.9	.9	1.1	4.4	3.7	6.8
Dec	97.6	98.0	96.7	1.0	1.0	1.0	4.8	4.1	6.9
1989: Mar	98.8	99.0	98.4	1.2	1.0	1.8	4.6	4.2	5.4
June	100.0	100.0	100.0	1.2	1.0	1.6	4.5	4.1	5.6
Sept	101.2	101.2	101.4	1.2	1.2	1.4	4.8	4.3	6.0
Dec	102.3	102.0	102.6	1.1	.8	1.2	4.8	4.1	6.1
1990: Mar	103.9	103.2	105.5	1.6	1.2	2.8	5.2	4.2	7.2
June	105.2	104.5	106.9	1.3	1.3	1.3	5.2	4.5	6.9
Sept	106.2	105.4	108.8	1.0	.9	1.3	4.9	4.2	6.8

¹ Employer costs for employee benefits.

NOTE.—The employment cost index is a measure of the change in the cost of labor, free from the influence of employment shifts among occupations and industries.

Data exclude farm and household workers.

Source: Department of Labor, Bureau of Labor Statistics.

PRODUCTIVITY AND RELATED DATA, BUSINESS SECTOR

Period	Output per hour of all persons		Output ¹		Hours of all persons ²		Compensation per hour ³		Real compensation per hour ⁴		Unit labor costs		Implicit price deflator ⁵	
	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector
1982=100; quarterly data seasonally adjusted														
1980.....	99.2	99.9	101.1	101.7	101.9	101.8	85.1	85.1	99.7	99.6	85.8	85.2	86.2	85.7
1981.....	100.7	100.9	103.2	103.4	102.5	102.5	93.0	93.1	98.8	98.9	92.4	92.3	94.4	94.0
1982.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1983.....	102.4	103.0	104.2	105.0	101.8	102.0	103.8	104.0	100.6	100.7	101.4	101.0	103.3	103.5
1984.....	105.0	105.1	113.0	113.7	107.6	108.1	108.1	108.1	100.4	100.4	103.0	102.8	106.8	106.6
1985.....	107.1	106.5	117.7	118.1	109.9	110.9	112.8	112.5	101.2	100.9	105.4	105.6	109.5	109.8
1986.....	109.5	108.6	121.3	121.6	110.8	111.9	118.6	118.2	104.4	104.1	108.4	108.8	111.8	112.3
1987.....	110.7	109.8	126.4	126.8	114.1	115.4	123.1	122.5	104.6	104.1	111.2	111.6	114.8	115.3
1988.....	113.0	112.3	133.0	134.0	117.7	119.3	129.1	128.3	105.3	104.7	114.3	114.3	118.2	118.4
1989.....	112.8	111.9	135.8	136.7	120.4	122.2	133.1	132.1	103.5	102.8	118.0	118.1	122.8	123.0
1982: IV	100.6	100.5	99.5	99.3	98.9	98.9	102.1	102.2	100.6	100.7	101.5	101.7	101.4	101.5
1983: IV	103.3	103.9	107.6	108.7	104.2	104.7	105.4	105.3	100.6	100.5	102.0	101.3	104.8	104.7
1984: IV	105.4	105.5	114.5	115.1	108.6	109.1	109.7	109.7	100.5	100.5	104.0	104.0	107.9	107.9
1985: IV	108.1	107.2	119.3	119.6	110.4	111.6	115.3	114.7	102.1	101.6	106.7	107.1	110.5	111.0
1986: IV	109.5	108.5	122.2	122.4	111.6	112.8	120.9	120.4	105.6	105.2	110.4	111.0	112.8	113.4
1987: IV	112.0	110.9	129.4	129.7	115.5	116.9	125.6	124.9	105.0	104.4	112.1	112.6	115.7	116.2
1988: I	113.1	112.1	131.2	131.6	115.9	117.4	126.9	126.2	105.3	104.7	112.2	112.6	116.2	116.6
1988: II	112.8	111.9	132.6	133.4	117.6	119.2	128.6	127.7	105.5	104.8	114.0	114.1	117.5	117.8
1988: III	113.5	112.7	133.8	134.8	117.9	119.6	130.3	129.4	105.6	104.9	114.8	114.8	118.9	118.8
1988: IV	113.1	112.8	134.5	136.0	118.8	120.5	131.5	130.8	105.5	104.9	116.3	115.9	120.3	120.5
1989: I	113.3	112.4	135.6	136.4	119.7	121.4	132.2	131.4	104.6	104.0	116.7	116.9	121.2	121.4
1989: II	113.3	112.2	135.9	136.8	120.0	121.9	133.0	131.9	103.7	102.9	117.4	117.5	122.5	122.7
1989: III	112.8	112.0	136.1	137.1	120.6	122.4	133.4	132.5	103.3	102.6	118.2	118.3	123.3	123.5
1989: IV	112.3	111.4	135.5	136.3	120.7	122.4	134.3	133.4	103.0	102.3	119.6	119.8	124.3	124.7
1990: I	111.9	110.8	136.0	136.8	121.5	123.5	135.5	134.4	101.9	101.1	121.1	121.3	125.8	125.8
1990: II*	112.3	111.2	136.4	137.3	121.4	123.5	137.5	136.3	102.5	101.6	122.4	122.6	127.1	127.3
Percent change; quarterly data at seasonally adjusted annual rates														
1980.....	-0.3	-0.4	-1.1	-1.2	-0.8	-0.7	10.5	10.5	-2.6	-2.6	10.9	11.0	9.0	9.7
1981.....	1.5	1.1	2.1	1.7	.6	.6	9.3	9.5	-.9	-.7	7.7	8.3	9.6	9.7
1982.....	-.7	-.9	-3.1	-3.3	-2.4	-2.4	7.5	7.4	1.2	1.1	8.3	8.4	5.9	6.3
1983.....	2.4	3.0	4.2	5.0	1.8	2.0	3.8	4.0	.6	.7	1.4	1.0	3.3	3.5
1984.....	2.6	2.1	8.4	8.3	5.7	6.0	4.1	3.9	-.2	-.4	1.5	1.8	3.3	3.0
1985.....	2.0	1.3	4.2	3.9	2.2	2.6	4.4	4.1	.8	.5	2.3	2.8	2.5	3.0
1986.....	2.2	2.0	3.1	3.0	.8	1.0	5.1	5.0	3.2	3.1	2.8	3.0	2.1	2.3
1987.....	1.2	1.1	4.1	4.2	2.9	3.1	3.8	3.6	.1	-.0	2.6	2.5	2.7	2.7
1988.....	2.0	2.2	5.3	5.7	3.2	3.4	4.9	4.8	.7	.6	2.8	2.5	3.0	2.7
1989.....	-.2	-.3	2.1	2.0	2.3	2.4	3.0	3.0	-1.7	-1.8	3.2	3.3	3.9	3.9
1982: IV	2.6	2.0	-.5	-1.2	-3.0	-3.1	4.1	4.6	2.8	3.3	1.5	2.6	2.4	3.0
1983: IV	3.3	1.6	10.4	9.8	6.8	8.1	5.7	4.4	1.6	.3	2.3	2.8	4.8	3.1
1984: IV	1.5	.9	3.5	3.1	2.0	2.2	3.6	3.6	.1	.1	2.0	2.6	2.7	3.3
1985: IV	1.4	.7	3.6	3.5	2.2	2.9	6.2	5.7	2.0	1.5	4.8	5.0	2.6	2.1
1986: IV	.8	.3	4.0	3.7	3.2	3.4	5.2	5.1	2.3	2.2	4.4	4.8	.9	1.0
1987: IV	2.7	2.2	7.2	6.9	4.4	4.5	7.0	6.8	3.1	2.9	4.2	4.4	1.2	1.4
1988: I	4.1	4.2	5.7	5.9	1.5	1.7	4.4	4.3	1.0	.8	.3	.1	1.7	1.4
1988: II	-1.2	-.6	4.6	5.6	5.9	6.2	5.2	5.0	.7	.6	6.5	5.6	4.8	4.1
1988: III	2.5	2.8	3.5	4.1	1.0	1.3	5.6	5.3	.6	.4	3.1	2.5	4.7	3.4
1988: IV	-1.2	.5	2.0	3.6	3.3	3.1	3.8	4.2	-.5	-.1	5.1	3.6	4.9	5.9
1989: I	.5	-1.7	3.5	1.2	3.0	3.0	2.0	2.0	-3.3	-3.3	1.5	3.8	3.1	2.8
1989: II	-.0	-.5	.9	1.3	.9	1.7	2.4	1.5	-3.4	-4.2	2.5	2.0	4.3	4.4
1989: III	-1.5	-.8	.6	.6	2.1	1.5	1.3	1.8	-1.5	-1.0	2.8	2.7	2.5	2.6
1989: IV	-2.0	-2.2	-1.8	-2.1	.1	.1	2.6	2.7	-1.4	-1.3	4.6	5.1	3.5	3.9
1990: I	-1.5	-1.9	1.4	1.4	2.9	3.4	3.8	3.2	-4.0	-4.5	5.3	5.2	4.6	3.8
1990: II*	1.7	1.5	1.4	1.5	-.3	0	6.1	5.8	2.4	2.0	4.4	4.3	4.5	4.6

¹ Output refers to gross domestic product originating in the sector in 1982 dollars.
² Hours of all persons engaged in the sector, including hours of proprietors and unpaid family workers. Estimates based primarily on establishment data.

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

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

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

NOTE.—Data relate to all persons engaged in the sector.

Percent changes are from preceding period and are based on original data; they therefore may differ slightly from percent changes based on indexes shown here.

Beginning with data released August 3, 1989, hours of labor input are defined as hours at the work site rather than hours paid.

* Data do not reflect GNP revisions of September 25, 1990.

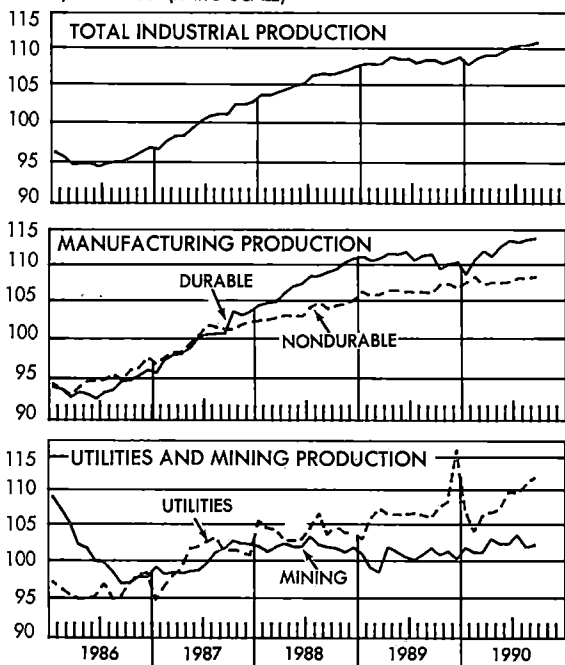
Source: Department of Labor, Bureau of Labor Statistics.

PRODUCTION AND BUSINESS ACTIVITY

INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION

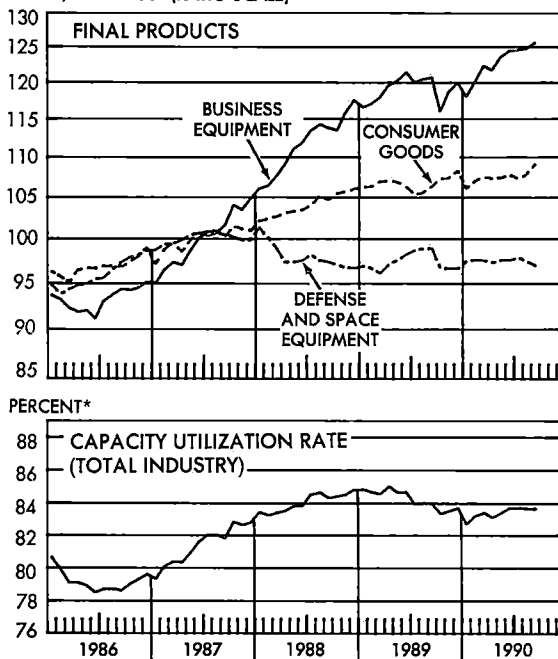
Industrial production rose in September and capacity utilization was unchanged.

INDEX, 1987=100* (RATIO SCALE)



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

INDEX, 1987=100* (RATIO SCALE)



COUNCIL OF ECONOMIC ADVISERS

[Monthly data seasonally adjusted]

Period	Total industrial production		Industry production indexes, 1987=100					Capacity utilization rate, percent ¹	
	Index, 1987=100	Percent change from year earlier	Manufacturing			Mining	Utilities	Total industry	Manufacturing
			Total	Durable	Nondurable				
1980.....	84.1	-1.9	78.8	75.7	83.1	110.0	95.9	82.1	80.2
1981.....	85.7	1.9	80.3	77.4	84.5	114.3	94.3	80.9	78.8
1982.....	81.9	-4.4	76.6	72.7	82.5	109.3	91.8	75.0	72.8
1983.....	84.9	3.7	80.9	76.8	87.0	104.8	93.6	75.8	74.9
1984.....	92.8	9.3	89.3	88.4	90.8	111.9	97.0	81.1	80.4
1985.....	94.4	1.7	91.6	91.8	91.5	109.0	99.5	80.3	79.5
1986.....	95.3	1.0	94.3	93.9	94.9	101.0	96.3	79.2	79.0
1987.....	100.0	4.9	100.0	100.0	100.0	100.0	100.0	81.4	81.4
1988.....	105.4	5.4	105.8	107.6	103.6	101.8	104.4	84.0	83.9
1989.....	108.1	2.6	108.9	110.9	106.4	100.5	107.1	84.2	83.9
1989: Sept.....	108.2	1.9	109.1	111.5	106.0	101.6	105.9	83.9	83.6
Oct.....	107.7	1.1	108.4	109.4	107.2	100.7	107.4	83.3	82.9
Nov.....	108.1	1.1	108.9	110.1	107.3	101.2	108.3	83.5	83.0
Dec.....	108.6	1.1	108.8	110.4	106.7	100.1	116.1	83.7	82.8
1990: Jan.....	107.5	-2	108.1	108.6	107.5	101.7	106.8	82.7	82.0
Feb.....	108.5	.8	109.6	110.7	108.3	101.0	104.0	83.2	83.0
Mar.....	108.9	1.1	109.8	111.9	107.2	101.1	106.2	83.4	82.9
Apr.....	108.8	.2	109.5	111.1	107.5	102.9	106.7	83.1	82.5
May.....	109.4	1.0	110.3	112.6	107.4	102.2	107.1	83.4	82.8
June ^r	110.1	1.6	110.8	113.4	107.6	102.2	109.7	83.7	83.0
July ^r	110.3	2.3	111.0	113.2	108.1	103.5	109.4	83.7	82.9
Aug ^r	110.4	2.0	111.2	113.6	108.1	101.8	110.8	83.6	82.8
Sept ^p	110.7	2.2	111.4	113.8	108.3	102.1	111.8	83.6	82.8

¹ Output as percent of capacity.

Source: Board of Governors of the Federal Reserve System.

INDUSTRIAL PRODUCTION—MAJOR MARKET GROUPS AND SELECTED MANUFACTURES

[1987=100; monthly data seasonally adjusted]

Period	Products									Materials		
	Final products							Intermediate products			Total	Energy
	Total	Consumer goods			Equipment			Total	Con- struction supplies	Busi- ness sup- plies		
		Total	Dura- ble goods	Nondur- able goods	Total ¹	Busi- ness	De- fense and space equip- ment					
1980.....	80.0	85.3	73.5	89.1	74.6	73.5	57.4	77.0	80.8	74.2	91.3	106.2
1981.....	82.1	85.8	74.0	89.6	78.2	76.1	58.5	77.0	78.4	75.7	92.8	104.3
1982.....	80.8	84.5	68.7	89.7	77.0	72.9	65.7	75.1	72.2	77.0	85.1	100.7
1983.....	83.0	88.8	79.7	91.9	76.8	71.9	71.8	80.3	80.2	80.3	88.3	98.9
1984.....	91.0	92.8	91.0	93.4	89.2	85.4	78.9	86.2	86.2	86.2	96.6	103.8
1985.....	94.2	93.7	91.6	94.4	94.8	91.1	89.4	88.3	89.1	87.7	96.6	103.4
1986.....	95.7	96.8	94.5	97.6	94.5	93.2	96.0	92.0	93.8	90.7	95.9	99.4
1987.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1988.....	105.6	104.0	104.9	103.7	107.6	111.8	98.0	104.4	104.4	104.4	105.6	101.8
1989.....	109.1	106.7	107.9	106.4	112.3	119.1	97.4	106.8	106.1	107.3	107.4	101.4
1989: Sept.....	109.6	106.3	107.6	106.0	113.8	120.7	98.9	106.3	105.2	107.0	107.4	101.6
Oct.....	108.5	107.3	106.8	107.4	110.1	116.0	96.6	106.9	106.3	107.3	107.1	101.3
Nov.....	109.4	107.4	105.7	107.8	112.0	118.7	96.7	107.3	107.0	107.5	107.0	101.9
Dec.....	110.3	108.3	106.8	108.7	112.9	119.9	96.6	107.9	107.4	108.2	106.9	102.7
1990: Jan.....	108.5	106.0	99.4	107.8	111.8	118.0	97.5	108.0	107.9	108.0	106.2	101.2
Feb.....	109.7	107.0	106.2	107.2	113.3	120.1	97.6	108.4	108.2	108.5	107.1	101.7
Mar.....	110.7	107.5	110.8	106.6	114.9	122.2	97.5	108.2	107.3	108.9	107.1	102.0
Apr.....	110.4	107.2	107.3	107.1	114.7	121.6	97.3	108.0	106.4	109.1	107.3	101.8
May.....	111.2	107.4	109.3	106.9	116.2	123.5	97.6	108.3	105.5	110.2	107.7	101.1
June ^r	111.7	107.8	112.1	106.6	116.8	124.4	97.6	108.3	106.0	109.8	108.8	102.1
July ^r	111.5	107.3	108.5	107.0	116.9	124.6	97.9	108.5	106.4	110.0	109.5	102.9
Aug ^r	111.7	107.8	108.0	107.7	116.7	124.8	97.4	108.4	105.9	110.1	109.7	102.5
Sept ^p	112.6	109.1	111.5	108.5	117.1	125.6	97.0	107.9	104.9	110.0	109.4	103.2

¹ Includes oil and gas well drilling and manufactured homes, not shown separately.

[1987=100; monthly data seasonally adjusted]

Period	Durable manufactures								Nondurable manufactures			
	Primary metals		Fabricated metal products	Non-electrical machinery	Electrical machinery	Transportation equipment		Lumber and products	Apparel products	Printing and publishing	Chemicals and products	Foods
	Total	Iron and steel				Total	Motor vehicles and parts					
1980.....	110.8	126.0	92.5	60.6	73.3	72.3	67.0	76.9	89.2	70.3	87.8	84.6
1981.....	117.5	135.1	91.1	65.9	75.4	68.7	64.4	74.7	91.0	72.1	89.2	86.5
1982.....	83.2	86.2	83.2	63.9	75.9	64.8	58.8	67.3	90.1	75.2	81.8	87.7
1983.....	91.0	96.1	85.5	64.3	80.3	72.7	74.5	79.9	93.8	79.0	87.5	90.1
1984.....	102.4	105.9	93.3	80.8	94.1	83.1	90.6	86.0	95.7	84.5	91.4	92.1
1985.....	101.8	104.5	94.5	86.8	93.1	91.8	99.0	88.0	92.6	87.6	91.4	94.9
1986.....	93.8	90.8	93.8	90.4	94.3	96.9	98.5	95.1	96.3	90.7	94.6	97.4
1987.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1988.....	110.3	113.8	106.2	113.8	106.5	105.0	105.5	104.6	102.2	103.6	105.4	102.8
1989.....	109.2	109.3	107.2	121.8	109.5	107.2	104.9	103.0	104.3	108.5	108.5	105.5
1989: Sept.....	109.9	109.7	106.0	123.4	110.8	108.0	103.2	102.6	104.5	109.4	107.5	105.4
Oct.....	108.6	109.2	105.9	119.0	110.2	102.1	99.7	103.2	103.9	109.3	109.4	106.8
Nov.....	104.8	104.1	106.9	122.9	110.1	102.8	99.0	104.8	103.7	109.6	109.8	107.4
Dec.....	102.6	100.3	106.3	123.8	110.1	104.4	98.7	106.4	102.6	109.6	107.6	108.0
1990: Jan.....	105.0	104.6	105.1	123.7	110.1	94.7	76.8	106.0	102.4	110.7	109.9	106.8
Feb.....	107.9	110.6	105.6	124.2	111.0	103.5	94.1	104.3	102.1	112.1	110.5	107.4
Mar.....	105.4	106.1	105.5	125.2	112.3	107.9	103.5	105.0	99.8	111.4	109.5	107.1
Apr.....	106.4	106.7	105.0	125.7	111.3	105.1	95.8	103.3	98.7	112.0	110.3	107.0
May.....	106.2	105.5	107.1	126.9	112.4	109.0	104.0	101.7	99.2	112.8	109.2	106.8
June ^r	109.5	110.3	106.7	127.5	112.8	111.0	108.0	102.0	99.3	112.0	110.3	106.1
July ^r	110.2	110.6	107.9	128.3	112.1	108.9	102.7	102.1	99.3	111.8	110.5	106.4
Aug ^r	114.3	117.6	108.2	129.2	112.4	107.6	100.9	101.5	99.3	111.6	111.2	107.0
Sept ^p	112.5	115.3	107.3	128.6	112.5	110.7	108.5	99.4	99.0	111.5	112.0	107.8

Source: Board of Governors of the Federal Reserve System.

NEW CONSTRUCTION

[Monthly data seasonally adjusted]

Period	Total new construction expenditures	Private						Federal, State, and local	Construction contracts ³	
		Total	Residential		Commercial and industrial ²	Other	Total value index (1982=100)		Commercial and industrial floor space (millions of square feet)	
			Total ¹	New housing units						
Billions of dollars										
1980	256.5	192.8	100.4	69.6	46.7	45.7	63.6	97	904	
1981	267.7	203.0	99.2	69.4	55.0	48.7	64.7	100	919	
1982	255.7	192.6	84.7	57.0	58.7	49.2	63.1	100	690	
1983	290.9	227.5	125.5	94.6	53.8	48.1	63.5	124	756	
1984	340.7	270.5	153.8	113.8	68.6	48.0	70.2	136	955	
1985	368.7	290.9	158.5	114.7	82.7	49.7	77.8	150	1,097	
1986	398.2	313.6	187.1	133.2	78.0	48.5	84.6	159	1,016	
1987	410.2	319.6	194.7	139.9	76.5	48.5	90.6	165	1,019	
1988	422.1	327.1	198.1	138.9	79.8	49.2	95.0	166	973	
1989	432.1	333.5	196.6	139.2	85.5	51.5	98.6	171	926	
Annual rates										
1989: Aug	433.9	335.0	195.6	138.2	87.3	52.1	99.0	174	805	
Sept	433.4	332.1	193.0	135.8	87.2	51.9	101.3	186	1,008	
Oct	429.3	332.1	192.1	134.8	88.6	51.4	97.1	183	892	
Nov	433.4	329.8	190.9	135.2	86.8	52.2	103.5	169	812	
Dec	432.0	325.0	189.6	135.3	83.3	52.0	107.0	166	805	
1990: Jan	446.0	338.1	200.1	140.0	85.0	52.9	107.9	161	883	
Feb	455.6	343.1	203.0	144.6	88.2	51.9	112.5	155	798	
Mar	457.3	347.4	206.9	145.3	87.2	53.3	109.9	161	828	
Apr ^r	444.7	338.8	200.2	140.0	85.6	53.0	106.0	147	745	
May ^r	443.8	334.0	196.1	136.6	84.5	53.4	109.8	160	802	
June ^r	441.1	329.6	189.5	130.5	85.8	54.3	111.5	159	693	
July ^r	442.4	333.9	189.1	129.3	89.7	55.1	108.5	152	618	
Aug ^p	442.5	327.4	186.9	127.6	84.9	55.6	115.1	146	638	
Sept ^p								147	740	

¹ Includes residential improvements, not shown separately.

² Includes hotels and motels.

³ F.W. Dodge series.

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

NEW PRIVATE HOUSING AND VACANCY RATES

[Thousands of units or homes, except as noted]

Period	New private housing units						New private homes		Vacancy rate for rental housing units (percent) ²
	Units started, by type of structure				Units authorized	Units completed	Homes sold	Homes for sale at end of period ¹	
	Total	1 unit	2-4 units	5 or more units					
1980	1,292.2	852.2	109.5	330.5	1,190.6	1,501.6	545	337	5.4
1981	1,084.2	705.4	91.1	287.7	985.5	1,265.7	436	275	5.0
1982	1,062.2	662.6	80.0	319.6	1,000.5	1,005.5	412	253	5.3
1983	1,703.0	1,067.6	113.5	522.0	1,605.2	1,390.3	623	301	5.7
1984	1,749.5	1,084.2	121.4	544.0	1,681.8	1,652.2	639	353	5.9
1985	1,741.8	1,072.4	93.4	576.1	1,733.3	1,703.3	688	346	6.5
1986	1,805.4	1,179.4	84.0	542.0	1,769.4	1,756.4	750	357	7.3
1987	1,620.5	1,146.4	65.3	408.7	1,534.8	1,668.8	671	366	7.7
1988	1,488.1	1,081.3	58.8	348.0	1,455.6	1,529.8	676	367	7.7
1989	1,376.1	1,003.3	55.2	317.6	1,338.4	1,422.8	650	362	7.1
Seasonally adjusted annual rates									
1989: Aug	1,325	987	54	284	1,334	1,437	719	364	
Sept	1,263	969	56	238	1,310	1,366	638	364	7.6
Oct	1,423	1,023	60	340	1,362	1,317	636	363	
Nov	1,347	1,010	47	290	1,364	1,486	687	363	
Dec	1,273	931	53	289	1,416	1,302	633	362	7.1
1990: Jan	1,568	1,099	53	416	1,739	1,443	613	365	
Feb	1,488	1,154	42	292	1,297	1,351	606	366	
Mar	1,307	996	35	276	1,232	1,378	558	363	7.5
Apr	1,216	898	53	265	1,108	1,295	533	363	
May	1,206	897	36	273	1,065	1,363	536	360	
June	1,189	889	42	258	1,108	1,295	550	354	7.0
July	1,153	875	29	249	1,082	1,280	545	350	
Aug	1,142	841	31	270	1,050	1,262	535	345	
Sept	1,135	887	36	222	992		503	337	7.2

¹ Seasonally adjusted.

² Quarterly data entered in last month of quarter. Series beginning 1989 not comparable with earlier data.

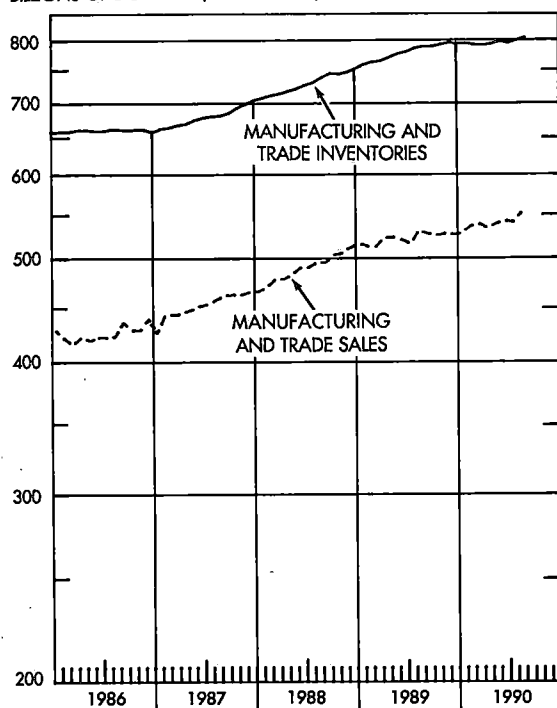
NOTE.—Beginning 1984, units authorized are for 17,000 permit-issuing places; for 1978-83 data are for 16,000 places.

Source: Department of Commerce, Bureau of the Census.

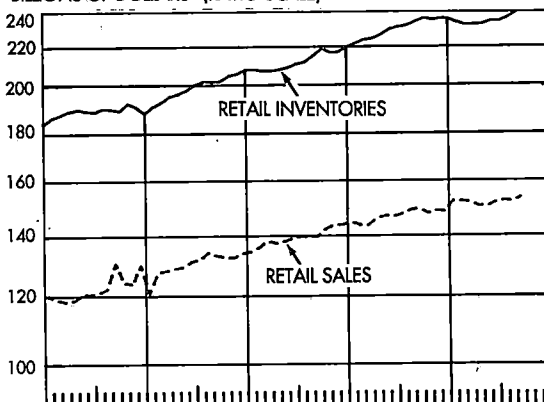
BUSINESS SALES AND INVENTORIES—Manufacturing and Trade

In August, manufacturing and trade sales rose 2.1 percent and inventories rose \$4.7 billion. In September, according to advance data, retail sales rose 1.1 percent, following a decline of 0.4 percent in August.

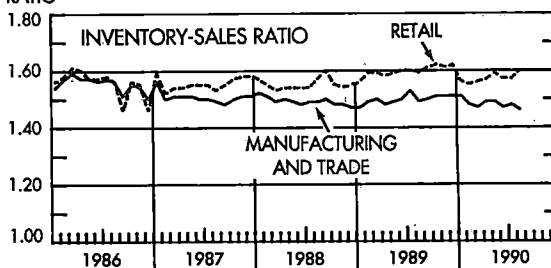
BILLIONS OF DOLLARS* (RATIO SCALE)



BILLIONS OF DOLLARS* (RATIO SCALE)



RATIO*



*SEASONALLY ADJUSTED
SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

Period	Manufacturing and trade ¹		Wholesale		Retail						Inventory-sales ratio ⁴	
	Sales ²	Inven- tories ³	Sales ²	Inven- tories ³	Sales ²			Inventories ³			Manufac- turing and trade ¹	Retail
					Total	Durable goods stores	Nondura- ble goods stores	Total	Durable goods stores	Nondura- ble goods stores		
	Millions of dollars, seasonally adjusted											
1982.....	348,754	574,516	96,290	128,196	89,114	28,013	61,101	134,493	61,469	73,024	1.67	1.49
1983.....	369,136	591,265	100,324	130,906	97,570	32,631	64,939	147,712	69,025	78,687	1.56	1.44
1984.....	408,578	646,072	113,393	143,557	107,316	37,938	69,377	167,748	79,250	88,498	1.53	1.49
1985.....	419,283	657,753	114,626	148,484	114,642	41,567	73,075	181,773	88,464	93,309	1.56	1.52
1986.....	425,371	657,482	116,151	154,713	120,860	45,121	75,738	186,587	90,197	96,390	1.55	1.56
1987.....	451,933	704,515	124,254	165,271	128,509	48,051	80,457	208,112	105,738	102,374	1.51	1.55
1988.....	490,309	754,267	135,176	180,313	137,500	52,281	85,220	219,791	112,254	107,537	1.49	1.55
1989.....	521,934	795,415	145,683	188,819	144,471	53,794	90,678	235,514	117,169	118,345	1.50	1.60
1989: Aug ^r	531,579	791,363	146,698	185,944	146,731	55,606	91,125	233,930	119,251	114,679	1.49	1.59
Sept.....	527,595	792,119	146,981	185,098	147,052	55,310	91,742	236,131	121,048	115,083	1.50	1.61
Oct.....	525,160	794,757	147,921	188,103	145,244	53,627	91,617	234,942	118,450	116,492	1.51	1.62
Nov.....	527,948	798,104	148,782	189,057	146,340	53,768	92,572	236,234	118,667	117,567	1.51	1.61
Dec.....	526,391	795,415	149,584	188,819	145,804	52,683	93,121	235,514	117,169	118,345	1.51	1.62
1990: Jan.....	528,549	797,202	151,968	189,375	149,877	56,217	93,660	233,701	114,194	119,507	1.51	1.56
Feb.....	535,996	794,016	151,620	188,847	149,904	55,037	94,867	232,000	113,552	118,448	1.48	1.55
Mar.....	538,984	793,669	152,383	189,361	149,302	54,663	94,639	232,562	113,951	118,611	1.47	1.56
Apr.....	533,603	796,050	151,458	190,903	147,886	53,620	94,266	232,847	113,730	119,117	1.49	1.57
May.....	538,946	800,399	152,302	193,201	147,781	53,525	94,256	234,814	114,870	119,944	1.49	1.59
June.....	542,441	796,469	153,549	191,259	149,432	53,841	95,591	234,517	115,128	119,389	1.47	1.57
July ^r	540,368	802,151	152,333	192,466	150,201	54,200	96,001	236,400	116,207	120,193	1.48	1.57
Aug ^p	551,645	806,850	156,356	193,005	149,643	52,839	96,804	239,547	119,355	120,192	1.46	1.60
Sept ^p					151,242	53,574	97,668					

¹ See page 21 for manufacturing.

² Monthly average for year and total for month.

³ End of period.

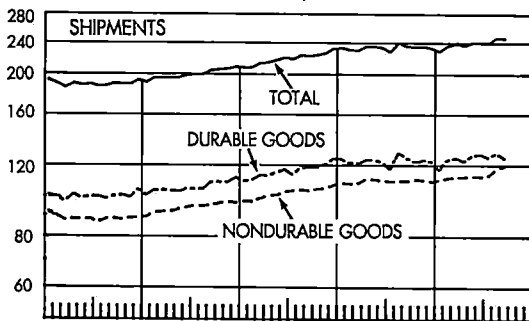
⁴ Annual data are averages of monthly ratios.

Source: Department of Commerce, Bureau of the Census.

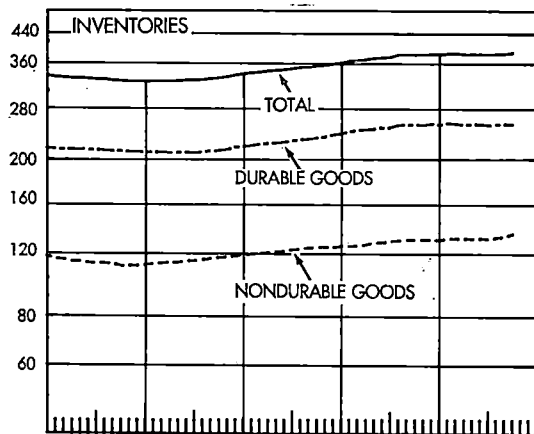
MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS

In September, manufacturers' shipments fell, while inventories and new and unfilled orders rose.

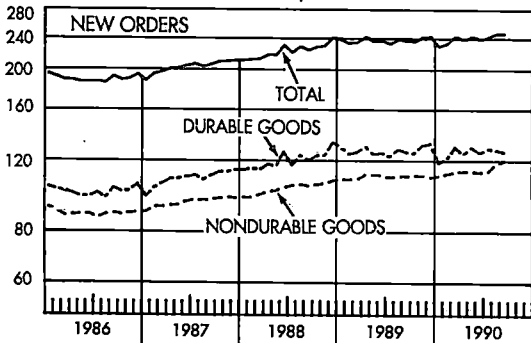
BILLIONS OF DOLLARS* (RATIO SCALE)



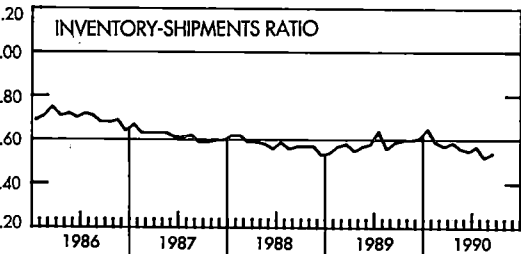
BILLIONS OF DOLLARS* (RATIO SCALE)



BILLIONS OF DOLLARS* (RATIO SCALE)



RATIO*



*SEASONALLY ADJUSTED
SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

Period	Manufacturers' shipments ¹			Manufacturers' inventories ²			Manufacturers' new orders ¹				Manufacturers' unfilled orders ²	Manufacturers' inventory—shipments ratio ³
	Total	Durable goods	Nondurable goods	Total	Durable goods	Nondurable goods	Total	Durable goods		Nondurable goods		
								Total	Capital goods industries, non-defense			
Millions of dollars, seasonally adjusted												
1982.....	163,350	79,352	83,998	311,827	200,825	111,002	162,273	78,338	21,661	83,935	314,270	1.95
1983.....	171,242	84,956	86,286	312,647	200,406	112,241	174,122	87,600	22,098	86,522	349,419	1.80
1984.....	187,869	96,623	91,246	334,767	218,771	115,996	189,791	98,581	26,243	91,209	372,586	1.74
1985.....	190,016	99,019	90,996	327,496	214,066	113,430	190,918	99,843	27,067	91,075	383,181	1.74
1986.....	188,360	99,989	88,371	316,182	208,313	107,869	188,663	100,166	26,551	88,497	387,065	1.70
1987.....	199,170	105,291	93,879	331,132	216,598	114,534	201,966	107,770	29,707	94,197	421,243	1.62
1988.....	217,632	115,684	101,948	354,163	233,666	120,497	221,627	119,634	35,028	101,993	468,860	1.58
1989.....	231,780	122,668	109,112	371,082	246,222	124,860	235,614	126,557	38,821	109,057	514,499	1.58
1989: Aug.....	238,150	128,347	109,803	371,489	246,378	125,111	236,793	126,766	37,190	110,027	495,002	1.56
Sept.....	233,562	124,393	109,169	370,890	245,621	125,269	234,354	125,227	35,341	109,127	495,794	1.59
Oct.....	231,995	121,840	110,155	371,712	246,427	125,285	234,067	124,262	35,975	109,805	497,866	1.60
Nov.....	232,826	123,209	109,617	372,813	247,610	125,203	239,710	130,175	38,901	109,535	504,750	1.60
Dec.....	231,003	121,998	109,005	371,082	246,222	124,860	240,752	131,719	44,389	109,033	514,499	1.61
1990: Jan.....	226,704	116,716	109,988	374,126	248,273	125,853	227,572	117,909	38,347	109,663	515,367	1.65
Feb.....	234,472	123,224	111,248	373,169	247,095	126,074	231,759	120,782	36,094	110,977	512,654	1.59
Mar.....	237,299	125,089	112,210	371,746	245,435	126,311	241,071	128,872	40,889	112,199	516,426	1.57
Apr.....	234,259	122,031	112,228	372,300	246,609	125,691	236,026	123,609	36,573	112,417	518,193	1.59
May.....	238,863	126,507	112,356	372,384	246,530	125,854	241,102	128,737	35,928	112,365	520,432	1.56
June.....	239,460	127,288	112,177	370,693	244,902	125,791	236,578	124,692	36,192	111,886	517,550	1.55
July ^r	237,834	125,090	112,744	373,285	246,456	126,829	240,238	128,094	39,840	112,144	519,954	1.57
Aug ^p	245,646	128,619	117,027	374,298	246,653	127,645	244,355	126,979	35,871	117,376	518,663	1.52
Sept ^p	243,844	124,528	119,316	376,530	246,937	129,593	244,514	125,210	38,367	119,304	519,333	1.54

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

² End of period.

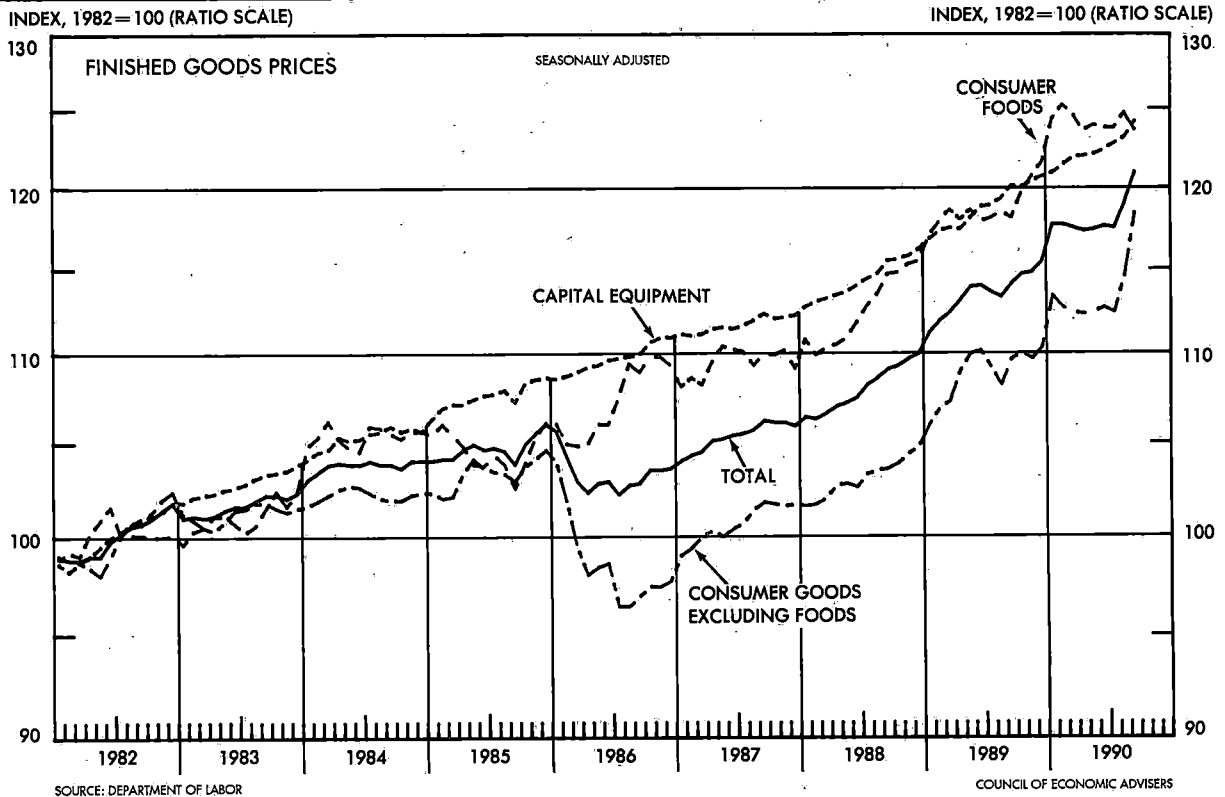
³ Annual data are averages of monthly ratios.

Source: Department of Commerce, Bureau of the Census.

PRICES

PRODUCER PRICES

In September, the producer price index for all finished goods rose 1.6 percent. Prices of finished consumer foods fell 0.9 percent while prices of other finished consumer goods rose 3.3 percent. Capital equipment prices rose 0.8 percent.



[1982=100; monthly data seasonally adjusted]

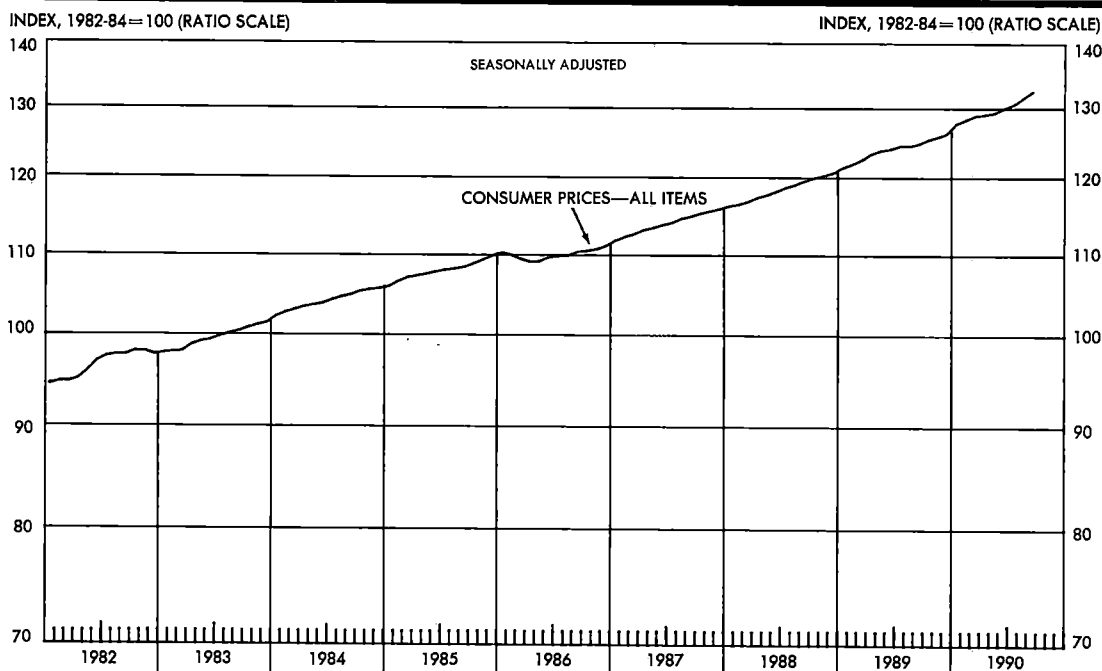
Period	Finished goods							Intermediate materials			Crude materials			
	Total finished goods	Con-sumer foods	Finished goods excluding consumer foods					Total finished con-sumer goods	Total	Foods and feeds ¹	Other	Total	Food-stuffs and feed-stuffs	Other
			Total	Consumer goods			Capital equip-ment							
				Total	Durable	Nondurable								
1980	88.0	92.4	86.7	87.1	91.0	85.1	85.8	88.6	90.3	105.5	89.4	95.3	104.6	84.6
1981	96.1	97.8	95.6	96.1	96.4	95.8	94.6	96.6	98.6	104.6	98.2	103.0	103.9	101.8
1982	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1983	101.6	101.0	101.8	101.2	102.8	100.5	102.8	101.3	100.6	103.6	100.5	101.3	101.8	100.7
1984	103.7	105.4	103.2	102.2	104.5	101.1	105.2	103.3	103.1	105.7	103.0	103.5	104.7	102.2
1985	104.7	104.6	104.6	103.3	106.5	101.7	107.5	103.8	102.7	97.3	103.0	95.8	94.8	96.9
1986	103.2	107.3	101.9	98.5	108.9	93.3	109.7	101.4	99.1	96.2	99.3	87.7	93.2	81.6
1987	105.4	109.5	104.0	100.7	111.5	94.9	111.7	103.6	101.5	99.2	101.7	93.7	96.2	87.9
1988	108.0	112.6	106.5	103.1	113.8	97.3	114.3	106.2	107.1	109.5	106.9	96.0	106.1	85.5
1989	113.6	118.7	111.8	108.9	117.6	103.8	118.8	112.1	112.0	113.8	111.9	103.1	111.2	93.4
1989: Sept.....	114.1	118.1	112.8	109.7	118.7	104.5	120.1	112.5	112.2	112.7	112.2	102.3	109.0	93.6
Oct.....	114.7	119.7	113.1	110.1	118.6	105.1	120.0	113.3	112.4	112.5	112.4	102.6	109.0	94.1
Nov.....	114.8	120.7	112.9	109.7	118.7	104.4	120.4	113.3	112.2	113.4	112.1	103.2	111.4	93.5
Dec.....	115.5	121.6	113.5	110.4	119.2	105.3	120.7	114.1	112.2	113.1	112.1	104.7	113.9	94.4
1990: Jan.....	117.7	124.4	115.6	113.4	118.6	109.7	120.9	117.0	113.6	113.3	113.6	107.0	114.7	97.5
Feb.....	117.7	125.3	115.2	112.7	119.0	108.5	121.4	116.8	112.7	112.3	112.8	107.3	115.4	97.5
Mar.....	117.5	124.7	115.2	112.4	119.4	107.9	121.9	116.4	112.8	112.8	112.8	105.9	116.4	94.8
Apr.....	117.3	123.6	115.2	112.3	119.3	107.9	122.0	116.1	112.9	114.0	112.8	103.1	115.7	90.9
May.....	117.4	124.0	115.3	112.4	119.5	107.9	122.1	116.2	113.0	115.4	112.8	103.0	112.9	92.4
June.....	117.6	123.8	115.6	112.7	120.4	107.9	122.4	116.3	112.6	114.1	112.5	100.1	112.9	87.9
July.....	117.5	123.8	115.4	112.4	120.6	107.4	122.8	116.1	112.6	114.7	112.4	100.7	114.0	88.1
Aug.....	119.0	124.8	117.1	114.6	120.8	110.5	123.2	118.0	114.1	114.6	114.1	110.1	113.0	103.4
Sept.....	120.9	123.7	119.9	118.4	122.0	115.2	124.2	120.1	116.2	112.9	116.3	115.2	111.0	112.4

¹ Intermediate materials for food manufacturing and feeds.

Source: Department of Labor, Bureau of Labor Statistics.

CONSUMER PRICES—ALL URBAN CONSUMERS

In September, the consumer price index for all urban consumers rose 0.8 percent, seasonally adjusted and not seasonally adjusted. The index was 6.2 percent above its year-earlier level.



SEE NOTE ON TABLE BELOW
SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

[1982-84=100, except as noted; monthly data seasonally adjusted, except as noted]

Period	All items ¹		Food	Housing						Appar- el and upkeep	Transportation			Medi- cal care	Ener- gy ²	All items less food, shel- ter, and energy
	Not season- ally adjust- ed (NSA)	Season- ally adjust- ed		Total ¹	Shelter				Fuel and other utili- ties		Total ¹	New cars	Motor fuel			
					Total	Rent- ers' costs (Dec. 1982= 100)	Home- own- ers' costs (Dec. 1982= 100)	Mainte- nance and repairs (NSA)								
Rel. imp. ³	100.0	.....	16.3	42.0	27.9	7.9	19.8	0.2	7.5	6.1	17.1	4.2	3.2	6.2	7.4	48.4
1980	82.4	.....	86.8	81.1	81.0	.....	82.4	75.4	90.9	83.1	88.4	97.4	74.9	86.0	80.6	
1981	90.9	.....	93.6	90.4	90.5	.....	90.7	86.4	95.3	93.2	93.7	108.5	82.9	97.7	88.3	
1982	96.5	.....	97.4	96.9	96.9	.....	96.4	94.9	97.8	97.0	97.4	102.8	92.5	99.2	95.1	
1983	99.6	.....	99.4	99.5	99.1	103.0	102.5	99.9	100.2	100.2	99.3	99.9	99.4	100.6	99.9	100.0
1984	103.9	.....	103.2	103.6	104.0	108.6	107.3	103.7	104.8	102.1	103.7	102.8	97.9	106.8	100.9	105.0
1985	107.6	.....	105.6	107.7	109.8	115.4	113.1	106.5	106.5	105.0	106.4	106.1	98.7	113.5	101.6	109.0
1986	109.6	.....	109.0	110.9	115.8	121.9	119.4	107.9	104.1	105.9	102.3	110.6	77.1	122.0	88.2	112.7
1987	113.6	.....	113.5	114.2	121.3	128.1	124.8	111.8	103.0	110.6	105.4	114.6	80.2	130.1	88.6	117.0
1988	118.3	.....	118.2	118.5	127.1	133.6	131.1	114.7	104.4	115.4	108.7	116.9	80.9	138.6	89.3	121.9
1989	124.0	.....	125.1	123.0	132.8	138.9	137.3	118.0	107.8	118.6	114.1	119.2	88.5	149.3	94.3	127.3
1989:																
Sept	125.0	124.8	126.3	123.7	133.7	138.7	138.7	118.6	108.0	118.6	113.9	118.1	87.1	151.9	93.2	128.3
Oct	125.6	125.4	126.8	124.2	134.4	139.8	139.4	118.6	108.1	119.4	114.5	118.8	88.4	153.0	94.1	128.8
Nov	125.9	125.8	127.4	124.7	135.0	140.5	140.0	119.3	108.7	119.4	114.6	119.8	86.8	154.2	93.8	129.3
Dec	126.1	126.3	128.0	125.2	135.6	141.0	140.6	119.5	109.4	119.0	115.0	120.8	86.3	155.1	94.1	129.7
1990:																
Jan	127.4	127.7	130.5	126.1	136.3	142.3	141.1	120.4	111.6	119.0	117.4	121.6	93.4	156.1	98.9	130.4
Feb	128.0	128.3	131.1	126.3	136.6	143.4	141.0	120.8	110.9	122.9	117.7	121.4	93.6	157.3	98.2	131.5
Mar	128.7	128.9	131.5	126.9	137.6	143.8	142.4	121.2	111.0	124.9	117.6	121.2	92.2	158.5	97.4	132.2
Apr	128.9	129.1	131.2	127.0	137.9	143.9	142.8	121.2	110.5	125.0	117.7	120.9	92.5	159.8	97.0	132.6
May	129.2	129.3	131.2	127.2	138.2	143.9	143.2	122.2	110.5	124.6	117.5	120.7	91.2	161.0	96.3	132.9
June	129.9	130.0	132.2	128.0	139.5	144.5	144.8	121.8	110.3	124.5	118.0	120.5	93.2	162.1	96.9	133.2
July	130.4	130.5	132.7	128.6	140.7	146.6	145.7	122.1	109.4	124.2	118.3	120.1	92.8	163.5	96.2	133.8
Aug	131.6	131.5	133.1	129.5	141.7	148.1	146.6	121.2	110.8	124.3	120.4	120.3	100.3	165.0	100.3	134.3
Sept	132.7	132.5	133.4	130.0	141.9	148.2	146.9	124.6	112.2	125.2	123.2	120.1	109.8	166.1	105.9	134.9

¹ Includes items not shown separately.

² Household fuels—gas (piped), electricity, fuel oil, etc.—and motor fuel. Motor oil, coolant, etc. also included through 1982.

³ Relative importance, December 1989.

NOTE.—Data beginning 1983 incorporate a rental equivalence measure for homeownership costs and therefore are not strictly comparable with figures for earlier periods.
Data beginning 1987 and 1988 calculated on a revised basis.

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]

Period	Change from preceding period			Change from 3 months earlier, annual rate			Change from 6 months earlier, annual rate			Change from year earlier, total finished goods NSA	
	Total finished goods	Consumer goods		Total finished goods	Consumer goods		Total finished goods	Consumer goods			
		Foods	Exclud- ing foods		Foods	Excluding foods		Foods	Excluding foods		Capital equip- ment
Change, Dec. to Dec, NSA											
1980.....	11.8	7.5	14.1	11.4						13.4	
1981.....	7.1	1.5	8.6	9.2						9.2	
1982.....	3.6	2.0	4.2	3.9						4.1	
1983.....	.6	2.3	-.9	2.0						1.6	
1984.....	1.7	3.5	.8	1.8						2.2	
1985.....	1.8	.6	2.1	2.7						1.0	
1986.....	-2.3	2.8	-6.6	2.1						-1.4	
1987.....	2.2	-.2	4.1	1.3						2.2	
1988.....	4.0	5.7	3.1	3.6						2.5	
1989.....	4.9	5.2	5.3	3.8						5.5	
Change, month to month											
1989: Sept.....	0.7	-0.3	1.4	0.7	0.4	0.7	-1.8	4.4	3.0	-0.8	4.5
Oct.....	.5	1.4	.4	-.1	3.9	5.5	3.3	3.8	2.8	2.9	2.0
Nov.....	.1	.8	-.4	.3	5.4	7.6	5.7	3.7	1.6	3.6	-.5
Dec.....	.6	.7	.6	.2	5.0	12.4	2.6	2.0	2.6	6.4	.4
1990: Jan.....	1.9	2.3	2.7	.2	10.9	16.7	12.5	3.0	7.3	11.0	7.8
Feb.....	0	.7	-.6	.4	10.5	16.1	11.4	3.4	7.9	11.8	8.5
Mar.....	-.2	-.5	-.3	.4	7.1	10.6	7.4	4.0	6.0	11.5	5.0
Apr.....	-.2	-.9	-.1	.1	-1.4	-2.5	-3.8	3.7	4.6	6.6	4.0
May.....	.1	.3	.1	.1	-1.0	-4.1	-1.1	2.3	4.6	5.5	5.0
June.....	.2	.2	.3	.2	.3	-2.9	1.1	2.6	3.7	3.7	4.2
July.....	-.1	0	-.3	.3	.7	.6	.4	2.6	3.7	-1.0	4.2
Aug.....	1.3	.8	2.0	.3	5.6	2.6	8.1	3.7	2.2	-1.8	3.4
Sept.....	1.6	-.9	3.3	.8	11.7	-.3	21.8	6.0	5.9	-1.6	11.0

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]

Period	All items ¹	Food	Housing				Transportation			Medi- cal care	Ener- gy ²	All items less food, shelter, and energy	Addendum: All items, percent change (annual rate)			
			Total ¹	Shelter		Ap- partment and up- keep	Total ¹	New cars	Motor fuel				From previ- ous quarter ³	From 3 months earlier	From 6 months earlier	From year earlier, NSA
				Rent- ers' costs	Home- owners' costs												Fuel and other utili- ties
Change, December to December, NSA																
1980.....	12.5	10.2	18.7	15.0	.....	13.8	6.8	14.6	7.4	18.8	9.9	.....	.....	.....	13.5	.....
1981.....	8.9	4.3	10.2	8.9	.....	14.4	3.5	10.9	6.8	9.4	12.5	.....	.....	.....	10.3	.....
1982.....	3.8	3.1	3.6	2.4	.....	9.7	1.6	1.8	1.5	-6.5	11.0	.....	.....	.....	6.2	.....
1983.....	3.8	2.7	3.5	4.7	5.1	1.8	2.9	3.9	3.4	-1.7	6.4	.....	.....	.....	3.2	.....
1984.....	3.9	3.8	4.3	5.2	5.9	4.5	5.1	4.2	2.0	-2.4	6.1	.....	.....	.....	4.3	.....
1985.....	3.8	2.6	4.8	6.0	6.8	5.9	1.8	2.8	2.6	3.4	8.1	6.8	.....	.....	3.7	.....
1986.....	1.1	3.8	1.7	4.6	5.0	4.6	-5.6	-.9	5.9	-30.7	7.7	-19.7	.....	.....	1.1	.....
1987.....	4.4	3.5	3.7	4.8	3.9	5.3	1.6	4.8	1.8	18.7	5.8	8.2	3.8	.....	3.2	.....
1988.....	4.4	5.2	4.0	4.5	3.9	4.7	2.9	3.0	2.1	-2.1	6.9	.5	4.7	.....	4.4	.....
1989.....	4.6	5.6	3.9	4.9	4.5	5.1	1.0	4.0	2.3	6.8	8.5	5.1	4.1	.....	4.4	.....
Change, month to month																
1989: Sept.....	0.2	0.3	0.2	0.1	-0.3	0.4	1.5	-0.3	-0.3	-1.5	0.7	-0.6	.....	2.9	2.3	3.8
Oct.....	.5	.4	.4	.5	.8	.5	.7	.5	.6	1.5	.7	1.0	4	.....	2.9	3.4
Nov.....	.3	.5	.4	.5	.4	.6	0	.1	.8	-1.8	.8	-.3	.4	.....	4.2	3.3
Dec.....	.4	.5	.4	.4	.4	.6	-.3	.3	.8	-.6	.6	.3	.3	.....	4.9	3.6
1990: Jan.....	1.1	2.0	.7	.5	.9	.4	0	2.1	.7	8.2	.6	5.1	.5	.....	7.5	5.2
Feb.....	.5	.5	.2	.2	.8	-1	3.3	3	-.2	.2	.8	-.7	.8	.....	8.2	6.2
Mar.....	.5	.3	.5	.7	.3	1.0	1.6	-1.1	-1.5	-8	-.8	-.8	.5	.....	8.5	6.7
Apr.....	.2	-.2	.2	.2	.1	.3	-.3	-.1	-.2	3.3	-.4	-.4	.3	.....	4.5	6.0
May.....	.2	0	.2	.2	.3	0	-.3	-.2	-2	-1.4	-.8	-.7	.2	.....	3.2	5.6
June.....	.5	.8	.6	.9	.4	1.1	-.2	4.4	-.2	2.2	.6	-.7	.2	.....	3.5	5.9
July.....	.4	.4	.5	.9	1.5	-.8	-.2	1.8	-.3	8.1	.9	-.7	.5	.....	4.4	4.4
Aug.....	.8	.3	.7	1.0	.6	1.3	-.2	2.3	-.2	8.1	.9	4.3	.4	.....	5.1	5.1
Sept.....	.2	.2	.4	.1	.1	.2	.7	2.3	-.2	9.5	.7	5.6	.4	.....	7.9	5.7

¹ Includes items not shown separately.

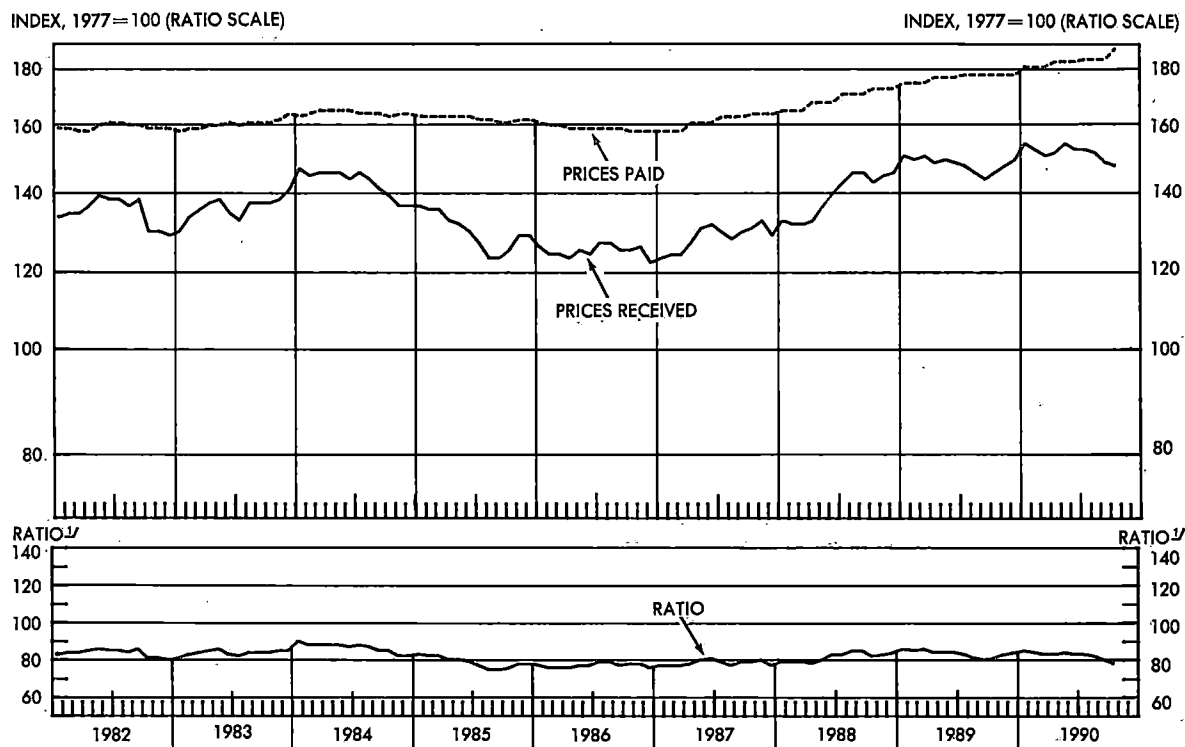
² Household fuels—gas (liquid), electricity, fuel oil, etc.—and motor fuel. Motor oil, coolant, etc., also included through 1982.

³ Quarterly changes are shown in the last month of the quarter.

Source: Department of Labor, Bureau of Labor Statistics.

PRICES RECEIVED AND PAID BY FARMERS

Prices received by farmers in October fell 0.7 percent from their September level. Prices paid by farmers in October were 2.2 percent above their July level. (Data are not seasonally adjusted.)



1/ RATIO OF INDEX OF PRICES RECEIVED TO INDEX OF PRICES PAID.
SOURCE: DEPARTMENT OF AGRICULTURE

COUNCIL OF ECONOMIC ADVISERS

[1977=100; not seasonally adjusted]

Period	Prices received by farmers			Prices paid by farmers			Ratio ²
	All farm products	Crops	Livestock and products	All commodities, services, interest, taxes, and wage rates ¹	Production items, interest, taxes, and wage rates	Production items	
1981	139	134	143	150	151	148	92
1982	133	121	145	159	158	153	84
1983	135	128	141	161	159	152	84
1984	142	138	146	164	161	155	87
1985	128	120	136	162	156	151	79
1986	123	107	138	159	150	144	77
1987	126	106	146	162	151	147	78
1988	138	127	150	169	160	157	82
1989	147	134	160	177	167	165	83
1989: Oct	145	127	162	178	166	165	81
Nov	147	128	165	(3)	(3)	(3)	83
Dec	149	127	169	(3)	(3)	(3)	84
1990: Jan	154	136	172	181	170	168	85
Feb	152	133	169	(3)	(3)	(3)	84
Mar	150	128	171	(3)	(3)	(3)	83
Apr	151	131	170	183	171	169	83
May	154	134	173	(3)	(3)	(3)	84
June	151	129	173	(3)	(3)	(3)	83
July	152	130	173	184	171	170	83
Aug	151	126	174	(3)	(3)	(3)	82
Sept	148	123	173	(3)	(3)	(3)	80
Oct	147	121	171	188	175	174	78

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. See also footnote 3.

³ Beginning March 1986, prices paid by farmers are available only for first month in quarter, and for each month the received/paid ratio is based on latest data available.

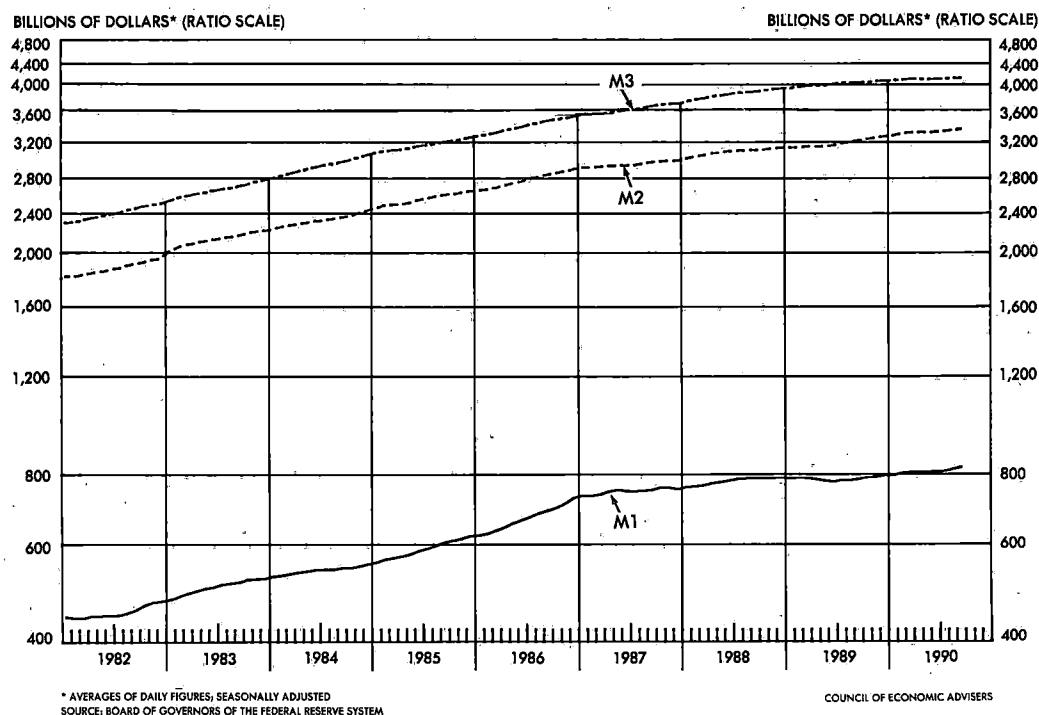
NOTE.—The official indexes are published on a 1910-14 base as required by law. The indexes have been converted to a 1977=100 base to facilitate comparison with other indexes.

Source: Department of Agriculture.

MONEY, CREDIT, AND SECURITY MARKETS

MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES

Growth in M2 and M3 slowed in September.



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

Period	M1	M2	M3	L	Debt	Percent change from year or 6 months earlier ²			
	Sum of currency, demand deposits, travelers' checks, and other checkable deposits (OCDs)	M1 plus overnight RPs and Eurodollars, MMMF balances (general purpose and broker/dealer), MMDAs, and savings and small time deposits	M2 plus large time deposits, term RPs, term Eurodollars, and institution-only MMMF balances	M3 plus other liquid assets	Debt of domestic nonfinancial sectors (monthly average) ¹	M1	M2	M3	Debt
1980: Dec	408.9	1,629.9	1,987.5	2,324.2	3,904.1	6.8	8.9	10.2	9.4
1981: Dec	436.5	1,793.5	2,234.2	2,596.8	4,292.1	6.7	10.0	12.4	9.9
1982: Dec	474.5	1,953.1	2,441.9	2,851.6	4,685.9	8.7	8.9	9.3	9.2
1983: Dec	521.2	2,186.5	2,693.4	3,154.7	5,212.6	9.8	12.0	10.3	11.2
1984: Dec	552.1	2,371.6	2,982.8	3,524.1	5,961.9	5.9	8.5	10.7	14.4
1985: Dec	620.1	2,570.6	3,202.1	3,829.5	6,773.5	12.3	8.4	7.4	13.6
1986: Dec	724.7	2,814.2	3,494.5	4,135.5	7,636.2	16.9	9.5	9.1	12.7
1987: Dec	750.4	2,913.2	3,678.7	4,338.7	8,345.1	3.5	3.5	5.3	9.3
1988: Dec	787.5	3,072.4	3,918.3	4,676.1	9,107.6	4.9	5.5	6.5	9.1
1989: Dec	794.8	3,221.6	4,044.3	4,881.2	9,788.9	.9	4.9	3.2	7.5
1989: Sept	782.9	3,163.6	4,013.5	4,831.8	9,627.8	-.7	5.0	2.9	7.5
Oct	788.1	3,181.9	4,018.1	4,841.7	9,687.4	1.5	6.0	2.7	7.4
Nov	789.4	3,201.2	4,031.0	4,858.1	9,750.2	3.4	7.5	3.3	7.4
Dec	794.8	3,221.6	4,044.3	4,881.2	9,788.9	5.5	7.7	3.0	7.0
1990: Jan	794.8	3,231.0	4,048.5	4,882.5	9,829.3	4.0	6.7	2.0	6.8
Feb	801.4	3,255.6	4,064.3	4,890.4	9,887.1	5.4	6.9	2.6	6.6
Mar	804.8	3,270.9	4,069.0	4,906.6	9,955.1	5.6	6.8	2.8	6.8
Apr	807.3	3,277.3	4,072.9	4,916.4	10,010.6	4.9	6.0	2.7	6.7
May	805.4	3,270.9	4,065.0	4,887.1	10,053.6	4.1	4.4	1.7	6.2
June	809.4	3,278.6	4,069.1	4,906.8	10,108.7	3.7	3.5	1.2	6.5
July ²	809.2	3,284.0	4,073.3	4,918.4	10,170.1	3.6	3.3	1.2	6.9
Aug ²	816.2	3,302.0	4,088.6	4,931.3	10,244.0	3.7	2.9	1.2	7.2
Sept ²	822.8	3,317.7	4,091.7			4.5	2.9	1.1	

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

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

er at a simple 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]

Period	Cur- rency	Dem- and depos- its	Other check- able depos- its (OCDs)	Over- night repur- chase agree- ments (RPs), net, plus over- night Euro- dollars	Money market mutual fund balances ¹		Money market deposit accounts (MMDAs)	Sav- ings de- posits	Small denom- ination time depos- its ²	Large denom- ination time depos- its ²	Term repur- chase agree- ments (RPs)	Term Euro- dollars (net)	Sav- ings bonds	Short- term Treas- ury secu- rities	Bankers' accept- ances	Com- mercial paper
					Gener- al pur- pose and broker/ dealer	Insti- tution only										
1980: Dec.....	115.3	261.4	28.0	28.8	61.6	15.2	0.0	400.1	728.5	260.4	33.5	50.3	72.3	133.5	32.1	98.8
1981: Dec.....	122.6	231.4	78.2	36.6	150.6	38.0	.0	343.8	823.2	303.0	35.3	67.5	67.8	149.4	40.0	105.3
1982: Dec.....	132.5	234.1	103.6	39.9	185.2	51.1	43.2	356.7	851.0	327.2	33.4	81.7	68.0	183.6	44.5	113.7
1983: Dec.....	146.2	238.5	131.6	55.6	198.8	42.8	379.2	305.4	784.1	327.6	49.9	91.5	71.1	211.9	45.0	133.2
1984: Dec.....	156.0	243.9	146.9	60.6	168.2	62.1	416.8	285.1	886.8	417.4	57.6	82.9	74.2	260.9	45.5	160.8
1985: Dec.....	167.8	266.8	179.6	73.5	177.2	63.9	513.0	301.2	884.0	437.0	62.4	76.5	79.5	298.3	42.1	207.5
1986: Dec.....	180.6	302.1	235.5	82.3	208.7	83.8	571.0	370.1	856.2	439.8	80.5	83.8	91.8	280.8	37.2	231.1
1987: Dec.....	196.7	287.0	259.7	83.2	222.0	89.0	523.8	414.9	917.8	488.8	106.1	91.0	100.6	254.2	44.8	260.4
1988: Dec.....	211.8	287.0	281.3	83.3	240.9	87.1	500.3	427.8	1,031.0	541.1	121.7	106.0	109.3	272.0	40.6	335.6
1989: Dec.....	221.9	279.7	285.7	77.4	312.4	102.3	483.7	409.0	1,142.3	558.3	96.9	81.1	117.5	330.3	41.2	347.9
1989: Sept.....	219.3	278.1	278.4	75.1	295.9	101.6	471.9	405.5	1,132.6	565.6	113.9	85.5	115.7	311.3	41.0	350.3
Oct.....	220.0	280.0	280.8	75.7	302.7	101.1	475.3	406.1	1,135.9	562.7	109.6	80.1	116.2	317.4	40.0	350.0
Nov.....	220.4	278.8	282.8	75.4	309.0	101.1	480.8	407.9	1,138.5	561.0	108.9	79.3	116.8	318.6	40.5	351.3
Dec.....	221.9	279.7	285.7	77.4	312.4	102.3	483.7	409.0	1,142.3	558.3	96.9	81.1	117.5	330.3	41.2	347.9
1990: Jan.....	224.6	277.3	285.4	81.5	318.6	103.2	485.0	410.2	1,143.0	554.5	93.6	74.0	117.7	332.3	40.7	343.3
Feb.....	226.6	280.2	287.0	82.3	325.3	103.7	489.4	413.6	1,142.6	550.1	96.9	68.5	118.2	324.9	38.3	344.7
Mar.....	228.4	279.3	289.5	81.8	325.9	105.4	494.9	414.6	1,146.4	544.1	95.2	66.8	119.1	338.9	37.0	342.7
Apr.....	230.1	277.8	291.8	79.2	325.8	106.8	498.8	415.8	1,147.7	538.3	94.8	65.6	119.9	330.3	35.8	357.5
May.....	231.6	274.5	291.5	83.1	320.4	107.3	500.0	415.0	1,149.0	535.4	95.8	67.4	120.7	316.5	35.3	349.6
June.....	233.4	274.5	293.8	82.2	321.9	107.3	501.2	415.8	1,147.1	532.8	98.7	64.6	121.5	332.2	34.6	349.4
July ^r	235.4	274.8	291.3	84.2	325.1	108.9	502.4	416.3	1,148.2	530.5	97.1	64.6	122.4	341.3	32.8	348.7
Aug ^r	238.3	278.0	291.9	83.1	333.8	114.0	505.5	416.3	1,149.5	524.1	99.0	66.3	123.2	342.2	32.2	345.1
Sept ^p	241.5	279.9	293.1	82.1	340.1	116.1	507.1	415.8	1,150.4	516.7	95.6	66.2				

¹ Data prior to 1983 are not seasonally adjusted.

² Small denomination and large denomination deposits are those issued in amounts of less than \$100,000 and more than \$100,000, respectively.

NOTE.—Travelers checks of nonbank issuers are a component of money stock but are not shown here.

Source: Board of Governors of the Federal Reserve System.

AGGREGATE RESERVES AND MONETARY BASE

[Averages of daily figures ¹; millions of dollars; seasonally adjusted, except as noted]

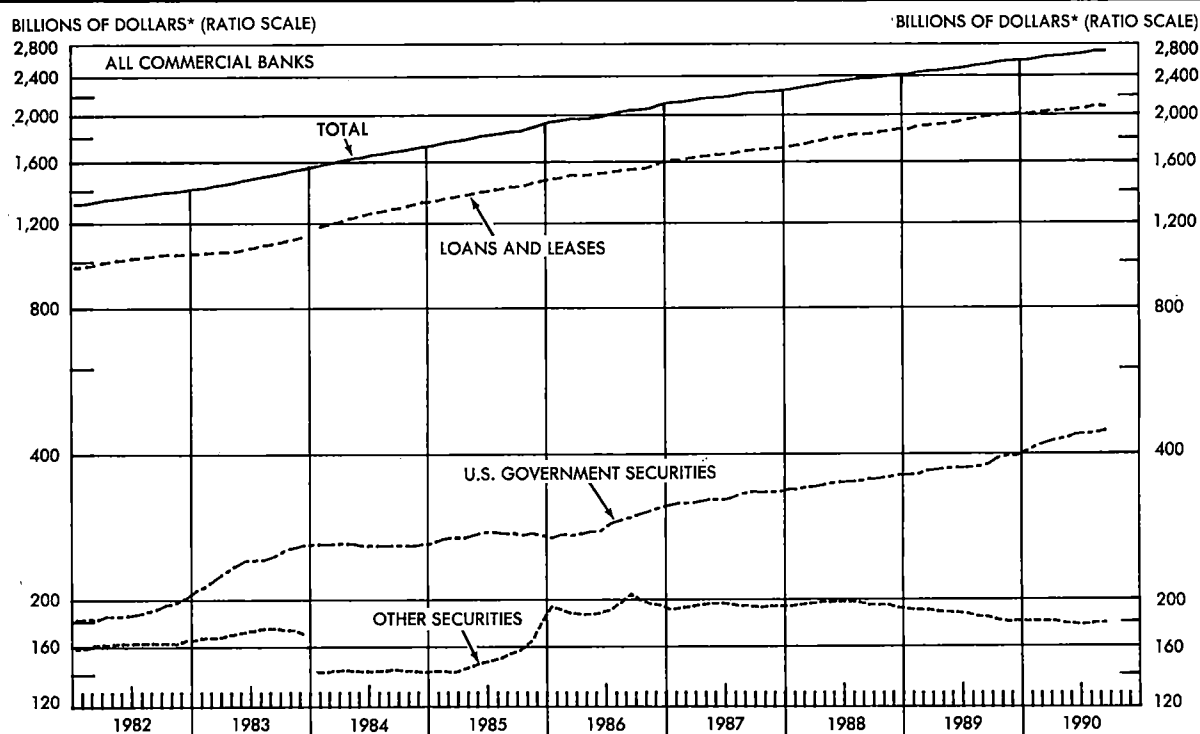
Period	Adjusted for changes in reserve requirements					Borrowings of depository institutions from the Federal Reserve (NSA)		
	Reserves of depository institutions				Monetary base	Total	Seasonal	Extended credit
	Total	Nonborrowed	Nonborrowed plus extended credit	Required				
1980: Dec.....	33,401	31,711	31,714	32,887	152,525	1,690	116	3
1981: Dec.....	35,315	34,679	34,827	34,996	160,936	636	54	148
1982: Dec.....	37,388	36,754	36,940	36,888	172,947	634	33	186
1983: Dec.....	39,184	38,410	38,412	38,623	188,275	774	96	2
1984: Dec.....	42,235	39,049	41,653	41,380	201,673	3,186	113	2,604
1985: Dec.....	48,373	47,055	47,554	47,336	219,350	1,318	56	499
1986: Dec.....	58,023	57,197	57,499	56,653	241,427	827	38	303
1987: Dec.....	58,593	57,815	58,298	57,546	258,055	777	93	483
1988: Dec.....	60,593	58,877	60,121	59,545	275,238	1,716	130	1,244
1989: Dec.....	60,033	59,767	59,787	59,110	284,946	265	84	20
1989: Sept.....	59,289	58,596	58,618	58,351	281,806	693	452	22
Oct.....	59,640	59,085	59,106	58,620	282,786	555	350	21
Nov.....	59,646	59,297	59,318	58,701	283,222	349	134	21
Dec.....	60,033	59,767	59,787	59,110	284,946	265	84	20
1990: Jan.....	59,896	59,456	59,482	58,880	287,509	440	47	26
Feb.....	60,215	58,768	59,302	59,227	289,714	1,448	51	535
Mar.....	60,297	58,173	60,123	59,436	291,820	2,124	78	1,950
Apr.....	60,275	58,647	60,051	59,379	293,540	1,628	122	1,403
May.....	59,783	58,448	59,324	58,820	294,401	1,335	244	875
June.....	59,732	58,850	59,196	58,958	296,276	881	311	346
July.....	59,322	58,565	58,845	58,460	297,860	757	389	280
Aug.....	59,746	58,819	58,879	58,879	301,121	927	430	127
Sept.....	60,078	59,453	59,460	59,170	304,782	624	418	6

¹ Data are prorated averages of biweekly (maintenance period) averages of daily figures.

Source: Board of Governors of the Federal Reserve System.

BANK LOANS AND SECURITIES

Total commercial bank loans and leases fell 0.3 percent in September. Commercial and industrial loans fell 0.2 percent.



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

COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars, seasonally adjusted ¹]

Period	All commercial banks														
	Total loans and securi- ties ²	U.S. Govern- ment securi- ties	Other securi- ties	Loans and leases											Other
				Total ²	Com- mercial and indus- trial	Real estate	Indi- vidual	Secu- rity	Non- bank finan- cial insti- tutions	Agri- cultural	State and politi- cal subdi- visions	For- eign banks	For- eign official insti- tutions	Lease financ- ing receiv- ables	
1981: Dec	1,307.3	179.3	160.5	967.5	355.4	284.1	182.5	21.4	29.9	33.1	0.0	18.1	7.2	12.7	23.1
1982: Dec	1,400.5	201.7	164.8	1,034.0	392.5	299.9	188.2	25.3	31.2	36.2	.0	14.6	5.9	13.3	26.9
1983: Dec	1,552.3	259.2	169.2	1,123.9	414.2	330.9	212.9	28.0	30.4	39.2	3.3	13.4	9.4	13.7	31.8
1984: Dec	1,722.5	260.2	141.1	1,321.3	473.3	376.4	253.8	34.3	31.3	40.1	46.1	11.2	7.9	16.0	31.0
1985: Dec	1,910.1	270.6	179.3	1,460.3	500.5	426.0	294.7	43.0	32.4	36.1	56.8	9.8	6.0	19.0	35.9
1986: Dec	2,094.2	309.3	194.2	1,590.6	537.5	494.4	315.3	40.6	35.0	31.5	58.5	9.9	5.9	22.4	39.6
1987: Dec	2,239.5	334.4	193.8	1,711.2	567.9	587.4	328.4	35.1	31.9	29.4	52.6	7.9	5.3	24.6	40.7
1988: Dec	2,422.1	361.5	192.2	1,868.4	607.0	671.9	354.9	40.4	30.1	29.8	45.6	8.1	5.0	29.2	46.3
1989: Dec r....	2,588.8	396.1	180.8	2,011.9	641.6	761.1	375.8	38.8	33.0	30.7	40.1	8.9	3.6	31.8	46.5
1989: Aug r....	2,531.7	376.2	184.2	1,971.4	636.1	730.0	367.9	38.9	31.4	30.4	42.2	8.4	4.2	31.1	50.6
1989: Sept r....	2,546.2	379.3	183.6	1,983.2	638.2	739.1	370.8	39.5	31.7	30.4	41.7	8.1	4.2	31.4	48.0
1989: Oct r....	2,570.5	390.9	181.4	1,998.2	642.0	746.7	372.4	40.7	33.2	30.5	41.3	9.1	3.8	31.9	46.6
1989: Nov r....	2,585.8	396.0	179.9	2,009.9	645.0	754.0	374.4	40.9	33.9	30.5	40.8	8.3	3.7	31.9	46.4
1989: Dec r....	2,588.8	396.1	180.8	2,011.9	641.6	761.1	375.8	38.8	33.0	30.7	40.1	8.9	3.6	31.8	46.5
1990: Jan r....	2,594.4	404.7	180.4	2,009.3	637.9	765.9	378.3	39.3	32.5	30.9	38.6	8.1	3.2	32.1	42.5
1990: Feb r....	2,614.3	414.5	180.5	2,019.4	638.8	774.7	379.5	40.0	32.9	30.8	38.9	7.8	3.1	32.2	40.6
1990: Mar r....	2,635.6	422.3	180.1	2,033.2	644.4	781.8	379.9	37.1	33.8	30.6	38.4	8.4	3.0	32.6	43.2
1990: Apr r....	2,646.7	427.3	180.0	2,039.4	649.0	786.9	378.8	36.1	33.9	30.4	38.2	8.8	3.2	32.3	41.8
1990: May r....	2,653.8	430.6	178.3	2,045.0	648.6	794.6	379.8	34.8	33.9	30.0	37.9	8.7	3.2	32.5	40.9
1990: June r....	2,669.4	438.5	177.9	2,053.0	651.6	800.1	378.4	35.3	34.4	29.5	37.4	7.4	3.2	32.3	43.4
1990: July r....	2,684.7	440.6	177.8	2,066.4	651.7	808.0	378.3	38.8	34.8	29.3	36.6	7.0	3.2	32.6	46.1
1990: Aug p....	2,707.8	441.3	179.2	2,087.3	653.1	811.9	380.1	46.0	35.7	29.2	36.1	8.0	3.2	32.7	51.5
1990: Sept p....	2,708.5	447.1	179.4	2,082.0	651.6	814.7	381.1	43.1	36.2	29.1	35.4	7.9	3.2	32.8	47.0

¹ Data are prorated 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.

Source: Board of Governors of the Federal Reserve System.

SOURCES AND USES OF FUNDS, NONFARM NONFINANCIAL CORPORATE BUSINESS

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

Period	Sources							Uses			Discrepancy (sources less uses)
	Total	Internal ¹	External					Total	Capital expendi- tures ³	Increase in financial assets	
			Total	Credit market funds			Other ²				
				Total	Securities and mortgages	Loans and short-term paper					
1982	300.8	241.9	58.9	48.5	-6.2	54.7	10.4	303.1	256.1	47.0	-2.3
1983	416.9	285.2	131.7	76.5	41.0	35.5	55.2	392.6	270.5	122.1	24.3
1984	491.4	385.9	155.5	91.9	-13.6	105.5	63.7	474.9	369.7	105.2	16.5
1985	455.7	351.8	103.9	49.8	-6.2	56.0	54.1	425.1	341.2	83.9	30.6
1986	524.1	344.3	179.8	124.7	60.5	64.2	55.1	481.2	330.4	150.8	43.0
1987	493.7	372.4	121.3	48.2	18.5	29.7	73.1	466.6	354.1	112.5	27.1
1988	548.2	391.4	156.8	55.1	-15.4	70.5	101.6	494.6	378.3	116.3	53.5
1989	515.2	380.0	135.2	35.3	-45.1	80.4	99.9	486.5	382.2	104.3	28.6
1989: I.....	511.6	379.9	131.7	18.0	-92.5	110.5	113.6	478.6	377.4	101.2	33.0
II.....	606.9	379.7	227.2	118.7	3.1	115.6	108.4	568.5	388.3	180.2	38.5
III.....	465.9	385.5	80.4	1.0	-85.2	86.2	79.3	446.4	385.1	61.3	19.5
IV.....	476.3	374.9	101.4	3.6	-5.8	9.4	97.8	452.8	378.2	74.6	23.4
1990: I.....	491.9	370.6	121.3	92.6	-3.1	95.7	28.5	467.8	343.4	124.4	24.1
II ^p	496.9	377.4	119.5	58.4	25.5	32.9	61.1	464.0	372.7	91.3	33.0

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

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

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

Source: Board of Governors of the Federal Reserve System.

CONSUMER INSTALLMENT CREDIT

[Millions of dollars; seasonally adjusted]

Period	Installment credit outstanding (end of period)					Net change in installment credit outstanding ¹				
	Total	Automobile	Revolving	Mobile home	Other	Total	Automobile	Revolving	Mobile home	Other
1980: Dec.....	298,154	111,991	55,111	18,736	112,317	1,671	-484	1,754	529	-127
1981: Dec.....	311,259	119,008	61,070	20,058	111,124	13,105	7,017	5,959	1,322	-1,193
1982: Dec.....	325,805	125,945	66,454	22,064	110,802	14,546	6,937	5,384	2,546	-322
1983: Dec.....	368,966	143,560	79,088	23,562	122,756	43,161	17,615	12,634	958	11,954
1984: Dec.....	442,602	173,564	100,280	25,861	142,897	73,636	30,004	21,192	2,299	20,141
1985: Dec.....	518,252	210,187	121,816	26,850	159,400	75,650	36,623	21,536	989	16,503
1986: Dec.....	573,017	247,428	135,851	27,096	162,642	54,765	37,241	14,035	246	3,242
1987: Dec.....	610,468	265,851	153,078	25,920	165,620	37,451	18,423	17,227	-1,176	2,978
1988: Dec.....	664,701	284,556	174,057	25,201	180,887	54,233	18,705	20,979	-719	15,267
1989: Dec ²	716,624	290,770	197,110	22,343	206,401	(³)	(³)	(³)	(³)	(³)
1989: Aug ²	703,518	289,961	189,185	22,734	201,638	3,518	79	2,900	-506	1,044
Sept.....	705,703	288,839	190,378	22,661	203,825	2,185	-1,122	1,194	-73	2,187
Oct.....	710,133	290,210	191,734	22,621	205,568	4,430	1,371	1,356	-40	1,743
Nov.....	713,903	290,972	194,679	22,197	206,055	3,769	761	2,944	-424	487
Dec.....	716,624	290,770	197,110	22,343	206,401	2,722	-202	2,431	146	346
1990: Jan.....	717,829	290,904	199,146	22,604	205,175	1,205	134	2,036	261	-1,226
Feb.....	717,869	289,629	199,927	22,633	205,680	40	-1,275	781	29	505
Mar.....	720,445	290,932	202,263	22,708	204,543	2,576	1,303	2,336	74	-1,137
Apr.....	720,835	288,936	203,965	22,702	205,232	390	-1,996	1,702	-6	689
May.....	724,485	288,931	207,153	22,815	205,585	3,650	-5	3,188	113	353
June.....	724,601	287,168	208,362	22,733	206,388	116	-1,764	1,208	-83	753
July ^r	729,329	286,791	212,138	22,795	207,605	4,728	-377	3,776	63	1,267
Aug ^p	731,416	285,050	213,916	23,003	209,446	2,087	-1,741	1,778	208	1,841

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

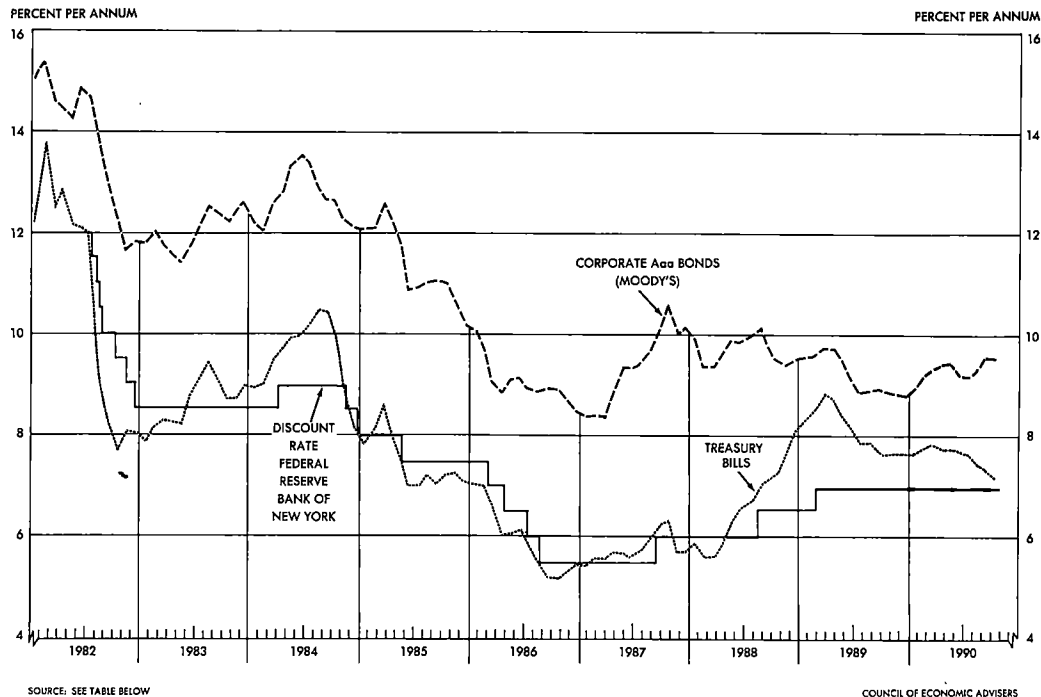
² Data newly available in January 1989 result in breaks in many series between December 1988 and subsequent months.

³ Because of breaks in series, net change not available.

Source: Board of Governors of the Federal Reserve System.

INTEREST RATES AND BOND YIELDS

Interest rates fell in October.



[Percent per annum]

Period	U.S. Treasury security yields			High-grade municipal bonds (Standard & Poor's) ³	Corporate Aaa bonds (Moody's) ⁴	Prime commercial paper, 6 months ¹	Discount rate (N.Y. F.R. Bank) ⁵	Prime rate charged by banks ⁶	New-home mortgage yields (FHFB) ⁶
	3-month bills (new issues) ¹	Constant maturities ²							
		3-year	10-year						
1981	14.029	14.44	13.91	11.23	14.17	14.76	13.42	18.87	14.70
1982	10.686	12.92	13.00	11.57	13.79	11.89	11.02	14.86	15.14
1983	8.63	10.45	11.10	9.47	12.04	8.89	8.50	10.79	12.57
1984	9.58	11.89	12.44	10.15	12.71	10.16	8.80	12.04	12.38
1985	7.48	9.64	10.62	9.18	11.37	8.01	7.69	9.93	11.55
1986	5.98	7.06	7.68	7.38	9.02	6.39	6.33	8.33	10.17
1987	5.82	7.68	8.39	7.73	9.38	6.85	5.66	8.21	9.31
1988	6.69	8.26	8.85	7.76	9.71	7.68	6.20	9.32	9.19
1989	8.12	8.55	8.49	7.24	9.26	8.80	6.93	10.87	10.13
1989: Oct	7.63	8.02	8.01	7.22	8.92	8.24	7.00-7.00	10.50-10.50	10.11
Nov	7.65	7.80	7.87	7.13	8.89	8.00	7.00-7.00	10.50-10.50	10.09
Dec	7.64	7.77	7.84	7.01	8.86	7.93	7.00-7.00	10.50-10.50	10.07
1990: Jan	7.64	8.13	8.21	7.13	8.99	7.96	7.00-7.00	10.50-10.00	9.91
Feb	7.76	8.39	8.47	7.21	9.22	8.04	7.00-7.00	10.00-10.00	9.88
Mar	7.87	8.63	8.59	7.29	9.37	8.23	7.00-7.00	10.00-10.00	10.03
Apr	7.78	8.78	8.79	7.36	9.46	8.29	7.00-7.00	10.00-10.00	10.17
May	7.78	8.69	8.76	7.34	9.47	8.23	7.00-7.00	10.00-10.00	10.28
June	7.74	8.40	8.48	7.22	9.26	8.06	7.00-7.00	10.00-10.00	10.13
July	7.66	8.26	8.47	7.15	9.24	7.90	7.00-7.00	10.00-10.00	10.08
Aug	7.44	8.22	8.75	7.31	9.41	7.77	7.00-7.00	10.00-10.00	10.11
Sept	7.38	8.27	8.89	7.40	9.56	7.83	7.00-7.00	10.00-10.00	9.90
Oct ²	7.19	8.07	8.72	.....	9.53	7.81	7.00-7.00	10.00-10.00	.....
Week ended:									
1990: Oct 6	7.18	8.07	8.69	7.46	9.54	7.80	7.00-7.00	10.00-10.00	.....
13	7.19	8.18	8.87	7.50	9.59	7.85	7.00-7.00	10.00-10.00	.....
20	7.18	8.10	8.74	7.41	9.57	7.86	7.00-7.00	10.00-10.00	.....
27	7.20	7.99	8.64	7.35	9.45	7.81	7.00-7.00	10.00-10.00	.....
Nov 3	7.12	.....	.....	.....	.....	.....	7.00-	10.00-	.....

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.

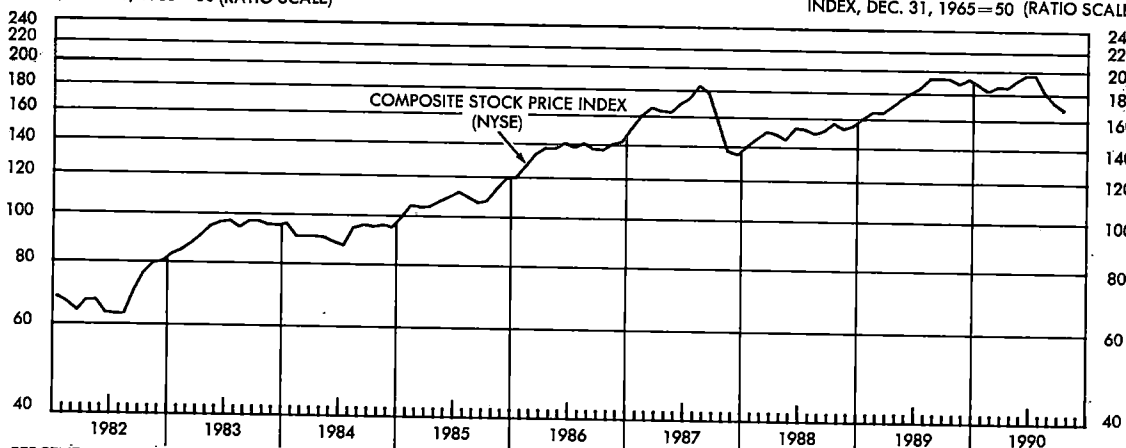
⁶ Effective rate (in the primary market) on conventional mortgages, reflecting fees and charges as well as contract rate and assumed, on the average, repayment at end of 10 years.

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

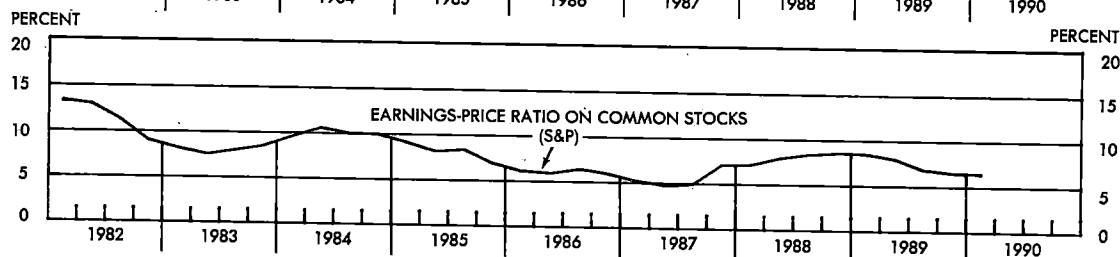
COMMON STOCK PRICES AND YIELDS

Stock prices fell in October.

INDEX, DEC. 31, 1965=50 (RATIO SCALE)



INDEX, DEC. 31, 1965=50 (RATIO SCALE)



SOURCES: NEW YORK STOCK EXCHANGE AND STANDARD & POOR'S CORPORATION

COUNCIL OF ECONOMIC ADVISERS

Period	Common stock prices ¹							Common stock yields (percent) ⁵	
	New York Stock Exchange indexes (Dec. 31, 1965=50) ²					Dow-Jones industrial average ³	Standard & Poor's composite index (1941-43=10) ⁴	Dividend-price ratio	Earnings-price ratio
	Composite	Industrial	Transportation	Utility	Finance				
1981.....	74.02	85.44	72.61	38.91	73.52	932.92	128.05	5.20	11.96
1982.....	68.93	78.18	60.41	39.75	71.99	884.36	119.71	5.81	11.60
1983.....	92.63	107.45	89.36	47.00	95.34	1,190.34	160.41	4.40	8.03
1984.....	92.46	108.01	85.63	46.44	89.28	1,178.48	160.46	4.64	10.02
1985.....	108.09	123.79	104.11	56.75	114.21	1,328.23	186.84	4.25	8.12
1986.....	136.00	155.85	119.87	71.36	147.20	1,792.76	236.34	3.49	6.09
1987.....	161.70	195.31	140.39	74.30	146.48	2,275.99	286.83	3.08	5.48
1988.....	149.91	180.95	134.12	71.77	127.26	2,060.82	265.79	3.64	8.01
1989.....	180.02	216.23	175.28	87.43	151.88	2,508.91	322.84	3.45	7.41
1989: Oct.....	192.49	229.40	190.36	94.67	166.55	2,692.01	347.40	3.29	.....
Nov.....	188.50	224.38	174.26	94.95	160.89	2,642.49	340.22	3.39	.....
Dec.....	192.67	230.12	177.25	99.73	155.63	2,728.47	348.57	3.33	6.47
1990: Jan.....	187.96	225.79	173.67	95.69	150.11	2,679.24	339.97	3.41	.....
Feb.....	182.55	220.60	166.69	92.15	142.68	2,614.18	330.45	3.54	.....
Mar.....	186.26	226.14	175.08	93.00	143.14	2,700.13	338.47	3.49	6.37
Apr.....	185.61	226.86	173.54	91.92	138.57	2,708.26	338.18	3.51	.....
May.....	191.35	234.85	173.53	93.29	142.94	2,793.81	350.25	3.44	.....
June.....	196.68	242.42	177.37	93.65	147.93	2,894.82	360.39	3.36	.....
July.....	196.61	245.86	173.18	89.85	143.11	2,934.25	360.03	3.37	.....
Aug.....	181.45	226.73	147.41	85.81	128.14	2,681.89	330.75	3.65	.....
Sept.....	173.22	216.81	136.95	83.30	118.59	2,550.69	315.41	3.85	.....
Oct.....	168.05	208.58	131.90	87.27	108.01	2,460.54	307.12	.....	.....
Week ended:									
1990: Oct 6.....	171.53	213.72	134.81	86.53	112.60	2,507.57	313.15	3.94	.....
13.....	166.13	206.06	130.61	86.17	107.55	2,428.07	302.89	4.09	.....
20.....	166.10	205.57	130.99	87.47	106.35	2,431.78	303.83	4.10	.....
27.....	169.77	210.71	133.83	88.42	108.23	2,486.93	310.92	3.91	.....

¹ Average of daily closing prices.

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

³ Includes 30 stocks.

⁴ Includes 500 stocks.

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

price ratios based on prices at end of quarter.

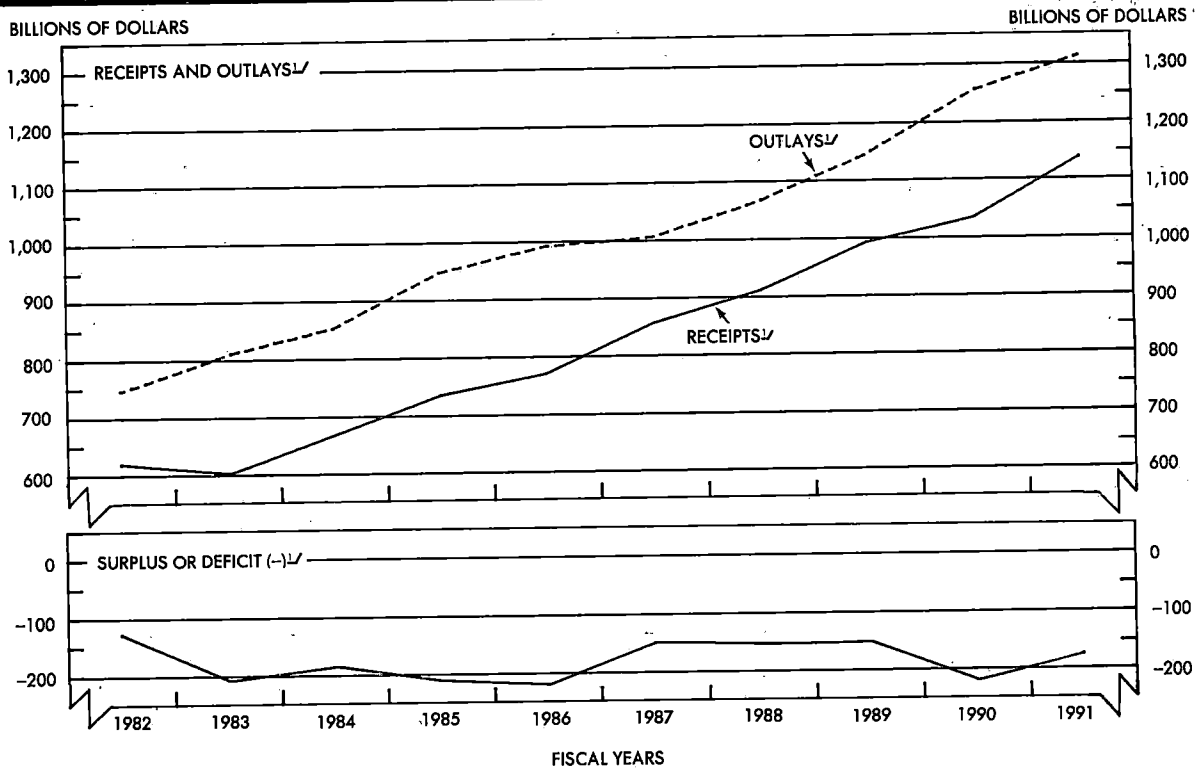
NOTE.—All data relate to stocks listed on the New York Stock Exchange (NYSE).

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

FEDERAL FINANCE

FEDERAL RECEIPTS, OUTLAYS, AND DEBT

In fiscal year 1990, there was a deficit of \$220.4 billion, compared with a deficit of \$152.0 billion a year earlier.



✓ INCLUDES ON-BUDGET AND OFF-BUDGET ITEMS.

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

COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars]

Fiscal year or period	Total			On-budget			Off-budget			Gross Federal debt (end of period)	
	Receipts	Outlays	Surplus or deficit (-)	Receipts	Outlays	Surplus or deficit (-)	Receipts	Outlays	Surplus or deficit (-)	Total	Held by the public
1976.....	298.1	371.8	-73.7	281.7	302.2	-70.5	66.4	69.6	-3.2	629.0	477.4
Transition quarter.....	81.2	96.0	-14.7	63.2	76.6	-13.3	18.0	19.4	-1.4	643.6	495.5
1977.....	355.6	409.2	-53.6	278.7	328.5	-49.7	76.8	80.7	-3.9	706.4	549.1
1978.....	399.6	458.7	-59.2	314.2	369.1	-54.9	85.4	89.7	-4.3	776.6	607.1
1979.....	463.3	503.5	-40.2	365.3	403.5	-38.2	98.0	100.0	-2.0	828.9	639.8
1980.....	517.1	590.9	-73.8	403.9	476.6	-72.7	113.2	114.3	-1.1	908.5	709.3
1981.....	599.3	678.2	-78.9	469.1	543.0	-73.9	130.2	135.2	-5.0	994.3	784.8
1982.....	617.8	745.7	-127.9	474.3	594.3	-120.0	143.5	151.4	-7.9	1,136.8	919.2
1983.....	600.6	808.3	-207.8	453.2	661.2	-208.0	147.3	147.1	.2	1,371.2	1,131.0
1984.....	666.5	851.8	-185.3	500.4	686.0	-185.6	166.1	165.8	.3	1,564.1	1,300.0
1985.....	734.1	946.3	-212.3	547.9	769.5	-221.6	186.2	176.8	9.4	1,817.0	1,499.4
1986.....	769.1	990.3	-221.2	568.9	806.8	-237.9	200.2	183.5	16.7	2,120.1	1,736.2
1987.....	854.1	1,003.8	-149.7	640.7	810.0	-169.3	213.4	193.8	19.6	2,345.6	1,888.1
1988.....	909.0	1,064.0	-155.1	667.5	861.4	-193.9	241.5	202.7	38.8	2,600.8	2,050.2
1989.....	990.7	1,142.6	-152.0	727.0	931.7	-204.7	263.7	210.9	52.8	2,866.2	2,189.3
1990 ¹	1,031.5	1,251.9	-220.4	749.8	1,026.8	-277.0	281.7	225.1	56.6	3,206.3	2,410.4
1991 (estimates) ²	1,135.4	1,311.7	-176.3	823.2	1,076.3	-253.1	312.1	235.4	76.8	3,521.5	2,573.0

¹ Data from *Monthly Treasury Statement*.

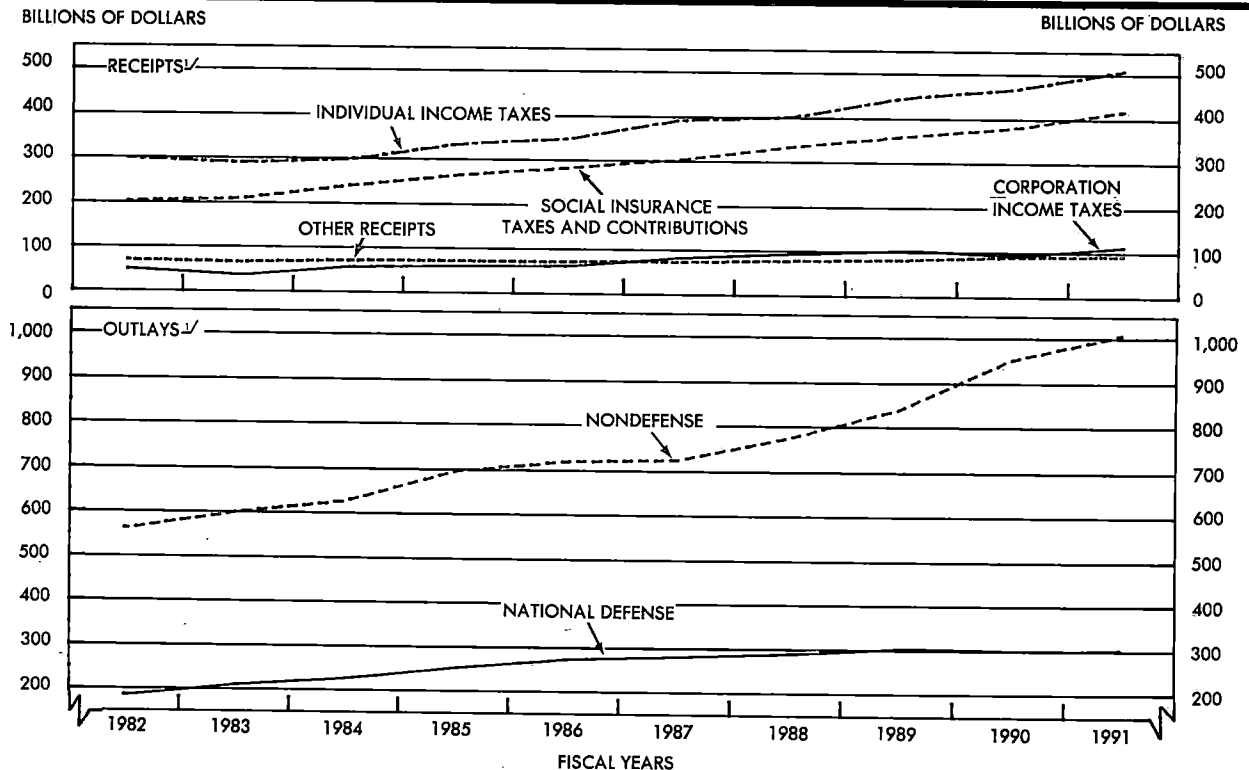
² Estimates from *Mid-Session Review of the Budget*, Office of Management and Budget, July 16, 1990.

NOTE.—Data are from *Budget of the United States Government, Fiscal Year 1991, January 1990*, except as noted.

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

FEDERAL RECEIPTS BY SOURCE AND OUTLAYS BY FUNCTION

In fiscal year 1990, receipts were \$40.8 billion higher than a year earlier and outlays were \$109.3 billion higher.



✓ INCLUDES ON-BUDGET AND OFF-BUDGET ITEMS.

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

COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars]

Fiscal year	On-budget and off-budget receipts					On-budget and off-budget outlays									
	Total	Individual income taxes	Corporation income taxes	Social insurance taxes and contributions	Other	Total	National defense		International affairs	Health	Medicare	Income security	Social security	Net interest	Other
							Total	Department of Defense, military							
1976	298.1	131.6	41.4	90.8	34.3	371.8	89.6	87.9	6.4	15.7	15.8	60.8	73.9	26.7	82.8
1977	355.6	157.6	54.9	106.5	36.6	409.2	97.2	95.1	6.4	17.3	19.3	61.0	85.1	29.9	93.0
1978	399.6	181.0	60.0	121.0	37.7	458.7	104.5	102.3	7.5	18.5	22.8	61.5	93.9	35.4	114.7
1979	463.3	217.8	65.7	138.9	40.8	503.5	116.3	113.6	7.5	20.5	26.5	66.4	104.1	42.6	119.6
1980	517.1	244.1	64.6	157.8	50.6	590.9	134.0	130.9	12.7	23.2	32.1	86.5	118.5	52.5	131.4
1981	599.3	285.9	61.1	182.7	69.5	678.2	157.5	153.9	13.1	26.9	39.1	99.7	139.6	68.7	133.5
1982	617.8	297.7	49.2	201.5	69.3	745.7	185.3	180.7	12.3	27.4	46.6	107.7	156.0	85.0	125.4
1983	600.6	288.9	37.0	209.0	65.6	808.3	209.9	204.4	11.8	28.6	52.6	122.6	170.7	89.8	122.3
1984	666.5	298.4	56.9	239.4	71.8	851.8	227.4	220.9	15.9	30.4	57.5	112.7	178.2	111.1	118.6
1985	734.1	334.5	61.3	265.2	73.0	946.3	252.7	245.2	16.2	33.5	65.8	128.2	188.6	129.4	131.8
1986	769.1	349.0	63.1	283.9	73.1	990.3	273.4	265.5	14.2	35.9	70.2	119.8	198.8	136.0	142.1
1987	854.1	392.6	83.9	303.3	74.3	1,003.8	282.0	274.0	11.6	40.0	75.1	123.3	207.4	138.6	125.9
1988	909.0	401.2	94.5	334.3	78.9	1,064.0	290.4	281.9	10.5	44.5	78.9	129.3	219.3	151.7	139.4
1989	990.7	445.7	103.6	359.4	82.0	1,142.6	303.6	294.9	9.6	48.4	85.0	136.0	232.5	169.1	158.4
1990 ¹	1,081.5	466.9	93.5	380.0	91.0	1,251.9	299.3	289.8	13.8	58.1	97.7	148.3	248.6	183.8	202.2
1991 (estimates) ²	1,135.4	508.4	115.1	418.1	93.8	1,311.7	303.3	292.2	18.2	66.2	99.6	160.5	266.9	193.7	203.3

¹ Data from Monthly Treasury Statement.

² See footnote 1, page 32.

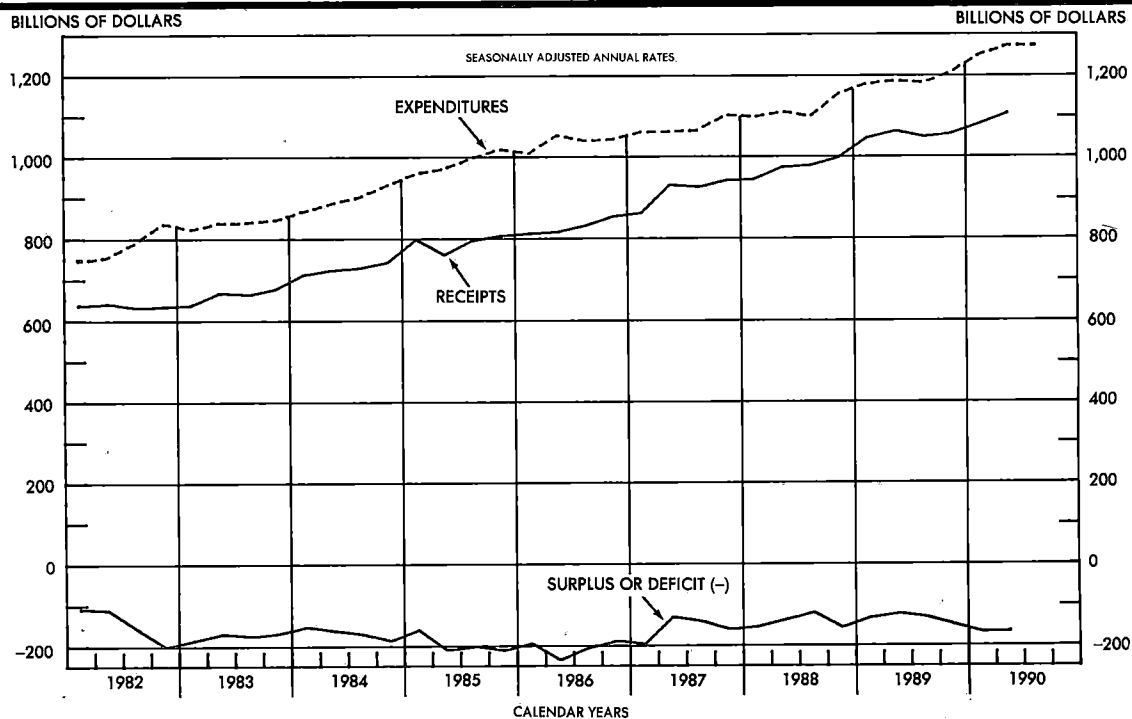
1990, except as noted.

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

NOTE.—Data are from Budget of the United States Government, Fiscal Year 1991, January

FEDERAL SECTOR, NATIONAL INCOME ACCOUNTS BASIS

In the second quarter of 1990, Federal receipts rose \$25.2 billion (annual rate) and Federal expenditures rose \$22.9 billion. In the third quarter, according to advance estimates, Federal expenditures fell \$0.5 billion; receipts data are incomplete.



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

Period	Federal Government receipts					Federal Government expenditures							Surplus or deficit (-), national income and product accounts
	Total	Personal tax and nontax receipts	Corporate profits tax accruals	Indirect business tax and nontax accruals	Contributions for social insurance	Total	Purchases of goods and services	Transfer payments	Grants-in-aid to State and local governments	Net interest paid	Subsidies less current surplus of Government enterprises	Less: Wage accruals less disbursements	
Fiscal year:													
1985	776.8	340.4	74.6	55.9	305.8	962.3	341.5	374.0	97.8	128.3	20.7	-0.1	-185.5
1986	815.2	357.0	81.1	50.9	326.1	1,028.0	368.6	394.6	107.4	134.6	22.8	.0	-212.8
1987	899.4	400.8	99.1	53.5	345.9	1,060.0	375.4	411.1	103.1	139.3	31.1	.1	-160.7
1988	957.6	411.3	108.1	55.6	382.6	1,101.8	377.8	433.2	108.3	148.8	33.6	-.1	-144.1
1989	1,041.9	457.6	113.8	57.8	412.6	1,172.2	399.0	462.0	115.8	167.7	27.7	.0	-130.3
Calendar year:													
1985	788.7	346.4	76.3	55.1	310.9	985.6	355.2	380.1	99.7	130.1	20.3	-.2	-196.9
1986	827.9	361.4	83.8	50.5	332.1	1,034.8	366.5	399.9	106.8	135.6	26.0	.0	-206.9
1987	913.8	405.8	103.2	54.0	350.8	1,071.9	381.3	414.0	102.6	142.3	31.8	.0	-158.2
1988	972.4	415.1	110.5	57.0	389.8	1,114.2	380.3	438.9	111.1	151.3	32.7	.0	-141.7
1989	1,052.9	464.0	110.4	58.4	420.1	1,187.2	400.0	471.9	118.2	172.0	25.0	.0	-134.3
1982: IV	633.1	303.0	46.4	47.6	236.1	835.7	293.2	347.4	84.5	87.2	23.4	.0	-202.6
1983: IV	675.5	291.9	70.2	53.6	259.8	844.7	276.1	352.5	86.0	101.0	29.1	.0	-169.2
1984: IV	742.7	326.0	69.7	56.2	290.7	930.2	326.0	362.1	96.3	125.3	21.0	.6	-187.5
1985: IV	805.3	355.3	78.8	53.5	317.7	1,017.5	376.6	385.8	103.5	132.7	19.0	.0	-212.2
1986: IV	853.8	376.2	88.9	50.8	337.9	1,042.8	368.8	405.8	103.0	136.0	29.2	.0	-189.0
1987: IV	940.0	419.2	107.4	55.1	358.4	1,101.7	388.2	421.4	102.7	147.6	41.5	-.2	-161.7
1988: IV	997.5	424.8	115.4	57.8	399.6	1,153.8	401.1	447.2	112.2	157.9	35.3	.0	-156.3
1989: I	1,045.4	453.1	120.7	57.6	413.9	1,178.0	398.3	460.6	116.7	167.4	35.0	.0	-132.6
1989: II	1,062.2	470.9	115.0	58.0	418.4	1,184.9	402.5	464.7	117.0	173.4	27.3	.0	-122.7
1989: III	1,048.1	462.2	104.7	59.3	421.9	1,179.8	399.2	474.4	117.6	172.1	16.5	.0	-131.7
1989: IV	1,055.7	469.6	101.3	58.7	426.1	1,205.8	399.9	487.9	121.5	175.2	21.3	.0	-150.1
1990: I	1,080.6	473.6	106.5	60.6	439.9	1,248.8	410.6	503.4	128.5	178.1	28.3	.0	-168.3
1990: II	1,105.8	492.1	109.2	60.5	444.0	1,271.7	421.9	510.4	131.5	184.3	23.8	.0	-166.0
1990: III P	499.7			61.1	450.6	1,271.2	425.4	510.0	131.7	191.1	12.9	.0	

Source: Department of Commerce, Bureau of Economic Analysis.

INTERNATIONAL STATISTICS

INDUSTRIAL PRODUCTION AND CONSUMER PRICES—MAJOR INDUSTRIAL COUNTRIES

Period	Industrial production (1987=100; seasonally adjusted)							Consumer prices (1982-84=100)						
	United States	Canada	Japan	France	Germany	Italy	United Kingdom	United States ¹	Canada	Japan	France	Germany	Italy	United Kingdom
1980.....	84.1	83.1	81.7	98.9	95.0	96.2	87.5	82.4	76.1	90.9	72.2	86.8	63.2	78.5
1981.....	85.7	84.8	82.6	98.3	93.2	94.8	84.8	90.9	85.6	95.4	81.8	92.2	75.4	87.9
1982.....	81.9	76.5	82.9	97.3	90.3	91.8	86.4	96.5	94.9	98.0	91.7	97.0	87.7	95.4
1983.....	84.9	81.5	85.5	96.5	90.9	88.8	89.6	99.6	100.4	99.9	100.3	100.3	100.8	99.8
1984.....	92.8	91.4	93.4	97.1	93.5	91.8	89.7	103.9	104.8	102.1	108.0	102.7	111.5	104.8
1985.....	94.4	96.5	96.8	97.2	97.7	92.9	94.6	107.6	108.9	104.2	114.3	104.9	121.1	111.1
1986.....	95.3	95.7	96.6	98.0	99.6	96.2	96.8	109.6	113.4	104.9	117.2	104.7	128.5	114.9
1987.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	113.6	118.4	105.0	121.1	104.9	134.4	119.7
1988.....	105.4	105.0	109.3	104.7	103.9	105.9	103.7	118.3	123.2	105.7	124.4	106.3	141.1	125.6
1989 ^p	108.1	105.1	115.7	108.9	108.7	109.2	104.2	124.0	129.3	108.1	128.9	109.2	150.4	135.4
1989: June.....	108.4	105.5	117.1	108.3	108.8	108.3	102.6	124.1	129.6	108.6	128.7	109.4	150.3	135.6
July.....	107.8	105.2	114.2	109.4	109.9	110.7	103.8	124.4	130.4	108.4	129.0	109.3	150.7	135.7
Aug.....	108.2	105.3	117.6	109.4	109.8	108.7	105.0	124.6	130.5	108.3	129.2	109.2	150.9	136.1
Sept.....	108.2	105.2	115.8	108.1	110.1	110.5	104.8	125.0	130.7	109.2	129.5	109.4	151.6	137.0
Oct.....	107.7	104.0	115.8	108.4	110.0	110.8	104.7	125.6	131.2	110.0	130.1	109.7	153.1	138.1
Nov.....	108.1	104.4	116.8	108.9	110.3	111.4	104.2	125.9	131.6	108.9	130.3	109.9	153.7	139.2
Dec.....	108.6	104.7	116.9	107.6	111.4	114.6	104.7	126.1	131.5	109.0	130.5	110.2	154.4	139.6
1990: Jan.....	107.5	102.4	117.2	109.0	111.9	107.3	104.0	127.4	132.7	109.2	130.8	110.9	155.3	140.4
Feb.....	108.5	102.3	116.5	106.8	111.3	111.4	103.4	128.0	133.4	109.5	131.1	111.3	156.5	141.2
Mar.....	108.9	102.6	118.8	107.5	112.8	110.4	105.5	128.7	133.9	109.9	131.6	111.4	157.1	142.6
Apr.....	108.8	102.2	117.9	109.0	110.2	109.5	106.2	128.9	133.9	110.8	132.1	111.6	157.7	147.0
May.....	109.4	102.8	121.0	109.2	113.4	107.2	105.3	129.2	134.6	111.6	132.3	111.8	158.0	148.3
June.....	110.1	103.2	121.1	109.7	113.7	108.4	107.3	129.9	135.1	111.0	132.6	111.9	158.7	148.9
July.....	110.3	103.8	123.2	109.7	115.2	109.7	103.7	130.4	135.8	110.9	132.9	111.9	159.3	149.0
Aug.....	110.4	103.8	123.7	109.7	115.4	109.7	103.1	131.6	135.9	111.4	133.7	112.2	150.5	150.5
Sept ^p	110.7	103.8	123.7	109.7	115.4	109.7	103.1	132.7	136.3	111.4	133.7	112.2	150.5	151.9

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

[Billions of dollars; monthly data seasonally adjusted]

Period	Merchandise exports (f.a.s. value) ¹							General merchandise imports (customs value) ²							Trade balance	
	Total ²	Principal end-use commodity category						Total	Principal end-use commodity category						General merchandise imports (c.i.f. value)	Exports (f.a.s.) less imports (customs value)
		Foods, feeds, and beverages	Industrial supplies and materials	Capital goods except auto-motive	Auto-motive vehicles, parts, and engines	Consumer goods (non-food) except auto-motive	Other ³		Foods, feeds, and beverages	Industrial supplies and materials	Capital goods except auto-motive	Auto-motive vehicles, parts, and engines	Consumer goods (non-food) except auto-motive	Other		
1982.....	216.4	31.3	61.7	72.7	15.7	14.3	20.7	244.0	17.1	112.0	35.4	33.3	39.7	6.5	254.9	-27.5
1983.....	205.6	30.9	56.7	67.2	16.8	13.4	20.5	258.0	18.2	107.0	40.9	40.8	44.9	6.3	269.9	-52.4
1984.....	224.0	31.5	61.7	72.0	20.6	13.3	24.0	330.7	21.0	123.7	59.8	53.5	60.0	7.8	346.4	-106.7
1985.....	218.8	24.0	58.5	73.9	22.9	12.6	27.3	336.5	21.9	113.9	65.1	66.8	68.3	9.4	352.5	-117.7
1986.....	227.2	22.3	57.3	75.8	21.7	14.2	35.9	365.4	24.4	101.3	71.8	78.2	79.4	10.4	382.3	-138.3
1987.....	254.1	24.3	66.7	86.2	24.6	17.7	34.6	406.2	24.8	111.0	84.5	85.2	88.7	12.1	424.4	-152.1
1988.....	322.4	32.3	85.1	109.2	29.3	23.1	43.4	441.0	24.8	118.3	101.4	87.7	95.9	12.8	459.5	-118.5
1989.....	363.8	37.2	99.3	138.8	34.8	36.4	17.2	473.2	25.1	132.3	113.3	86.1	102.9	13.6	493.2	-109.4
1989: Aug.....	30.2	3.0	8.5	11.7	2.7	3.0	1.4	40.5	2.1	11.6	9.6	7.2	8.8	1.2	42.3	-10.3
Sept.....	30.1	2.8	8.1	12.3	2.6	2.9	1.4	38.9	1.9	10.5	9.4	7.0	8.8	1.2	40.5	-8.8
Oct.....	31.4	3.0	8.4	12.3	3.1	3.0	1.6	41.6	2.1	11.9	9.9	7.2	9.1	1.4	43.4	-10.2
Nov.....	30.6	3.2	8.3	11.1	3.0	3.4	1.7	40.5	2.1	11.1	10.0	7.0	9.0	1.3	42.3	-9.9
Dec.....	31.3	3.0	7.9	12.3	3.1	3.4	1.6	38.1	2.0	10.4	9.4	6.5	8.4	1.2	39.7	-6.8
1990: Jan.....	31.4	3.1	8.6	12.0	2.5	3.4	1.8	41.6	2.3	12.9	9.8	6.4	8.9	1.3	43.4	-10.2
Feb.....	31.6	3.1	8.0	12.8	2.8	3.4	1.6	38.7	2.3	11.1	9.1	6.7	8.3	1.2	40.4	-7.1
Mar.....	33.3	3.2	8.6	12.8	3.3	3.4	1.8	41.6	2.5	11.5	9.8	7.9	8.7	1.3	43.5	-8.4
Apr.....	32.1	3.0	8.4	12.4	3.0	3.5	1.7	39.4	2.3	10.5	9.8	6.9	8.7	1.3	41.1	-7.3
May.....	32.8	2.9	8.4	12.7	3.5	3.6	1.8	40.5	2.3	11.3	9.5	7.5	8.7	1.3	42.4	-7.8
June.....	34.2	3.4	8.4	13.5	3.4	3.9	1.6	39.6	2.1	10.5	9.6	7.3	8.5	1.4	41.3	-5.3
July.....	32.1	2.8	8.1	12.8	3.0	3.7	1.8	41.2	2.1	11.0	10.1	7.5	9.1	1.3	43.1	-9.1
Aug.....	32.6	3.1	8.7	12.5	3.1	3.5	1.7	42.0	2.1	12.0	9.8	7.8	9.1	1.3	43.8	-9.3

¹ Includes Department of Defense Military Assistance Program grant-aid shipments.

² Includes undocumented exports to Canada through 1988.

³ Total arrivals of imported goods other than intransit shipments.

⁴ Total includes revisions not reflected in detail.

⁵ Total exports are on a revised statistical month basis; end-use categories are on a statistical

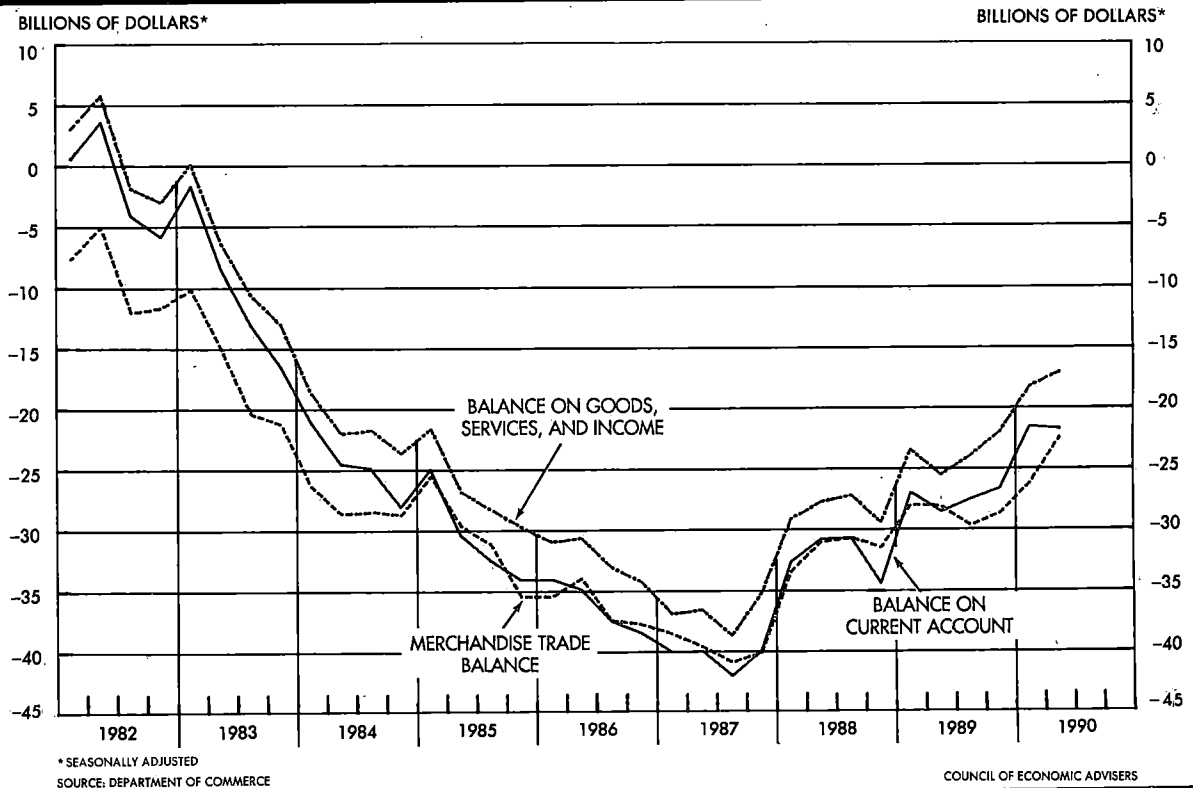
month basis.

NOTE.—Data shown include trade of the U.S. Virgin Islands.

Source: Department of Commerce, Bureau of the Census.

U.S. INTERNATIONAL TRANSACTIONS

In the second quarter of 1990, the merchandise trade deficit fell to \$22.6 billion from \$26.3 billion in the first quarter. The current account deficit rose slightly, to \$21.8 billion from \$21.7 billion in the first quarter.



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

Period	Merchandise ^{1 2}			Services			Investment income ⁴			Balance on goods, services, and income	Remittances, pensions, and other unilateral transfers, net ¹	Balance on current account
	Exports	Imports	Net balance	Net military transactions ³	Net travel and transportation receipts	Other services, net ⁴	Receipts on U.S. assets abroad	Payments on foreign assets in U.S. ³	Net			
1981.....	237,085	-265,063	-27,978	-844	144	12,552	84,975	-53,626	31,349	15,223	-8,331	6,892
1982.....	211,198	-247,642	-36,444	112	-992	12,981	85,346	-57,097	28,250	3,907	-9,775	-5,868
1983.....	201,820	-268,900	-67,080	-163	-4,227	13,859	81,972	-54,549	27,423	-30,188	-9,956	-40,143
1984.....	219,900	-332,422	-112,522	-2,147	-9,153	14,042	92,935	-69,542	23,394	-86,385	-12,621	-99,006
1985.....	215,935	-338,083	-122,148	-4,096	-10,788	14,008	82,282	-66,115	16,166	-106,859	-15,473	-122,332
1986.....	223,367	-368,425	-145,058	-4,907	-8,939	18,551	80,982	-70,013	10,969	-129,384	-16,009	-145,393
1987.....	250,266	-409,766	-159,500	-3,530	-8,298	18,262	90,536	-85,210	5,326	-147,739	-14,575	-162,314
1988.....	320,337	-447,323	-126,986	-5,452	-4,060	21,032	110,048	-108,438	1,610	-113,857	-15,005	-128,862
1989.....	360,465	-475,329	-114,864	-6,320	659	26,123	127,536	-128,448	-913	-95,314	-14,720	-110,034
1988: I.....	76,497	-109,988	-33,491	-1,075	-1,776	4,736	26,980	-24,580	2,400	-29,206	-3,476	-32,682
II.....	79,392	-110,494	-31,102	-1,139	-1,062	5,079	26,739	-26,330	409	-27,815	-3,060	-30,875
III.....	80,511	-111,290	-30,779	-1,144	-624	5,391	27,942	-28,083	-141	-27,297	-3,461	-30,758
IV.....	83,937	-115,551	-31,614	-2,094	-599	5,829	28,386	-29,445	-1,059	-29,537	-5,008	-34,545
1989: I.....	88,267	-116,360	-28,093	-1,763	-57	5,899	30,872	-30,407	465	-23,549	-3,555	-27,104
II.....	91,111	-119,333	-28,222	-1,667	39	6,164	31,932	-33,889	-1,957	-25,643	-3,006	-28,649
III.....	89,349	-119,152	-29,803	-1,114	-192	7,031	32,102	-32,085	17	-24,061	-3,530	-27,591
IV.....	91,738	-120,484	-28,746	-1,776	870	7,030	32,629	-32,068	561	-22,061	-4,631	-26,692
1990: I.....	96,262	-122,545	-26,283	-1,287	1,075	6,217	31,541	-29,546	1,995	-18,283	-3,385	-21,668
II ^p	96,741	-119,316	-22,575	-1,342	816	6,607	30,927	-31,564	-637	-17,131	-4,713	-21,844

¹ Excludes military.

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

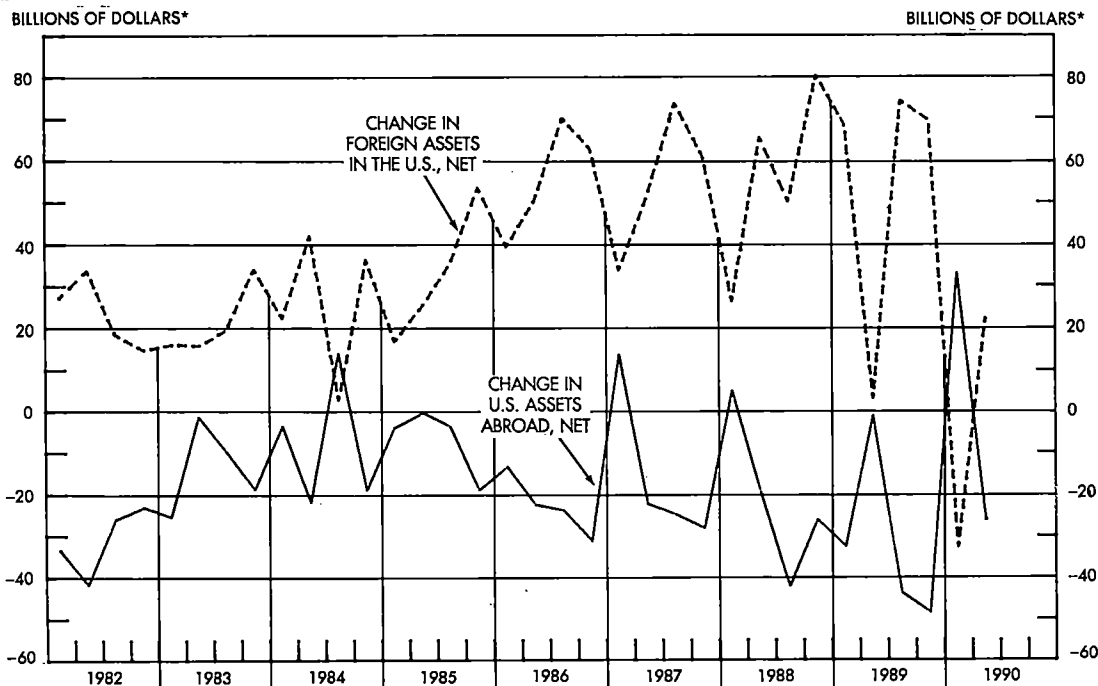
³ Quarterly data are not seasonally adjusted.

⁴ 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.

See p. 37 for continuation of table.

U.S. INTERNATIONAL TRANSACTIONS—Continued

In the capital accounts, claims on foreigners reported by U.S. banks increased \$12.1 billion in the second quarter of 1990, compared to a decrease of \$52.4 billion in the first quarter. Liabilities to private foreigners reported by U.S. banks, excluding Treasury securities, increased \$2.9 billion in the second quarter, compared to a decrease of \$32.3 billion in the first quarter.



*SEASONALLY ADJUSTED
SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

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

Period	U.S. assets abroad, net [increase/capital outflow (-)]				Foreign assets in the U.S., net [increase/capital inflow (+)] ³			Allocations of special drawing rights (SDRs)	Statistical discrepancy		U.S. official reserve assets, net ⁵ (unadjusted, end of period)
	Total	U.S. official reserve assets ^{3, 5}	Other U.S. Government assets	U.S. private assets	Total	Foreign official assets	Other foreign assets		Total (sum of the items with sign reversed)	Of which: Seasonal adjustment discrepancy	
1981.....	-110,951	-5,175	-5,097	-100,679	83,032	4,960	78,072	1,093	19,934	.....	30,074
1982.....	-124,490	-4,965	-6,131	-113,394	93,746	3,593	90,154	.....	36,612	.....	33,958
1983.....	-56,100	-1,196	-5,006	-49,898	84,869	5,845	79,023	.....	11,374	.....	33,747
1984.....	-31,070	-3,131	-5,489	-22,451	102,621	3,140	99,481	.....	27,456	.....	34,934
1985.....	-27,721	-3,858	-2,821	-21,043	130,012	-1,083	131,096	.....	20,041	.....	43,186
1986.....	-92,030	312	-2,022	-90,321	221,599	35,588	186,011	.....	15,824	.....	48,511
1987.....	-62,946	9,149	997	-73,091	218,470	45,210	173,260	.....	6,790	.....	45,798
1988.....	-84,176	-3,912	2,969	-83,232	221,442	39,515	181,927	.....	-8,404	.....	47,802
1989.....	-127,061	-25,293	1,185	-102,953	214,652	8,823	205,829	.....	22,443	.....	74,609
1988: I.....	4,569	1,502	-1,594	4,661	26,079	24,840	1,239	.....	2,034	2,970	43,186
II.....	-19,856	39	-847	-19,048	65,270	5,970	59,300	.....	-14,539	-2,995	41,028
III.....	-42,383	-7,380	1,957	-36,960	49,797	-2,015	51,812	.....	23,344	-4,630	47,788
IV.....	-26,508	1,925	3,452	-31,885	80,295	10,720	69,575	.....	-19,242	4,656	47,802
1989: I.....	-32,859	-4,000	962	-29,821	68,402	7,797	60,605	.....	-8,439	3,093	49,854
II.....	-1,381	-12,095	-303	11,017	2,794	-4,961	7,755	.....	27,236	-1,697	60,502
III.....	-44,076	-5,996	574	-38,654	74,136	13,003	61,133	.....	-2,469	-4,953	68,418
IV.....	-48,745	-3,202	-47	-45,496	69,320	-7,016	76,336	.....	6,117	3,560	74,609
1990: I.....	32,877	-3,177	-659	36,713	-32,988	-8,203	-24,786	.....	21,780	2,804	76,303
II ^p	-26,443	371	-624	-26,190	21,957	6,284	15,673	.....	26,330	-1,036	77,298

³ Consists of gold, special drawing rights (SDRs), foreign currencies, and the U.S. reserve position in the IMF.

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

Contents

TOTAL OUTPUT, INCOME, AND SPENDING

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

EMPLOYMENT, UNEMPLOYMENT, AND WAGES

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

PRODUCTION AND BUSINESS ACTIVITY

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

PRICES

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

MONEY, CREDIT, AND SECURITY MARKETS

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

FEDERAL FINANCE

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

INTERNATIONAL STATISTICS

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

General Notes

Detail in these tables may not add to totals because of rounding.
Unless otherwise noted, all dollar figures are in current dollars.

Symbols used:

^p Preliminary.

^r Revised.

^c Corrected.

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

NSA not seasonally adjusted.

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Announcement Commercial Diplomacy Initiative

Remarks by the President
On the Occasion of World Trade Week
In the Rose Garden
May 23, 1990

Hills + Mosbacher - POTUS's two arms
Opens opportunities → takes advantage of

We meet today to celebrate World Trade Week and our goal of
global free trade. opportunities

But as we do, the world trading system is at a crossroads.
Down one path lie open markets, growth, prosperity, and jobs.
Down the other lie closed markets, economic contraction, lower
living standards, and higher unemployment.

Our trade policy is to follow the path to prosperity by
opening markets, expanding trade, and negotiating a set of clear
and enforceable rules to govern world commerce.

The best way to implement this policy is to successfully
conclude the Uruguay Round of global trade talks by December. An
ambitious agreement at the end of these negotiations is my
Administration's top trade priority for 1990.

Unfortunately, world trade has outgrown the rules of the
General Agreement on Tariffs and Trade, or GATT, that served us
so well for four decades. This Constitution of trade is
desperately in need of revision. Together in the Uruguay Round,
the United States and nearly 100 nations representing more than

Policy statement on w.t.r.
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Diplomacy initiatives

Intro.

85 percent of world trade are working to revise and improve GATT rules.

Listen to what we are trying to achieve in these negotiations:

- o First and foremost, we seek to reform agricultural trade, a market badly distorted by costly subsidies and inadequately covered by GATT rules. The cost to farmers and consumers is in the hundreds of billions of dollars. Therefore, the United States believes that there cannot be a successful conclusion to the Uruguay Round without fundamental agricultural reform.
- o Second, we want to expand substantially market access for trade in goods and have challenged our trading partners to envision a future tariff-free world.
- o Third, the United States wants to rein in the hundreds of billions of dollars of trade distorting subsidies with which governments bribe the market instead of letting entrepreneurs win share on the basis of price and quality.
- o Fourth, we want to ensure that the rules that we have, and those that we are negotiating, apply to developing

countries which are no longer at the margin of the trading system.

- o Fifth, we want to develop equitable rules for the new areas of services, investment, and intellectual property that are not covered under current GATT rules. These areas are vital to America's future prosperity.
- o Sixth and last, we want to create a swift and effective means to resolve our trade disputes.

All told, we are striving to incorporate into the global trading system roughly \$1 trillion of goods and services -- a third of world trade -- which are not sufficiently covered by internationally agreed rules of fair play.

The vision underlying all of our efforts in the Uruguay Round is our belief in the benefits that will come from an integrated global trading order. A solid agreement coming out of this round of GATT talks can be the unifying force for integration in world capitals from Budapest to Brasilia. Only through such an agreement will each nation alone, and the world as a whole, gain the assurance that can come from a strong set of fair and enforceable global trade rules.

Of course, we will continue to work with our friends in Congress and in the business community to ensure that all our agreements meet their concerns.

Time is short, our task is great. I call on our trading partners to match our commitment and urge them to move these negotiations forward at the upcoming Organization for Economic Cooperation and Development meeting this month and at the Economic Summit in July.

There is simply no question about it, this round of the GATT is a bold and ambitious undertaking. It is the last, best chance this century to create the trading rules we need for the next century. But let's be clear: the United States regards no agreement as better than a bad agreement.

Even as we are driving at full-speed to complete the Round, the United States also is making progress in market-opening negotiations with important trading partners. For example, in recent months, Japan has demonstrated a real commitment to make fundamental market-opening changes in its trade policies. Our neighbors, Canada and Mexico, are working with us to keep the flow of goods and services between us truly free and open. We are working to the same end with our friends in the European Community as they come ever closer to forming a single market by 1992. And, we've started dialogues with the dynamic economies of

5

the Pacific Rim. There is still much to do, but the outcome of these negotiations will benefit all of us.

We are negotiating trade and investment agreements with the reform governments of Eastern Europe and Latin America. Not only will they prosper from integration into the global trading system, but we will gain also from their long pent-up industry and imagination. Our objective is to anchor these countries in the ideal of freedom, both politically and economically.

Yet, even as we produce success after success in our negotiations, we must be on guard, because free trade is always in danger of erosion and attack. There are those in this country, and elsewhere, who think that they can solve their problems by building barriers to trade. But, protectionism is wrong, both practically and morally. Protectionism imposes heavy financial costs on consumers and passes the social burdens created by market distortions to the future, while doing nothing to aid the people it is intended to help.

We strive for free trade, therefore, not simply because it is good for America, but also because it is good for all mankind.

#



International Trade Administration
U. S. Department of Commerce
Washington, D. C. 20230

United States and Foreign Commercial Service
OFFICE OF DOMESTIC OPERATIONS



Daniel E. Sullivan
Deputy Assistant Secretary
for Domestic Operations

FACSIMILE COVER SHEET

TO: CHRISTENE MARTIN FROM: DAW SULLIVAN/EJELYD Scott

FAX # 456-6218 FAX # 202-377-0687 No. pages 5
(including cover sheet)

COMMENTS:

April 17, 1990

2510

The President's Commercial Diplomacy Initiative

ISSUE

Should the President implement a Commercial Diplomacy Initiative aimed at encouraging American business to pursue export markets?

DISCUSSION

Opportunities

Events over the past year have created the conditions for American firms, in the words of the President's State of the Union address, to "succeed in the global economic arena of the 90's."

Internationally, the impetus comes from:

- the historic processes of democratization and the pursuit of market-based economic policies by Eastern European and Latin American countries;
- ongoing negotiations in the Uruguay Round and on a bilateral basis to open markets previously denied U.S. exporters;
- market liberalization through free trade agreements, both with Canada and through the European Community's 1992 program;
- the success of the Brady Plan in relieving LDC debt burdens, such as in Mexico; and
- the success of bilateral negotiations, including those conducted under section 301, in opening markets in Japan, Korea, Taiwan, and elsewhere.

Domestically, the President has put in place policies that will reduce impediments and directly enhance the competitiveness of U.S. business.

The Challenge

Taken together, these developments present a unique opportunity for American firms to compete and win in the international marketplace. We need to ensure that the accomplishments of U.S. trade policy in opening key markets benefit American firms. Too often in the past, these benefits have gone to our

foreign competitors. A vigorous export promotion effort can be a major complement to our trade policy.

There is tremendous potential for U.S. exporters, particularly small- and medium-sized businesses, to expand their marketing base overseas. A relatively small percentage of U.S. firms are consistent exporters. A recent Census Bureau study, which documented that about 100,000 U.S. firms shipped U.S. manufactured products in 1987, shows that:

- Just 15 percent of these firms accounted for 85 percent of U.S. exports.
- Half of all our exporters sold in only one foreign market. Less than 20 percent export to more than 5 markets.

Government has an interest in acting in partnership with the business community to take advantage of these changing circumstances to expand America's exports and improve our trade performance.

- o The reform movements now underway in Eastern Europe and Latin America, and the accompanying trends towards private ownership and deregulation, will succeed more surely through the infusion of western business expertise, technology, equipment and capital investments.
- o The competitiveness of U.S. firms and our success in global markets will be a key component in projecting U.S. influence in critical regions.
- o If we do not move quickly into emerging markets, our Japanese and European competitors will, with effects on our economy at the macro- and microeconomic levels.

The Administration has already recognized the importance of an active government role in export promotion and there is in place an FY 1990 Presidential Management by Objectives (MBO) plan on International Trade and Export Promotion. This initiative is aimed at implementing the promotion portion of that MBO plan.

ACTION PLAN: THE COMMERCIAL DIPLOMACY INITIATIVE

Effectively taking advantage of these opportunities requires a Presidential initiative that will encourage U.S. businesses to compete abroad. What is required is a focused, coordinated program that will effectively utilize existing federal resources, within existing budget constraints and legal authorities. The Initiative would include the following main elements:

1. A Presidential directive will create a Trade Promotion Coordination Group (TPCG), chaired by the Secretary of Commerce and reporting to the Economic Policy Council. Members will include State, Treasury, USTR, Agriculture, Transportation, SBA, Eximbank, AID, OPIC, USIA, OMB, and TDP. Promoting trade and increasing exports will be acknowledged as national priorities.
2. The TPCG will provide a unifying framework for carrying out the U.S. Government's trade promotion responsibilities more efficiently. The TPCG will coordinate USG assistance related to trade promotion, such as market information and analysis, identification of agents and distributors, providing information on export financing, representation with foreign government and international organization officials, assistance in identifying joint venture partners and foreign research and development projects, guidance in adapting products to foreign markets, and advice in meeting standards, testing and certification requirements.
3. A program of Presidential Trade Promotion Missions will be led by the Secretary of Commerce. These missions, which will be directed at key markets, will stimulate the interest of U.S. business and focus attention on emerging markets and government programs designed to assist exporters.



THE SECRETARY OF COMMERCE
Washington, D.C. 20230

We stand on the doorstep of the 21st century--and the dramatic economic and political changes taking place around the world bring added importance to the traditional export promotion activities of World Trade Week 1990.

Before we look ahead, it may be useful to glance back for a moment--at a man who defied conventional wisdom and took a risk because he believed that something greater might lie beyond his own small world.

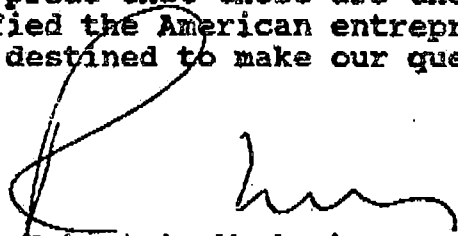
The man was Christopher Columbus, and his story is well-known to all of us. He set out to discover a shorter trade route to the Indies from Europe and, despite the obstacles that challenged him, he succeeded in uniting the Old World with the New. Today's new world, changing so rapidly, is ripe for discovery as well as exploration--of new technologies and new markets.

This year's World Trade Week theme, "The Columbus Quest: Charting a Course to Discover a New World," characterizes the mission that beckons business men and women throughout the U.S. to forge new international business partnerships and the tremendous and rich opportunities those efforts will bring. This moment in history is ours to seize if we make international business a primary goal and aggressively pursue overseas markets.

Quality products and services will help ensure the success of our mission. In the last few years, American industry has been going through an unprecedented period of renovation and modernization and is ready to meet the competition. As President Bush has stated, "U.S. business must take the lead in meeting the important challenge of increasing our competitiveness in the world market."

It is an important challenge, and we at the Department of Commerce stand ready to assist U.S. businesses in their efforts to discover new global opportunities. Waiting on the horizon are increased profits, a strengthened economy, and expanded international cooperation and friendship.

Columbus had tremendous courage, commitment, and vision. I say with pride that those are the traits which have always personified the American entrepreneurial spirit; they are the traits destined to make our quest successful.



Robert A. Mosbacher

63

(DRAFT)

Presidential World Trade Week Proclamation

No time is better than the beginning of the 1990s for America to build the foundation for doing business in the 21st Century--- global business. Our participation in international trade has become essential to U.S. prosperity. It must continue to grow.

Even as we observe World Trade Week, the climate for expanded American participation is improving. Nearly 500 years ago, Christopher Columbus's historic voyage made possible the exploration and development of a vast portion of the globe. Today, in a similar way, the winds of change are providing access to uncharted areas of business development. The world is opening up.

The unleashed spirit of freedom and free enterprise around the world is creating tremendous opportunities, not only for the peoples of newly democratic countries, but for American business as well. As formerly Communist countries establish market systems and entrepreneurial economies, U.S. business can help to provide the fuel to drive the engine of innovation, cooperation, and economic dynamism. The U.S. government is committed to fostering free enterprise in those countries and to opening their markets to American business.

At the Uruguay Round of trade negotiations with 97 nations, we seek the freer movement of goods, services, and capital across national boundaries. We are working diligently to bring those negotiations to a successful conclusion by the end of the year.

In our own country, we are equally committed to building and maintaining an economic environment favorable to trade and to improving our ability to compete.

In these endeavors, the Government can only provide the setting.

The actual work is up to U.S. businessmen and women. Toughened in recent years by fierce competition on a global scale, they have learned to see this contest not as an excuse to close doors and raise barriers but as an incentive to renew their own commitment to excellence.

The top priority for U.S. companies in improving their competitiveness is to produce high-quality goods and services that will attract buyers in every country. A growing number of U.S. firms are pursuing extensive efforts to improve the quality of their operations by thoughtful, self-critical assessment and hard work. Yet, we have only scratched the surface. We need to do much more in our national quest for excellence in quality.

Another priority in meeting international competition is, quite simply, the determination to act. Until recently, U.S. companies gave little thought to exporting because they could flourish by selling in our own huge domestic market. In today's global economy, however, businesses must go after export sales with the same enthusiasm they devote to sales in this country. U.S. companies---large, medium-sized, and small---must move quickly and take advantage of overseas opportunities.

In business, success is its own reward. Companies benefit from profits and growth. Workers benefit from more jobs.

Consumers benefit from a greater variety of goods at lower prices. The entire population gains.

The opening up of the world, so close to the dawn of a new century, makes this World Trade Week an invigorating time. All that is required is for America to respond to the challenge.

NOW, THEREFORE I, GEORGE BUSH, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim the week beginning May 20, 1989, as World Trade Week. I invite the businesses and workers of America to join together with the Federal Government in observance of World Trade Week. Together, we can ensure continued prosperity through global trade.

IN WITNESS WHEREOF, I have hereunto set my hand this day of , in the year of our Lord nineteen hundred and ninety, and of the Independence of the United States of America the two hundred and fourteenth.

WORLD TRADE WEEK 1990

TALKING POINTS

* This year's theme, "The Columbus Quest: Charting a Course to Discover a New World," reflects the tremendous opportunities and challenges ahead for U.S. business men and women provided they take advantage of the exciting developments which have so vastly changed the world.

* U.S. companies interested in seizing this moment in history and forging new international business partnerships need to update their business strategies and aggressively pursue overseas markets.

* The Commerce Department stands ready to assist U.S. businesses in their efforts to discover new global opportunities. The department's export promotion activities are designed to assist the U.S. business community with a range of export and international business needs--including pre-export counseling and marketing support; analyses of foreign market conditions and market access impediments; assessment of industry competitiveness; and development of marketing opportunities and sales representation through export promotion events and trade services.

* A favorable trade balance is a critical element in our long-term economic growth. The statistics are encouraging--our trade deficit decreased \$10 billion in 1989. We still have a long way to go, but we intend to see that we get there.

* Our Nation's economic security depends on our efforts to strengthen our export competitiveness. More than 22,000 jobs were created for every \$1 billion in U.S. exports in 1989. Merchandise exports alone were responsible for 7 million jobs in the United States.

* The Bush Administration realizes that U.S. business faces great challenges--competition from abroad, rapidly changing technology and the need for a highly trained and educated work force.

* A major factor in gaining market share in the world market is QUALITY. Quality in design, workmanship and end product. A real commitment to quality must pervade the workplace from top management down through the ranks. President Bush had it right when he said:

"Quality must be the cornerstone of American enterprise. Nothing else we do to increase competitiveness will matter if our products are not first rate. Quality begins with personal effort."

THE BUSH ADMINISTRATION ON INTERNATIONAL TRADE

President George Bush

"And all over the world, opportunities are rising for new directions in foreign policy and trading arrangements, and new challenges are being issued to our competitive status in world markets."

"This administration is committed to forging a partnership with our nation's business community to help ensure continued economic prosperity and growth into the 1990s. Trade and competitiveness are top priorities. I am firmly committed to opening world markets to U.S. exports and promoting our free trade agenda on both multilateral and bilateral levels."

"Free enterprise is the engine of growth that can lead us into the next century. And it's up to the Government to maintain a climate that is hospitable to growth, competitiveness, productive investment, one that gives free enterprise as much free rein as possible."

Secretary of Commerce Robert Mosbacher

"We need a strategy to innovate, produce, market and sell world class products in each and every industry. Here is what I believe our strategy for victory must be: We can recapture the lead with an industry-led, business-government partnership to produce, in this country, consumer products of the future that drive American research and manufacturing."

"As a businessman myself for more than 40 years, I know it's tough to be competitive in today's world. And when we talk about competitiveness, when we talk about producing quality goods at competitive prices, we're talking about a struggle to preserve America's place in the world. We're talking about maintaining our technological lead. We're talking about a fight for market share, not only abroad but here at home as well."

"The impact of international competition in the U.S. has been painful but instructive. Not only is it forcing us to look outside the comfort of our own sizeable domestic market; it is forcing us to look inward at the domestic challenges that make us less competitive."

WORLD TRADE WEEK

The purpose of World Trade Week is to call attention to the importance of international trade to the U.S. economy.

In 1927, the Foreign Trade Department of the Los Angeles Chamber of Commerce chose a week in May for an observance called Foreign Trade Week. After eight years, the idea of a World Trade Week caught on nationwide. In 1935, the Chamber of Commerce of the United States assumed official sponsorship, and President Roosevelt proclaimed World Trade Week for the first time. By tradition, the observance takes place in the week which includes National Maritime Day, May 22. That date was selected in commemoration of the departure of the SS Savannah from Savannah, Georgia, on May 22, 1819, on the successful transatlantic voyage under steam.

During World Trade Week, government officials and business organizations in major industrial centers throughout the country plan week-long ceremonies, including luncheons, dinners, port and industrial tours, trade seminars and export conferences. The mayors of these cities and some state governors issue proclamations closely paralleling that of the President.

U.S. Trade Facts

The United States is the world's largest economy, the largest market, the leading importer, and the leading exporter. In 1989, merchandise exports contributed 36 percent of real U.S. GNP growth.

Merchandise Exports

- U.S. two-way trade totaled \$837 billion in 1989, with exports of \$364 billion and imports of \$473 billion.
- The 1989 U.S. trade deficit shrank to \$109 billion, 28 percent below the 1987 deficit peak.
- U.S. merchandise exports rose to 7.0 percent of the nation's GNP in 1989—from a low of 5.3 percent in 1986. That compares with estimated 1989 shares for West Germany of 28.4 percent; Canada 22.6 percent; the United Kingdom 18.0 percent; and Japan 9.8 percent.
- In 1989, the United States accounted for 13.2 percent of the world's merchandise exports and an estimated 16.5 percent of the world's merchandise imports.
- In 1989, total U.S. merchandise exports were comprised of 80 percent manufactured goods; 11 percent agricultural goods; and 9 percent primarily mineral fuels and crude materials.
- Total U.S. merchandise imports in 1989 were comprised of 80 percent manufactured goods; 11 percent mineral fuels; and 9 percent agricultural and other goods.
- On average, more than 22,000 (revised) U.S. jobs resulted per \$1 billion of U.S. merchandise exports in 1989.
- Merchandise exports accounted for nearly seven million jobs in the United States in 1989.
- About one in six U.S. jobs in manufacturing was probably due directly or indirectly to exports in 1989.
- From 1891 through 1970, the United States had an unbroken string of trade surpluses. After 1970, it had deficits in every year except 1973 and 1975.
- Canada was by far the United States' leading foreign market for exports in 1989, followed by Japan, Mexico, the United Kingdom, and West Germany. Japan was the United States' leading import supplier, followed closely by Canada, and then by Mexico, West Germany, Taiwan, South Korea, and the United Kingdom.
- Capital goods, including aircraft, lead U.S. exports, followed by industrial supplies and materials, then foods, feeds, and beverages, automotive products, and other consumer products.
- The Commerce Department estimates that roughly one-third of U.S. manufacturing companies—slightly more than 100,000 such companies—export manufactured goods.

Business Services Exports

- Exports of U.S. business services are over one-fourth as large as U.S. exports of merchandise.
- Exports and imports of business services totaled \$104.6 billion and \$76.9 billion, respectively, in 1989.
- In 1989, U.S. exports of business services accounted for about 2.0 percent of the nation's GNP. Travel service receipts and passenger fares accounted for one-third of that total.

The Top Honor: The President's "E" Award

During World War II, when more than 4,000 "E Pennants" were presented to war plants in recognition of production excellence, the famous flag with the big "E" emblazoned on it became a badge of patriotism in action. Bearing a similar honor and distinction, it is now awarded by the President of the United States for excellence in exporting.

At the suggestion of Secretary of Commerce Luther H. Hodges, President John F. Kennedy revived the World War II "E" symbol of excellence to dramatize the importance of improving the nation's balance of payments through expansion of our export trade.

The President's "E" Award was created by Executive Order of the President in 1961 to afford suitable recognition to persons, firms or organizations that contribute significantly in the effort to increase U.S. exports.

The Executive Order also authorized the "E" Certificate of Service, which may be awarded to persons, firms and organizations that may or may not export directly, but assist or facilitate export efforts through financing, transportation, market promotion, or other export-related services. Nonmanufacturers such as banks, utilities, export firms, chambers of commerce, trade associations and individuals that promote and assist exporting may receive this award.

In 1969, the President's "E Star" Award was authorized by the Secretary of Commerce to afford continuing recognition of noteworthy promotion efforts by "E" Award recipients.

To qualify for an "E" Award, a manufacturer must show evidence of a substantial increase in volume of exports over a four-year period. Exports should constitute a significant portion of total product sales and/or be materially in excess of the industry's average percentage. The company also should demonstrate breakthroughs in especially competitive markets, introduce a new product into U.S. export trade, or open a new market.

The President's "E Star" Award recognizes continued superior performance in increasing or promoting exports. Only recipients of the "E" Award are eligible, and the level of performance must exceed that for which the "E" Award was given.

The President's "E" Award Committee—chaired by the Commerce Department with representatives from the Departments of Agriculture, Interior, and Labor and the Small Business Administration and Export-Import Bank of the United States—weighs the merits of applicants, using such criteria as trade show participation, distributors, and market research.

Applications must be submitted through the nearest district office of the Department's International Trade Administration. District office trade specialists are available to advise and assist applicants.

When an "E" Award application is received at the Commerce Department in Washington, it is reviewed, and, if found to be complete, is submitted to various federal regulatory agencies for clearance. The applicant authorizes U.S. Government departments, agencies, and commissions to provide the Commerce Department with information pertaining to the applicant for purposes of determining the applicant's eligibility for the award. The purpose is to prevent possible embarrassment to the U.S. Government.

After all regulatory responses are received, the President's "E" Award Committee considers each application on its individual merits. Those receiving favorable consideration are forwarded to the Secretary of Commerce for final selection.

"E" winners receive a certificate signed in the name of the President by the Secretary of Commerce, a lapel pin with the President's "E", and a white flag with a blue E to fly over their plant or office. "E Star" winners receive a similar certificate and pin, along with a pennant emblazoned with a blue star.

Award ceremonies may be held in conjunction with trade events, such as conventions, seminars, annual association meetings and trade shows. Some firms arrange for employees to participate in the ceremony, perhaps providing them with individual "E" pins or hosting a luncheon. Presentations are made in behalf of the President by Senators, Congressmen, federal officials, and other high-level officials.

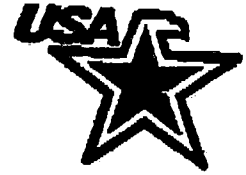
Winners are encouraged to use the "E" emblem in a variety of ways to obtain further recognition. Reproducing the pin or the pennant on stationery, advertisements, postage meters, premiums or other items informs the public about the honor.

For further information, contact an ITA district office or "E" Awards Program, Office of Domestic Operations (US&FCS), International Trade Administration, Room 3810, U.S. Department of Commerce, Washington, D.C. 20230.



International Trade Administration
U. S. Department of Commerce
Washington, D. C. 20230

United States and Foreign Commercial Service
OFFICE OF DOMESTIC OPERATIONS



Daniel E. Sullivan
Deputy Assistant Secretary
for Domestic Operations

FACSIMILE COVER SHEET

TO: Christina Martin FROM: Dan Sullivan (Evelyn Scott)

FAX # 456-6218 FAX # 202-377-0687 No. pages 4
(including cover sheet)

COMMENTS:

Sending first 3 pages just
to be sure. Thanks.
Evelyn Scott



UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230

"E" AWARD PROGRAM BACKGROUND

HISTORY

During World War II, more than 4,000 "E Pennants" were presented to war plants in recognition of production excellence. The famous flag with the big "E" emblazoned on it became a badge of patriotism in action. (These "E Pennants" were combined from the Navy's "E" pennant to defense production plants which originated in 1906, from Maritime Administration's "M" pennants to shipyards for record production, and from the Army's "A" pennants.

At the suggestion of Secretary of Commerce Hodges, President Kennedy revived the World War II "E" symbol of excellence to dramatize the importance of closing the nation's balance of payments gap through expansion of our export trade. Thus, the "E" Award Program was established by Executive Order 10978 on December 5, 1961. The "E Star" was authorized in 1969 to recognize "E" winners for continued efforts in export expansion.

Winners of the "E" and "E Star" Award are authorized to fly the blue and white banner, to display the accompanying certificate of commendation which is signed by the Secretary of Commerce in the name and by the authority of the President, to wear and issue to employees an "E" lapel pin, and to refer to the award in their advertising.





UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230

PRESIDENTIAL "E" AWARDS

The "E" Award Program was established by Executive Order 10978 on December 5, 1961, to afford suitable recognition to firms and organizations that contribute significantly in the effort to increase United States exports. A second award, the "E Star" Award, was authorized by the Secretary of Commerce in 1969 to recognize "E" Award recipients for continuing export expansion efforts. To date, approximately 1,800 firms or organizations have received the "E" Award, and 300 of those recipients have continued to expand export efforts and have received the "E Star" Award.

As called for in the Executive Order, winners receive a certificate signed in the name of the President by the Secretary of Commerce, lapel pins, and an "E" or "E Star" pennant. In those instances in which a nominee has contributed significantly to agricultural exports and/or services, the certificate is signed by the Secretaries of Commerce and Agriculture.

"E" Award ceremonies are arranged to give maximum publicity to both the recipient and the Department of Commerce's export promotion efforts. Since the beginning of the program, presentations have been made by each President, with the exception of President Carter, at White House World Trade Week ceremonies and outside of Washington at local events. (President Reagan presented awards in the White House Rose Garden for World Trade Week ceremonies in 1983, 1984, 1987 and 1988; he also presented awards in Illinois and Ohio while on travel. President Bush presented one "E" Award in Illinois while traveling; as Vice President he presented one "E" Award in his Washington office and one while traveling in Florida.)

Cabinet Officers, Presidential appointees, Members of Congress, governors, certain mayors, and other suitable representatives of the President present the awards at annual association meetings, trade luncheons, trade seminars, and other appropriate forums. Ceremonies are usually well publicized, especially in small and medium sized cities, providing the presenter an effective forum for publicizing the entire range of our government's efforts to strengthen this nation's export position in world trade.



-2-

Processing:

Organizations interested in being considered for an "E" Award must file an application through the nearest District Office of the Department of Commerce. After the application has been forwarded to Washington, it is reviewed by the Department, and if found to be complete, the applicant's name is forwarded to various Federal regulatory agencies for clearance. The purpose of the interagency clearance, which is authorized by the applicant, is to prevent embarrassment to the United States government as the result of such an award. The regulatory agencies are (Department of Justice (both the Antitrust and Criminal Divisions); Department of Labor; Internal Revenue Service; Federal Trade Commission; National Labor Relations Board; Securities and Exchange Commission; Export-Import Bank; and in the Commerce Department, both the Office of Export Enforcement and the Office of Antiboycott Compliance in Export Administration.

After all regulatory responses are favorably received, the President's "E" Award Committee, chaired by the Deputy Assistant Secretary for Domestic Operations, US&FCS, with representatives from the Departments of Labor, Interior, Agriculture, Small Business Administration, Export-Import Bank, Maritime Administration, and Trade Development in Commerce, considers the application. If Committee members vote favorably, a recommendation is forwarded to the Secretary of Commerce for final action. Those applicants sent forward to the Secretary are usually approved as a matter of course.

If there is an objection from a regulatory agency, the Committee will exercise its judgment regarding objections which involve non-criminal violations of law. A violation of criminal law, whether proven or under investigation, or a violation relating to export performance of an applicant will cause the award to be either deferred or denied.

INTERNATIONAL TRADE ADMINISTRATION
Washington, D.C. 20230Facsimile TransmissionCover Sheet*Steve
Francis*

DATE:

5/11/90

TO: NAME:

CHRISTINA MARTIN

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FROM:

LISA GODDARD

NO. OF PAGES

6

(excluding cover)

COMMENTS:

SOME MORE TALKING POINTS ON
E AWARDS AND THE COMMERCIAL
DIPLOMACY INITIATIVE. FEEL FREE
TO CALL WITH ANY QUESTIONS.

377-0332

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THUMBNAIL OUTLINE
ROSE GARDEN TALKING POINTS

I OPENING

- A. Here today to honor __ successful exporters
- B. Mention World Trade Week
- C. Mention Columbus Quest
- D. Mention E Award winners and commitment to quality re competitiveness

II COMMERCIAL DIPLOMACY

- A. Changing world, new opportunities
- B. Commerce reacting with new, innovative programs
- C. Traditional trade policy continuing strongly
- D. USTR Section
- E. Role of government in export promotion -- as separate and needed in addition to market opening negotiations
- F. Need for more coordination -- TPCG
- G. Purpose of TPCG
- H. TPCG members

III E AWARD PRESENTATIONS

TALKING POINTS FOR WTW ROSE GARDEN PRESIDENTIAL ANNOUNCEMENT

Opening:

- o We are here to honor — U.S. exporters who have met the competitive challenge and have become successful in the international market. They stand out in their industries as examples of what a company with a quality product and determination can achieve.
- o It is fitting to honor these exporters now, during World Trade Week. Since 1927, we as a nation, have taken time to reflect on the importance of exports to the U.S. economy. And today, as U.S. exporters are faced with increasing competition, both abroad and at home, it seems particularly appropriate to recognize winners of the President's "E" and "E" Star Awards for Excellence in Exporting.
- o Much the way Christopher Columbus sought a better trading route to the Indies and discovered a new world, U.S. firms are discovering a new world of opportunity in the international market.
- o "E" Award winners embody Columbus's entrepreneurial spirit. You are proof that a commitment to quality, dedication and perseverance pays off.

- o These companies have shown they can meet the challenge of the competitive international market -- and rise above it. They represent the gamut of the American export scene -- small, medium and large; manufacturers and service providers; corporate and community organizations; urban and rural; and high tech and agricultural.

Commercial Diplomacy Initiative

- o Recent political and economic changes throughout the world have accelerated the heartbeat of the international market. Suddenly, as a result of changes in Eastern Europe and Latin America, and implementation of EC 1992, U.S. business is faced with tremendous options in overseas markets.
- o As the face of the world changes, so too must the Government adapt the ways in which we work with U.S. business to promote American goods and services abroad -- how we help create the federal infrastructure that enables American business to develop successful international marketing strategies.

- o For example, the Commerce Department has put in place a multi-faceted plan to assist U.S. business in doing business in Eastern Europe. The Department has opened the Eastern Europe Business Information Center to answer questions on business opportunities; added staff and opened offices of the U.S. and Foreign Commercial Service in Eastern European U.S. Embassies; stepped up the number of trade fairs in and business delegations to the region; and has utilized its nationwide field staff to hold local seminars and work with business communities.
- o To be provided by USTR
- o On the more traditional trade policy front, the Administration has been working to see that doors are opened for U.S. exports worldwide. To this end, we are committed to successfully conclude the Uruguay Round of the GATT, to pursue market-opening initiatives with key trading partners, and to use the strength of our domestic market to open markets abroad and expand trade.
- o Separate and apart from trade policy, a strong trade promotion program is the key to deriving the tangible benefits from opened markets. Once we open foreign markets through our trade policy initiatives, we need to ensure American business is in a position to benefit fully from these new opportunities.

- o This Administration sees the critical importance of its partnership role in assisting U.S. business. This includes building an active hand-in-hand working relationships with state and local government, and the international trade community.
- o Ultimately, the most important role for government is to provide an infrastructure for exporters. This includes being a source of overseas market information; being an advocate of U.S. business interests in dealings with foreign governments and government-owned enterprises; and acting as a matchmaker for prospective foreign buyers and interested U.S. suppliers.
- o There is tremendous potential for U.S. exporters, particularly small and medium businesses, to expand overseas. A small percentage of U.S. firms are consistent exporters.

A recent Census Bureau study, which documented about 100,000 U.S. firms shipped U.S. manufactured products in 1987. Just 15 percent of these firms accounted for 85 percent of U.S. exports. Half of all our exports sold in only one foreign market. Less than 20 percent export to more than 5 markets.

- o While much has been accomplished on the government-to-government side, our partnership role of promoting U.S. goods abroad has not been as coordinated as possible.

- o Therefore, to enhance and better coordinate government efforts to help U.S. businesses export, I have issued an Executive Order creating the Trade Promotion Coordination Group (TPCG) and have directed Commerce Secretary Robert A. Mosbacher to head it. Chaired by the Department of Commerce, representing the principal U.S. Government agency responsible for export promotion, the TPCG will provide a unifying framework for carrying out the government's trade promotion responsibilities more efficiently.

- o The TPCG will coordinate all government trade promotion activities, such as market information and analysis; trade events including trade missions; identifying agents and distributors; providing information on export financing; representing U.S. business interests with foreign government and international organization officials; assistance in identifying joint venture partners and foreign research and development projects; and advice in meeting standards, testing and certification requirements.

- o TPCG members will include the Departments of Commerce, State, Treasury, Agriculture, Defense and Transportation; the Office of the U.S. Trade Representative; The Office of Management and Budget; the Small Business Administration; the Export-Import Bank; the Agency for International Development; the Overseas Private Investment Corporation; the U.S. Information Agency; and the Trade Development Program.

E Star Award Presentations:

Proclamation
Global Trade m3

FACT SHEET DRAFT

USTR v. COMMERCE LANGUAGE

Trade Strategy - build
policy / promotion - substantive
200 RQ 23rd
Houston Summit

Mosbacher + Hills

10 minute
conclude w/ 11 awards

recipients - front row

Cabinet, legis reps, E Award - past +
Wash based Trade Assoc present
Commerce + USTR

(158) 190 - packed

Export - promotion

OECD - Houston Summit