

# SURVEY OF CURRENT BUSINESS



U.S. International Transactions

UNITED STATES DEPARTMENT OF COMMERCE / BUREAU OF ECONOMIC ANALYSIS

# SURVEY OF CURRENT BUSINESS



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U.S. International Transactions **1**  
 First Quarter 1978

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# U.S. International Transactions, First Quarter 1978

THE pattern of U.S. international capital transactions that developed in the fourth quarter of 1977 continued in the first quarter of this year. Both inflows of foreign capital and outflows of U.S. capital continued at or near their high fourth-quarter rates. The large current-account deficit was unchanged and the U.S. dollar continued to depreciate against most major currencies.

In the capital accounts, U.S. assets abroad increased \$14.3 billion, compared with a \$14.7 billion increase in the fourth quarter. The small change in net capital outflows reflected large and mostly offsetting changes. Claims on foreigners reported by U.S. banks increased \$6.3 billion, following an \$8.8 billion increase in the fourth quarter. This decline was nearly offset by higher net outflows for U.S. direct investment abroad, and a near doubling of claims on foreigners reported by nonbanking concerns.

Reinvested earnings of incorporated foreign affiliates of U.S. direct investors and of incorporated U.S. affiliates of foreign direct investors are now included in payments and receipts of income on direct investment. Offsetting entries—of equal magnitude and opposite sign—are made in the corresponding direct investment capital accounts. The inclusion of reinvested earnings affects the partial balances shown as memorandum items in tables 1, 2, and 10. These tables present revised annual estimates from 1960 and quarterly estimates from 1970 forward. See the technical notes for further explanation.

Foreign assets in the United States increased \$17.8 billion, compared with \$20.1 billion in the fourth quarter. Foreign official agencies added \$15.7 billion to their assets in the United States, mainly reflecting continued heavy intervention purchases of dollars in exchange markets. Most of the decline in net capital inflows was accounted for by a slower first-quarter increase—\$0.6 billion compared with the \$2.8 billion in the fourth quarter—in liabilities to private foreigners and international financial institutions reported by U.S. banks (including U.S.

Treasury securities). Net foreign purchases of U.S. securities other than U.S. Treasury securities declined \$0.3 billion to \$0.5 billion, although Western European purchases of U.S. stocks rose sharply in March, following small purchases early in the quarter.

The U.S. current-account—which, as explained in the accompanying box, now includes reinvested earnings—was in deficit by \$7.0 billion, about the same as in the fourth quarter. (On the previous basis, the deficit was \$9.1 billion compared with \$8.4 billion in the fourth quarter.) The sharp increase in

Table A.—Summary of U.S. International Transactions

[Millions of dollars, seasonally adjusted]

Line	Lines in tables 1, 2, and 10 in which transactions are included are indicated in ( )	1976	1977	1976				1977				1978	Change: 1977: IV-1978: I
				I	II	III	IV	I	II	III	IV		
1	Exports of goods and services (1).....	171,274	183,214	40,375	42,449	44,160	44,291	44,751	46,285	47,135	45,046	48,137	3,091
2	Merchandise, excluding military (2).....	114,694	120,585	27,001	28,380	29,602	29,711	29,477	30,638	31,013	29,457	30,664	1,207
3	Other goods and services (3-15).....	56,580	62,629	13,374	14,069	14,558	14,580	15,274	15,647	16,122	15,589	17,473	1,884
4	Imports of goods and services (17).....	-161,913	-193,727	-37,644	-39,268	-41,933	-43,068	-46,374	-47,712	-48,726	-50,916	-53,837	-2,921
5	Merchandise, excluding military (18).....	-124,047	-151,644	-28,352	-29,963	-32,418	-33,314	-36,495	-37,259	-38,263	-39,627	-41,865	-2,238
6	Other goods and services (19-31).....	-37,866	-42,083	-9,292	-9,305	-9,515	-9,754	-9,879	-10,453	-10,463	-11,289	-11,972	-683
7	U.S. Government grants (excluding military grants of goods and services) (34).....	-3,145	-2,776	-546	-592	-1,440	-567	-636	-763	-787	-591	-752	-161
8	Remittances, pensions and other transfers (35-36).....	-1,878	-1,932	-482	-448	-468	-480	-490	-480	-490	-473	-502	-29
9	U.S. assets abroad, net (increase/capital outflow (-)) (37).....	-50,608	-34,650	-12,365	-11,740	-10,269	-16,235	-1,334	-12,003	-6,615	-14,700	-14,286	414
10	U.S. official reserve assets, net (38).....	-2,530	-231	-773	-1,578	-407	228	-388	6	151	(*)	246	246
11	U.S. Government assets, other than official reserve assets, net (43).....	-4,213	-3,679	-762	-932	-1,340	-1,180	-949	-795	-1,098	-838	-900	-62
12	U.S. private assets, net (47).....	-43,865	-30,740	-10,830	-9,230	-8,522	-15,283	3	-11,214	-5,668	-13,862	-13,632	230
13	Foreign assets in the United States, net (increase/capital inflow (+)) (56).....	36,969	50,869	7,590	7,914	8,932	12,534	2,490	14,064	14,251	20,065	17,816	-2,249
14	Foreign official assets, net (57).....	18,073	37,124	3,819	4,017	3,070	7,166	5,451	7,884	8,246	15,543	15,691	148
15	Other foreign assets, net (64).....	18,897	13,746	3,771	3,897	5,862	5,367	-2,962	6,180	6,005	4,522	2,125	-2,397
16	Statistical discrepancy (75).....	9,300	-938	3,073	1,685	1,018	3,525	1,593	609	-4,769	1,569	3,423	1,854

\* Preliminary.  
\* Less than \$500,000 (±).

the merchandise trade deficit from \$10.2 billion to \$11.2 billion—reflecting a larger increase in imports than in exports—and an increase in unilateral transfers—mainly U.S. Government grants—were offset by higher net receipts on services transactions.

### U.S. dollar in exchange markets

The dollar continued to depreciate against most major currencies in the

first quarter, although at a slower rate than in the fourth. Announcement of a more active U.S. intervention policy in the exchange markets helped to stabilize the dollar early in the quarter, as did the rise in U.S. short-term interest rates throughout the quarter. On the other hand, the U.S. trade and current-account deficits continued to increase, especially when compared with the trade and current-account balances of

Germany and Japan. The net depreciation of the dollar against the trade-weighted average of the currencies of 10 major industrial countries, measured from the end of December to the end of March, slowed to 2 percent from 6 percent; against the trade-weighted average of 22 OECD currencies, the depreciation also slowed to 2 percent from 6 percent.

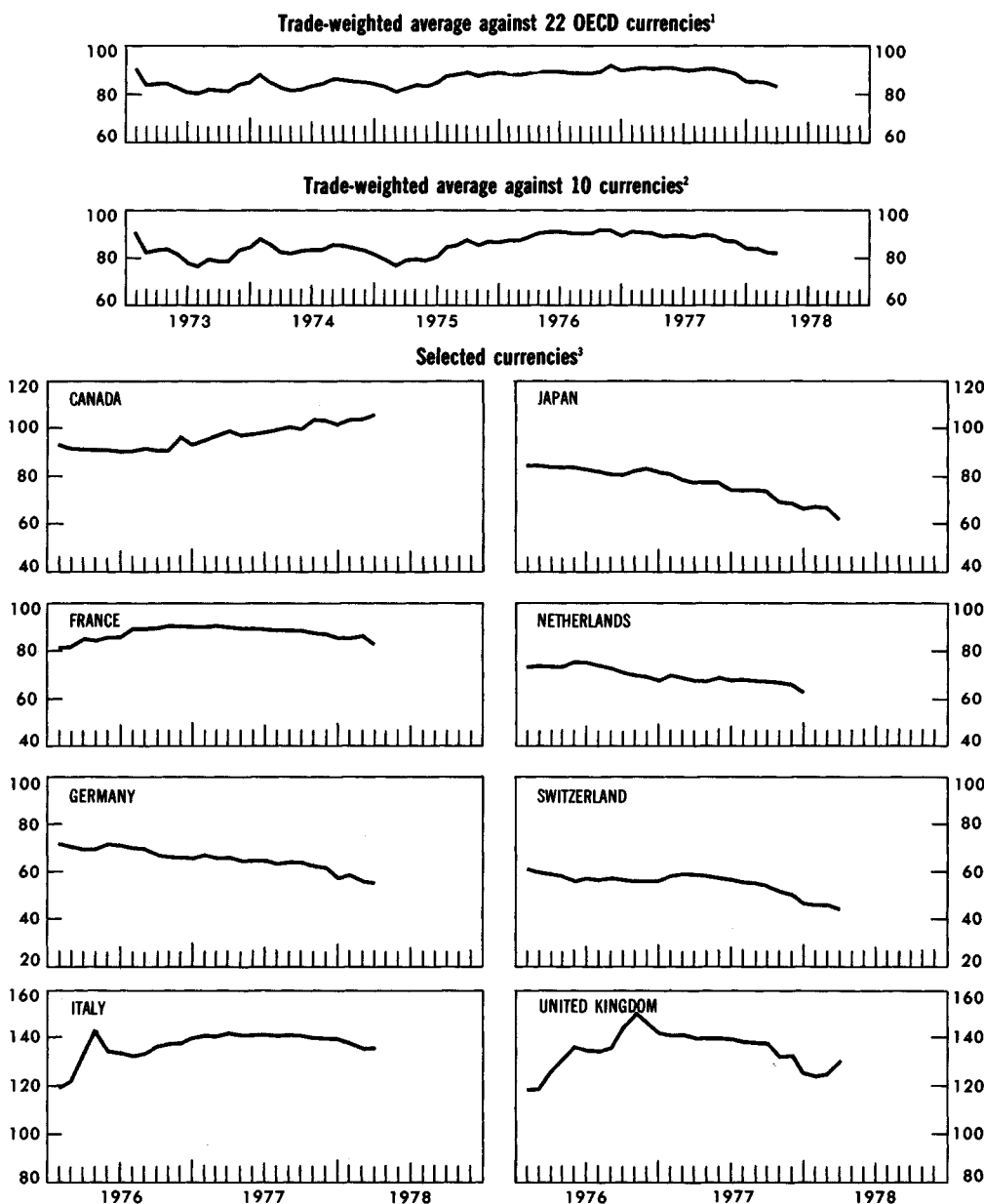
The dollar's depreciation against the German mark slowed to 4 percent in the first quarter from 10 percent in the fourth. After the dollar declined sharply in the first week of the quarter, it recovered temporarily after announcement of a more active U.S. intervention policy. However, in mid-February, the dollar again declined, and U.S. monetary authorities drew heavily on swap lines with the Bundesbank to support the dollar. By the end of March, a doubling of the swap line between the U.S. Federal Reserve and the Bundesbank to \$4 billion, an announcement that the U.S. Treasury was prepared to sell \$730 million equivalent in Special Drawing Rights to Germany, together with a slight rise in U.S. short-term interest rates relative to German rates, had helped to stabilize the dollar-mark rate. During the quarter, there were similar movements of the dollar against the Belgian franc, the Dutch guilder, and the Swiss franc. Against the Swiss franc, the dollar's depreciation slowed to 8 percent from 16 percent, in part reflecting new Swiss exchange controls.

The dollar depreciated 8 percent against the Japanese yen, compared with 11 percent in the fourth quarter. Most of the decline occurred in March.

The U.S. dollar appreciated 3 percent against the Canadian dollar, following a 2-percent appreciation in the fourth quarter. To support the Canadian dollar late in the first quarter, Canadian authorities drew on the U.S. dollar standby credit line with Canadian commercial banks and announced plans to raise funds in foreign capital markets. The discount rate was also raised, and there was a general rise in Canadian short-term interest rates.

The dollar also rose against the British pound toward the end of the first quarter, reflecting renewed concern over the United Kingdom econ-

CHART 1  
Indexes of Foreign Currency Price of the U.S. Dollar (May 1970=100)



1. Australia, Austria, Belgium-Luxembourg, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom. Data: U.S. Department of the Treasury.

2. Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, United Kingdom. Data: Federal Reserve Board.

3. Data: International Monetary Fund.

NOTE.—Data are for end of month.

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Table B.—Selected Transactions with Official Agencies

[Millions of dollars]

Line		1976	1977	1976				1977				1978 I <sup>a</sup>	Change: 1977: IV- 1978: I
				I	II	III	IV	I	II	III	IV		
1	Changes in foreign official assets in the U.S., net (decrease—) (line 57, table 1).....	18,073	37,124	3,819	4,017	3,070	7,166	5,451	7,884	8,246	15,543	15,601	148
2	Industrial countries <sup>1</sup> .....	3,887	28,931	-521	-134	-374	4,916	2,385	5,460	7,212	13,874	13,184	-690
3	Members of OPEC <sup>2</sup> .....	9,581	6,733	3,530	3,280	1,788	983	2,927	1,344	1,438	1,024	1,810	786
4	Other countries.....	4,605	1,460	810	871	1,656	1,267	139	1,080	-404	645	697	52
5	Changes in U.S. official reserve assets (increase—) (line 38, table 1).....	-2,530	-231	-773	-1,578	-407	228	-388	6	151	(*)	246	246
	Activity under U.S. official reciprocal currency arrangements with foreign monetary authorities: <sup>3</sup>												
6	U.S. drawings, or repayments (—), net.....	-399	240	41	-191	-100	-109	-163	-144	-144	691	2,010	1,319
6a	Drawings.....	169	835	154			15			35	800	2,113	1,313
6b	Repayments.....	-568	-595	-153	-191	-100	-124	-163	-144	-179	-109	-103	6
7	Foreign drawings, or repayments (—), net.....	300	-300	500	760	-300	-660	-100	-165	-35			
7a	Drawings.....	2,326	120	500	774	237	815	50	70			295	295
7b	Repayments.....	-2,026	-420		-14	-537	-1,475	-150	-235	-35		-295	-295

<sup>a</sup>Preliminary.<sup>b</sup>Less than \$500,000 (±).<sup>1</sup> EC (9), other Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.<sup>2</sup> Partly estimated. Based on data for Indonesia, Venezuela, and Middle East and African oil-exporting countries.<sup>3</sup> Consist of transactions of the Federal Reserve System and the U.S. Treasury Department's Exchange Stabilization Fund.<sup>4</sup> Excludes transactions designed to consolidate existing swap arrangements in 1976-I, and to refund a short-term obligation into a medium-term obligation in 1976-IV.

Table C.—Indexes of Foreign Currency Price of the U.S. Dollar

[May 1970=100]

	End of period												
	1975				1976				1977				1978
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I
Trade-weighted average against 22 OECD currencies <sup>1</sup> .....	82.7	84.7	89.7	89.1	88.8	89.1	88.2	89.7	90.7	89.7	90.3	85.4	84.1
Trade-weighted average against 10 currencies <sup>2</sup> .....	79.2	80.4	87.1	86.6	89.1	89.4	90.5	89.9	90.3	89.6	89.1	83.9	82.0
Selected currencies: <sup>3</sup>													
Canada.....	93.4	96.0	95.5	94.6	91.6	90.2	90.6	94.0	98.4	98.7	99.9	101.9	105.4
France.....	76.4	73.2	82.2	81.3	84.6	85.9	89.3	90.0	90.0	89.1	88.8	85.2	83.0
Germany.....	64.6	64.8	73.3	72.2	69.9	70.9	67.1	65.0	65.8	64.4	63.5	57.9	55.7
Italy.....	100.5	100.2	109.3	108.7	133.6	133.7	136.7	139.1	141.1	140.7	140.3	138.6	135.5
Japan.....	81.9	82.6	84.3	85.0	83.5	82.9	80.1	81.6	77.3	74.6	74.0	66.9	62.0
Netherlands.....	65.9	67.2	75.3	74.0	74.0	75.3	70.7	67.7	68.6	68.1	67.6	62.8	59.6
Switzerland.....	58.5	57.9	63.6	60.6	58.6	57.2	56.8	56.7	58.8	56.9	54.1	46.5	43.2
United Kingdom.....	99.7	109.3	117.7	118.7	125.4	134.9	143.2	141.1	139.7	139.6	137.6	126.0	129.4

<sup>1</sup> Australia, Austria, Belgium-Luxembourg, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom. Data: U.S. Department of the Treasury.<sup>2</sup> Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, United Kingdom. Data: Federal Reserve Board.<sup>3</sup> Data: International Monetary Fund.

omy. There were wide fluctuations of the dollar against the French franc, largely reflecting election uncertainties in France. Stability returned after the defeat of leftist political parties and the dollar showed a net decline of 3 percent for the quarter.

### Merchandise trade<sup>1</sup>

The U.S. merchandise trade balance was in deficit by \$11.2 billion in the first quarter, compared with \$10.2 billion in the fourth. Exports increased 4 percent to \$30.7 billion; volume increased 1 percent. Imports increased

6 percent to \$41.9 billion; volume increased 2 percent.

Generally sluggish economic activity in most industrial countries—particularly in investment—continued to moderate the rise in U.S. capital goods exports. In addition, several temporary factors held down the rise in exports and stimulated imports in the first quarter. On the exports side, inland transportation problems related to the cold weather may have delayed shipments to ports, and the coal miners' strike—which lasted from December 6 to March 24—severely depressed coal exports. On the imports side, steel imports rose, reflecting efforts to land shipments before the trigger-price mechanism took effect late in February.

The higher value of imports also reflected substantially higher import prices, which stemmed in part from the appreciation of a number of foreign currencies against the dollar.

About three-quarters of the \$1.2 billion increase in U.S. exports was due to agricultural products. The value of these products increased 15 percent, to \$6.5 billion; volume increased 10 percent. The increase was largely accounted for by shipments of wheat and feed grains to Southeast Asia and of corn to Eastern Europe.

Nonagricultural exports increased 1 percent to \$24.1 billion; higher prices more than accounted for the increase. Increases in chemicals, machinery (particularly construction machinery),

1. Census Bureau changes in the compilation, reporting, and coverage of merchandise exports and imports, beginning in January 1978, are summarized in the technical notes.

and automotive products (particularly trucks) were nearly offset by decreases in civilian aircraft and coal. Consumer goods were unchanged.

Imports of nonpetroleum products increased almost 10 percent to \$31.9 billion, compared with 8 percent in the fourth quarter. However, the rate of increase in volume decelerated to 4 percent as prices rose sharply, possibly reflecting the recent dollar depreciation.

About two-fifths of the first-quarter import increase was in industrial supplies, particularly nonferrous metals and iron and steel products. Iron and steel imports were especially strong in February, due to the speedup in arrivals prior to the introduction of the Treasury's trigger-price mechanism, which became effective on February 21. Steel imports continued to rise in March because penalties were not enforced for imports delivered under contracts signed before February 21. Imports of consumer goods, particularly non-durables from the developing countries in Asia and durables from Japan, also increased substantially. Among other nonpetroleum imports, coffee arrivals, up sharply from the fourth quarter, contributed to the increase in food imports. Imports of both electrical and nonelectrical machinery increased substantially, after only small increases in the previous quarter. Imports of foreign-type autos from countries other than Canada also rose. The rise was more than accounted for by higher prices; in volume, these imports declined from their high fourth quarter. As chart 3 shows, sales leveled off and dealer inventories continued to increase in the first quarter.

Partly offsetting the strong increase in nonpetroleum imports was a 6 percent decline, to \$10.0 billion, in petroleum imports. The number of barrels imported daily dropped to 8.2 million from 8.6 million in the fourth quarter. The fourth consecutive quarterly decline in petroleum imports reflected ample stocks and increased production in the United States, which have been sufficient to meet moderately higher demand.

The first-quarter increase in the trade deficit was with industrial countries. The trade balance with Western Europe was in deficit for the first time since 1972. The \$0.2 billion deficit was due to a larger increase in imports than in exports. The deficit with Japan rose to \$3.3 billion, due to lower exports and higher imports; the deficit with Canada rose to \$1.2 billion. Among developing countries, there was a decline in the deficit with members of the Organization of Petroleum Exporting Countries (OPEC) to \$4.9 billion,

and to \$1.6 billion with other developing countries.

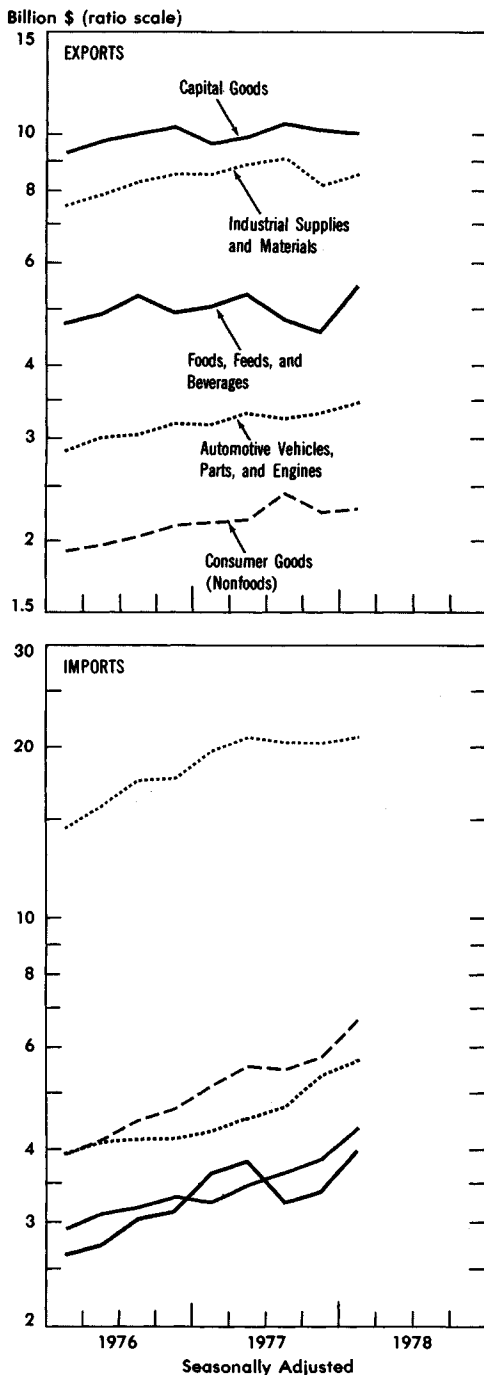
**Service transactions and unilateral transfers**

Net service receipts were \$5.5 billion, up from \$4.3 billion in the fourth quarter. Higher receipts from military transactions and from income on U.S. direct investment abroad more than offset the rise in income payments to foreigners on their holdings of U.S. securities.

Transfers under U.S. military agency sales contracts were \$1.9 billion, up \$0.3 billion from the fourth quarter. Stepped-up deliveries to Middle East countries accounted for the increase;

CHART 2

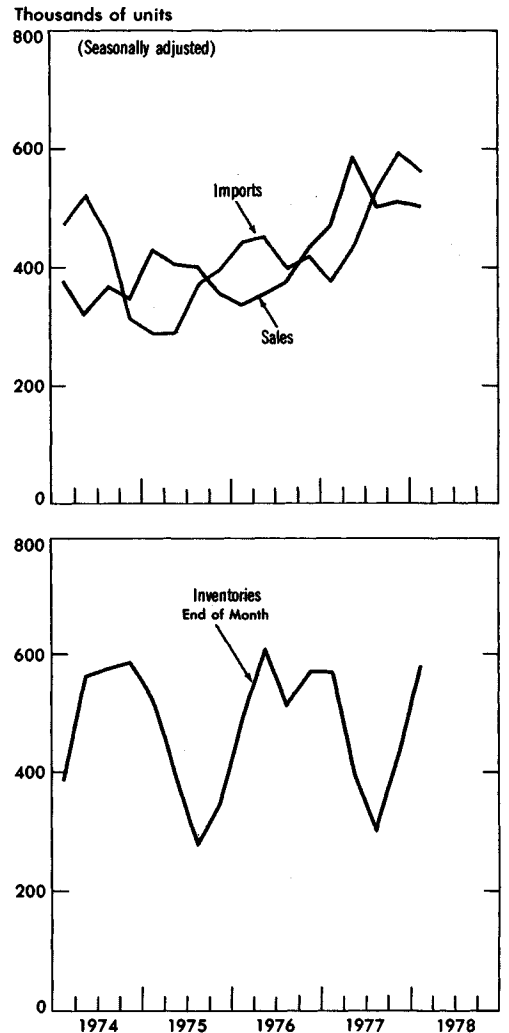
**U.S. Merchandise Trade**



U.S. Department of Commerce, Bureau of Economic Analysis.

CHART 3

**Imports, Sales, and Inventories of Non-Canadian Passenger Cars**



Data: Imports, Bureau of the Census, seasonally adjusted by BEA. Sales, Wards Automotive Reports, seasonally adjusted by BEA. Inventories, Wards Automotive Reports.

deliveries to Western Europe continued to decline. Direct defense expenditures abroad were unchanged at \$1.5 billion.

U.S. travel and passenger fare receipts were unchanged; a 4-percent rise in receipts from Canadian visitors was offset by a 10-percent decline in receipts from Mexican visitors. Payments for travel and passenger fares by U.S. residents traveling abroad were up slightly. Increases in spending in Mexico and in overseas areas were partly offset by a decline in spending in Canada.

Transportation receipts and payments both increased moderately from the fourth quarter, as the volume of exports and imports increased.

Investment income receipts rose strongly for the second consecutive quarter, reflecting increases in both direct investment income and in other private receipts. Receipts of interest, dividends, and earnings of unincorporated affiliates on U.S. direct investment abroad increased \$0.3 billion to \$3.1 billion. Reinvested earnings of incorporated foreign affiliates of U.S. direct investors (now included in receipts of income on U.S. direct investment abroad) increased \$0.7 billion, to \$2.6 billion. Increases occurred in nearly all geographic areas and were particularly large in Canada. At \$5.7 billion, income on U.S. direct investment abroad (including reinvested earnings) reached a new high.

Income payments on foreign direct investment in the United States decreased slightly to \$0.7 billion. Payments of interest, dividends, and earnings of unincorporated affiliates and reinvested earnings of incorporated U.S. affiliates of foreign direct investors both decreased. Income payments on U.S. Government securities rose sharply, reflecting large purchases by foreign official agencies in recent quarters as a result of their dollar intervention purchases in exchange markets; higher U.S. interest rates also contributed to the rise in payments. Income payments on private assets in the United States, mainly financial instruments, also rose because of higher U.S. interest rates.

Unilateral transfers rebounded from

an unusually low fourth quarter, due to an increase in U.S. Government grants.

#### *U.S. assets abroad*

U.S. assets abroad increased \$14.3 billion, compared with a \$14.7 billion increase in the fourth quarter. There were large and mostly offsetting changes; a slowdown in U.S. bank lending abroad was nearly offset by higher net outflows for U.S. direct investment abroad and a near doubling of claims on foreigners reported by nonbanking concerns.

Net capital outflows for U.S. direct investment abroad increased \$1.2 billion, to \$4.4 billion; the increase was about equally split between equity and intercompany accounts, on the one hand, and reinvested earnings of incorporated affiliates, on the other. Among net outflows for equity and intercompany accounts, a rise in outflows to petroleum affiliates mostly reflected the shift to a large outflow to a single affiliate in the Middle East. Partly offsetting were shifts to inflows from petroleum affiliates in Other Western Hemisphere countries. A decline in outflows to nonpetroleum affiliates was more than accounted for by a decline in outflows to Other Western Hemisphere countries from an unusually high fourth-quarter level. Partly offsetting was a shift to outflows to nonmanufacturing affiliates in Western Europe.

Net claims on foreigners reported by U.S. banks increased \$6.3 billion compared with \$8.8 billion in the fourth quarter. U.S. bank lending to Western European countries decreased \$1.4 billion; the decrease in outflows to the United Kingdom was especially large. Outflows channeled through Caribbean branches of U.S. banks, which are highly volatile from quarter to quarter, decreased to \$3.3 billion from \$4.7 billion.

Net U.S. purchases of foreign securities increased \$0.2 billion to \$0.9 billion. Foreign new issues were \$1.1 billion, the lowest since the first quarter of 1977. Although Canadian new issues more than doubled from a very low fourth-quarter total, they were more than offset by a decline in new foreign issues by other countries and the con-

tinued absence of placements by international financial institutions. On the other hand, there was a shift to net U.S. purchases of outstanding bonds; a \$0.5 billion increase in U.S. purchases from Japan was encouraged by attractive yields and anticipated exchange rate gains on yen-denominated issues. U.S. sales of outstanding foreign stocks, especially Western European, increased.

U.S. official reserve assets decreased \$0.2 billion, primarily due to a decrease in the U.S. reserve position in the International Monetary Fund, as foreign countries repaid earlier dollar drawings.

#### *Foreign assets in the United States*

Foreign assets in the United States increased \$17.8 billion in the first quarter, down from a fourth-quarter increase of \$20.1 billion. Most of the decline was accounted for by a slower first-quarter increase in U.S. liabilities to private foreigners and international financial institutions reported by U.S. banks (including U.S. Treasury securities). Both quarterly increases were large by historical standards.

The increase in foreign official assets, at \$15.7 billion, was virtually unchanged from the unusually large fourth-quarter increase. Industrial countries accounted for \$13.2 billion; Germany, Switzerland, and Japan had the largest increases. OPEC members increased their assets in the United States by \$1.8 billion, compared with a \$1.0 billion fourth-quarter increase. Placements by other countries were virtually unchanged, increasing about \$0.7 billion.

Foreign direct investment in the United States increased \$0.2 billion to \$0.7 billion. Equity and intercompany accounts more than accounted for the increase; reinvested earnings declined slightly.

Liabilities to private foreigners and international financial institutions reported by U.S. banks (lines 68, 72, and 73) increased \$0.6 billion, compared with a \$2.8 billion increase in the previous quarter. A shift to net outflows to commercial banks in the United Kingdom, and smaller net inflows from, or

net outflows to, a number of Western European countries accounted for the slowdown. Two-thirds of the outflows to the United Kingdom occurred in January. There was a partly offsetting shift to net inflows from branches of U.S. banks in the Caribbean and smaller net inflows from other countries.

Net foreign purchases of U.S. securities other than U.S. Treasury securities declined from \$0.8 billion to \$0.5 billion. Both stock and bond purchases declined. Foreign purchases of U.S. stocks, particularly by Western Euro-

peans, were negligible in January and February, probably due to both the continued slide in U.S. stock prices and the depreciation of the dollar. In March, however, perhaps in anticipation of a reversal of the decline of the dollar and of U.S. stock prices, Western European purchases rose sharply to \$0.3 billion. Foreign purchases of outstanding U.S. bonds decreased to the lowest level since the third quarter of 1976, reflecting a decline in bond prices and dollar weakness.

in the March 1978 SURVEY OF CURRENT BUSINESS, differences for some commodity categories and geographic areas were larger.

2. *Changes in the export and import classification systems.*—The Trade Act of 1974 required that the classification systems for exports, imports, and domestic production be made uniform. Uniformity between export and import data has been achieved by the introduction of a new Schedule B for exports, which is based on the Tariff Schedule of the United States (TSUS). Work is still underway on achieving uniformity with the domestic product classification system. Also, many of the seven-digit TSUS codes were revised.

These classification changes for exports and imports necessitated revisions in BEA's end-use classification system. Historical data by end-use commodity groups in table 3 have been revised to reflect these changes.

3. *Inclusion of nonmonetary gold in trade data.*—Beginning in 1978, the Census Bureau includes in its trade data nonmonetary gold in such forms as ore, scrap, base bullion, and nonmonetary refined bullion. Nonmonetary gold previously was excluded from the Census Bureau data, but was included as a balance of payments adjustment to the Census trade data. In order to maintain historical consistency, nonmonetary gold has been added to previously published Census data and removed as a balance of payments adjustment.

It should be noted that balance of payments basis trade data include some nonmonetary gold transactions not reflected in Census data. These additional transactions represent the value of gold transferred to U.S. private residents from foreign official agency holdings at the Federal Reserve Bank of New York. For purposes of compiling estimates of the U.S. international accounts, these transactions are treated as imports even though there is no physical movement across borders. A similar, though much smaller, adjustment is made for exports, when foreign official agencies acquire gold from U.S. private residents for deposit at the Federal Reserve Bank of New York.

## Technical Notes

AS is customary each June, estimates of U.S. international transactions were revised to incorporate new information. Revised annual estimates for 1960-77 and quarterly estimates for 1970-77 are presented in tables 1 and 2. Revised annual estimates for 1970-77 and quarterly estimates for 1976 and 1977 are presented in table 3. Revised annual estimates for 1975-77 and quarterly estimates for 1976 and 1977 are presented in tables 4-10. Table 10a presents revised annual estimates for 1975-77.

Seasonal adjustments for current-account items and for changes in U.S. Government assets were recalculated using the revised data and extending the period used to derive seasonal adjustment factors through 1977. The new seasonal adjustment factors were applied to quarterly data for 1976 and 1977, with two exceptions. Beginning with the first quarter of 1977, seasonal adjustments for transfers under U.S. military agency sales contracts (table 2, line 3) and for payments of interest, dividends, and earnings of unincorporated affiliates on foreign direct investments in the United States (table 2, line 28) were suspended. These items no longer showed statistically significant evidence of seasonality.

In addition, the changes introduced by the Census Bureau beginning in January 1978 in the compilation, reporting, and coverage of merchandise

trade statistics were incorporated. Finally, the presentation of direct investment-related transactions has been revised to include reinvested earnings of incorporated affiliates in both direct investment income receipts and payments and in direct investment capital flows. These changes are discussed below.

### Merchandise trade

Beginning in January 1978, the Census Bureau introduced major changes in the compilation, reporting, and coverage of merchandise exports and imports.

These changes are summarized below.

1. *Date of importation (DOI) for imports.*—Imports were previously compiled on a date of entry (DOE) or date of filing basis. This date corresponded to the presentation of import declarations to the Customs Bureau but did not necessarily coincide with the actual entry of merchandise into the United States; the entry of merchandise may have preceded the statistical entry by up to 2 weeks. Compilation of import data on a DOI basis corrects for this timing discrepancy and achieves closer correspondence between the "statistical" and calendar months.

Balance of payments data for 1977 in table 3 have been revised to reflect the new DOI data. Although DOI data for total imports were only \$0.2 billion higher than the DOE data published



**Direct investment accounts: revised presentation**

Presentation of direct investment-related transactions in the U.S. international accounts has been revised to include reinvested earnings of incorporated affiliates. In the new presentation, reinvested earnings of incorporated foreign affiliates of U.S. direct investors are added to the previously shown receipts of interest, dividends, and earnings of unincorporated foreign affiliates, to present total receipts of income on U.S. direct investment abroad. Because these earnings are reinvested, an offsetting entry of equal magnitude and opposite sign is added to the previously shown direct investment capital flows for equity and intercompany accounts, to present total capital flows for U.S. direct investment abroad. Similar treatment is given to reinvested earnings of U.S. affiliates of foreign direct investors to present total payments of income on, and total capital flows for, foreign direct investment in the United States.

In 1977, reinvested earnings of incorporated foreign affiliates of U.S. direct investors were \$7.3 billion; those of incorporated U.S. affiliates of foreign direct investors were \$1.6 billion. Thus, the net effect of the new presentation reduces by \$5.7 billion the 1977 deficits that would have otherwise been shown in the partial balances shown as memorandum items in tables 1, 2, and 10. The offsetting entries to the capital accounts increase net outflows by \$5.7 billion.

To accommodate the change in presentation, line titles for direct investment-related accounts, and line numbers, in tables 1, 2, and 10 have been changed. These changes are summarized in table D.

The inclusion of reinvested earnings in direct investment income recognizes that a direct investor's share in the total earnings of an incorporated affiliate (net of the affiliate's income taxes and withholding taxes on dividends) is income to the direct investor, whether or not a portion is reinvested. Similarly, inclusion of reinvested earnings in direct investment capital flows recognizes that the reinvestment of earnings increases the direct investor's claims on an incorporated affiliate in the same way as an equity investment in, or loan to, the affiliate.

The new treatment conforms to that recommended by the International Monetary Fund.<sup>1</sup> It implements the recommendation of the Advisory Committee on the Presentation of Balance of Payments Statistics, whose

1. See International Monetary Fund, "Balance of Payments Manual, Fourth Edition", 1977, Washington, D.C.

It should be noted that the new presentation does not conform to IMF guidelines in one respect. The IMF suggests that in presenting the components of total receipts or payments of income on direct investment, the remitted portion of unincorporated affiliates' earnings should be grouped with dividends and interest distributed to direct investors and the remainder should be grouped with reinvested earnings of incorporated affiliates. In the U.S. international accounts, total earnings of unincorporated affiliates are grouped with dividends and interest. BEA's quarterly data do not permit the separate estimation of remitted earnings of unincorporated affiliates. Because transactions between such affiliates and direct investors are commonly accounted for in a single net equity account, there is some question as to whether direct investors themselves can accurately separate remitted earnings from other transfers of funds.

report, published in the June 1976 SURVEY, stated: "The Committee believes that these reinvested earnings should be included as soon as possible in the body of the tables . . . and welcomes the prospect of prompt quarterly reporting."

Development of quarterly estimates of reinvested earnings, initiated by BEA in the early 1970's, was accelerated following the Advisory Committee's report. Quarterly estimates were first published as memorandum items in table 5 for foreign direct investment in the United States in the June 1976 SURVEY, and for U.S. direct investment abroad in the September 1976 SURVEY. Until now, the latter have only been available with a one- or two-quarter lag.

Quarterly estimates of reinvested earnings may be subject to somewhat larger revisions than other direct investment accounts. Estimates are derived from reports of quarterly earnings from two sample surveys, one covering U.S. direct investment abroad, the other foreign direct investment in the United States. Although both samples cover almost all affiliates with significant transactions, earnings data for some affiliates are reported with a one-quarter lag; BEA must estimate current-quarter earnings for these affiliates. Furthermore, reported quarterly earnings data may be preliminary, in part because certain adjustments to earnings are not made by affiliates until books are closed out at the end of the year.

*Continued on page 48*

**Table D.—Comparison of Previous and Revised Presentations of Direct Investment-Related Accounts in U.S. International Transactions, Tables 1, 2, and 10**

Previous presentation		Revised presentation		Explanation
Line	Line title	Line	Line title <sup>1</sup>	
11	Receipts of income on U.S. assets abroad:		Receipts of income on U.S. assets abroad:	
	Direct investments.....	11	Direct investment.....	Sum of revised lines 12 & 13
		12	Interest, dividends, and earnings of unincorporated affiliates.....	Same as previous line 11
		13	Reinvested earnings of incorporated affiliates.....	New line
25	Payments of income on foreign assets in the United States:		Payments of income on foreign assets in the United States:	
	Direct investments.....	27	Direct investment.....	Sum of revised lines 28 & 29
		28	Interest, dividends, and earnings of unincorporated affiliates.....	Same as previous line 25
		29	Reinvested earnings of incorporated affiliates.....	New line
44	U.S. private assets, net:		U.S. private assets, net:	
	Direct investments abroad.....	48	Direct investment.....	Sum of revised lines 49 & 50
		49	Equity and intercompany accounts.....	Same as previous line 44
		50	Reinvested earnings of incorporated affiliates.....	New line
59	Other foreign assets in the United States, net:		Other foreign assets in the United States, net:	
	Direct investments in the United States.....	65	Direct investment.....	Sum of revised lines 66 & 67
		66	Equity and intercompany accounts.....	Same as previous line 59
		67	Reinvested earnings of incorporated affiliates.....	New line

1. See the accompanying "explanatory notes" for a description of these accounts.

# Explanatory Notes<sup>1</sup>

## EXPORTS OF GOODS AND SERVICES

### *Line 2.—Merchandise, adjusted, excluding military*

This account measures all movable goods that are sold, given away, or otherwise transferred from U.S. to foreign ownership. Excluded are: (1) Transfers of goods under U.S. military agency sales contracts, whether physically exported from the United States or sold from U.S. installations abroad (part of line 3); (2) transfers of goods by U.S. nonmilitary agencies from U.S. installations abroad (part of line 10); and (3) transfers of goods under U.S. military grant programs (part of line 16).

The basic data are Census Bureau trade statistics. Exports in the Census Bureau statistics are, in general, valued f.a.s. (free alongside ship) U.S. port of export and reflect selling price, f.o.b. (free on board) interior point of shipment (or cost if not sold), plus packaging costs, inland freight, and insurance to place of export. These statistics record the physical movement of goods out of the United States, rather than change of ownership, and differ in other aspects from the definition of merchandise exports stated above. Adjustments to the Census Bureau statistics are also made for timing, coverage, and valuation in order to bring them more into conformity with concepts used in the international accounts. Timing adjustments are made to Census Bureau statistics for transfers that occur in periods other than the periods in which they are reported. Coverage adjustments are made for Virgin Islands exports to foreign countries, gift parcel post exports, electrical energy exports to Canada and Mexico, sales of vessels, U.S. exports to the Panama Canal Zone,

and exports of exposed motion picture film for rental rather than sale. Valuation adjustments are made for U.S. inland freight to the Canadian border and for reconciliations of United States—Canadian trade statistics. (See table 3, section A for these adjustments.)

### *Line 3.—Transfers under U.S. military agency sales contracts*

This account primarily measures deliveries of goods and services by U.S. military agencies to foreign governments under foreign military sales program contracts. Also included are sales of excess property of military installations abroad and logistical support provided to U.S. allies and United Nations emergency forces. Delivery of goods refers to deliveries from the United States and from U.S. military installations abroad. Included are goods for which ownership is transferred to foreign governments although the goods physically remain in the United States, e.g., equipment used in the United States to train foreign government personnel. Delivery of services refers to transportation, training, construction, maintenance, and other support in conjunction with or separate from the delivery of goods. Excluded are military equipment and services sold directly to foreigners by U.S. private firms (part of line 2). Estimates are based on Defense Department reports.

### *Line 4.—Travel*

This account measures expenditures in the United States by foreign travelers (excluding foreign government personnel and their dependents and other foreign citizens residing in the United States) for lodging, food, transportation within the United States, entertainment, personal purchases, gifts, and other outlays associated with travel in the United States. Transocean passenger fares are excluded (part of line 5); however, fares received

by U.S. carriers from Canadian and Mexican travelers visiting the United States are included.

Travel receipts from each major world area are estimated by multiplying average expenditures per traveler for a particular area by the corresponding number of travelers from that area; area totals are then summed to arrive at total travel receipts. Average expenditures per traveler by area are derived from BEA surveys of foreign travelers. Numbers of foreign travelers by area are derived from data provided by the Immigration and Naturalization Service.

### *Line 5.—Passenger fares*

This account measures passenger fares received by U.S. ocean and air carriers from foreign residents traveling between the United States and foreign countries and between two foreign points. Excluded are passenger fares received by U.S. carriers from Canadian and Mexican travelers visiting the United States (part of line 4).

Passenger fare receipts from each major world area are estimated by multiplying average round-trip fare per traveler from a particular area by the corresponding number of travelers from that area; area totals are then summed to arrive at total passenger fare receipts. Average round-trip fares per traveler by area are derived from BEA surveys of foreign travelers. Numbers of foreign travelers by area are derived from data provided by the Immigration and Naturalization Service.

### *Line 6.—Other transportation*

This account measures: (1) Freight revenues of U.S.-operated ocean, air, and other carriers (including rail, pipeline, and Great Lakes shipping) for the international transportation of U.S. exports; (2) freight revenues of U.S.-operated carriers for the transportation of foreign freight between foreign points; (3) port expenditure receipts, representing payments for goods and services purchased in the United States by foreign-operated carriers; and (4) receipts of U.S. owners from foreign operators for the charter of vessels and rental of freight cars and containers.

1. These notes were prepared by the staff of the Balance of Payments Division under the direction of Louis J. Moczar, Chief of the Division.

Ocean freight revenues are estimated by multiplying average freight rates by the corresponding data on tonnage shipped by U.S.-operated carriers. Ocean port expenditure receipts are estimated by multiplying average port expenditures per ton by the corresponding data on tonnage shipped by foreign-operated carriers. Average freight rates and port expenditures are derived from information reported to BEA by shipping companies. Tonnage data are derived from Census Bureau trade statistics. For the other components of this account, estimates are based on reports to BEA by transportation companies and information provided by U.S. Government agencies and foreign governments.

**Line 7.—Fees and royalties from affiliated foreigners**

This account measures receipts of U.S. direct investors from their foreign affiliates for: (1) The use or sale of intangible property or rights (patents, trademarks, copyrights, manufacturing rights, techniques, etc.); (2) the rental of tangible property, including motion picture films and television tapes; and (3) the use of management, professional, and technical services, research and development assessments, and allocated expenses. Receipts are recorded as accrued. When funds are not actually transferred in the reporting period, offsetting entries are made in line 49. Receipts are net of any fees and royalties paid by U.S. direct investors to their foreign affiliates and net of any withholding taxes. Estimates are based on reports to BEA by major U.S. direct investors (see line 49 for a definition of U.S. direct investors).

**Line 8.—Fees and royalties from unaffiliated foreigners**

This account measures receipts of U.S. residents from foreign residents, who are not affiliated with the U.S. organizations collecting the receipts, for the use or sale of intangible property or rights (patents, trademarks, copyrights, manufacturing rights, techniques, etc.), and the use of management, professional, and technical services. Receipts are net of foreign taxes. Estimates are based on reports to

BEA by U.S. residents involved in the transactions.

**Line 9.—Other private services**

This account measures receipts of U.S. private residents from foreign residents who are not affiliated with the U.S. residents, for services rendered in the United States or abroad. Included are: (1) Foreign contract operations of U.S. construction, engineering, consulting, and other technical services companies; (2) international cable, radio, telephone, and satellite services provided by U.S. communications companies; (3) expenditures in the United States by foreign embassies, consulates, and registered agents of foreign governments; and (4) international reinsurance transactions of U.S. insurance companies. Also included are administrative expenditures in the United States by international organizations, such as the International Monetary Fund, the International Bank for Reconstruction and Development, and the United Nations; film rentals; and various other receipts.

Estimates are based on reports to BEA by U.S. individuals and companies, statistics provided by U.S. and foreign government agencies, and information obtained from publications of foreign governments and international organizations.

**Line 10.—U.S. Government miscellaneous services**

This account measures receipts of nonmilitary U.S. Government agencies for goods and services delivered to foreigners either in the United States or from U.S. installations abroad. Included are receipts of the Panama Canal Company from transit tolls and related services, fees received by the National Aeronautics and Space Administration, receipts of the U.S. Postal Service, and administrative expenditures in the United States and abroad by agencies that administer nonmilitary foreign assistance programs. Estimates are based on reports to BEA by U.S. Government agencies involved in the transactions.

**Receipts of Income On U.S. Assets Abroad**

**Line 12.—Direct investment: Interest, dividends, and earnings of unincorporated affiliates**

This account measures receipts of U.S. direct investors from their foreign affiliates of: (1) Interest (net of interest payments by U.S. direct investors to their foreign affiliates and net of withholding taxes); (2) dividends (net of withholding taxes); and (3) earnings of unincorporated foreign affiliates (net of foreign income taxes). Receipts are reported as accrued. When funds are not actually transferred in the reporting period, offsetting entries are made in line 49. Estimates are based on reports to BEA by major U.S. direct investors (see line 49 for a definition of U.S. direct investors and table 5).

**Line 13.—Direct investment: Reinvested earnings of incorporated affiliates**

This account measures U.S. direct investors' shares in the earnings of their incorporated foreign affiliates, less dividends paid to U.S. direct investors (part of line 12) and less withholding taxes on dividends. In general, a U.S. direct investor's share in the earnings of a foreign affiliate is proportionate to the investor's equity participation in the affiliate. Because the earnings shown in this account are reinvested abroad, an offsetting entry of equal magnitude and opposite sign is made in line 50. Estimates are based on reports to BEA by major U.S. direct investors (see line 49 for a definition of U.S. direct investors and table 5).

**Line 14.—Other private receipts**

This account measures: (1) Interest received by U.S. residents on their holdings of foreign debt securities; (2) interest received by U.S. residents on short- and long-term loans, deposits, and other claims on foreigners reported by U.S. banks and nonbanking concerns; and (3) dividends received by U.S. residents on holdings of foreign equity securities. Receipts are net of foreign withholding taxes. Excluded are receipts by U.S. direct investors from their foreign affiliates (part of line 12).

Interest receipts on claims are estimates based on relevant U.S. interest rates applied to amounts outstanding in a given period (with time lags when appropriate). Dividends and interest receipts on foreign securities are estimated by adjusting the level of receipts received in a base period for subsequent changes in receipts; these changes are derived by applying relevant foreign dividend yields and interest rates to subsequent transactions.

**Line 15.—U.S. Government receipts**

This account measures interest received by U.S. Government agencies on: (1) Outstanding U.S. Government short- and long-term credits to foreigners; (2) U.S. Government disbursing officers' deposits in foreign commercial banks; (3) official reserve assets held by U.S. monetary authorities; and (4) advances under Exchange Stabilization Fund agreements. Also included are collections of commitment fees on foreign loans extended by U.S. Government agencies, service charges and other receipts on U.S. investments in the International Monetary Fund, and net income (gains less losses) of U.S. monetary authorities from transactions in foreign exchange markets. Excluded are gains or losses on official reserve assets, which result from changes in exchange rates, and gains or losses on foreign currency balances held by disbursing officers. Estimates are based on reports to BEA by U.S. Government agencies.

**TRANSFERS UNDER U.S. MILITARY GRANT PROGRAMS**

**Line 16.—Transfers of goods and services under U.S. military grant programs, net**

This account measures net transfers of goods and services by U.S. Government agencies to foreign governments under military assistance programs for which no repayment is expected or for which repayment terms are indeterminate. Gross transfers include goods and services delivered under military assistance programs and equipment deemed surplus to U.S. requirements. Netted

against these gross transfers are returns of equipment previously transferred; goods and services provided the U.S. Government under mutual assistance programs; and U.S. dollars and foreign currencies provided as offsets for U.S. expenditures under international agreements on U.S. foreign military assistance. An offsetting entry is made in line 32. Estimates are based on reports to BEA by U.S. Government agencies.

**IMPORTS OF GOODS AND SERVICES**

**Line 18.—Merchandise, adjusted, excluding military**

This account measures all movable goods that are sold, given away, or otherwise transferred from foreign to U.S. ownership. Excluded are: (1) Goods purchased abroad by U.S. military agencies, whether used abroad or physically imported into the United States directly by such agencies (part of line 19), and (2) goods purchased and used abroad by U.S. nonmilitary agencies (part of line 26).

The basic data are Census Bureau trade statistics. Since 1974, imports in the Census Bureau statistics are, in general, valued f.a.s. (free alongside ship) foreign port of export and reflect selling price, f.o.b. (free on board) interior point of shipment (or cost if not sold), plus packaging costs, inland freight, and insurance to foreign port of export. Previously, imports in the Census Bureau statistics were valued according to U.S. customs regulations. The customs regulations requirement for a "market value at which the goods are freely offered for sale" did not necessarily coincide with the actual transactions value of the goods on a f.a.s. basis; in such cases, valuation adjustments were made, if appropriate information was available. Adjustments to the Census Bureau statistics are made for timing, coverage, and valuation in order to bring them more into conformity with concepts used in the international accounts. Timing adjustments are made to correct Census Bureau statistics for transactions that occur in periods other than the periods in which they are re-

ported. Coverage adjustments are made for Virgin Islands imports from foreign countries, electrical energy imports from Canada, purchases of foreign vessels, U.S. imports from the Panama Canal Zone, and repairs in foreign ports to U.S. vessels. Valuation adjustments are made for reconciliations of United States—Canadian trade statistics (see table 3, section A for these adjustments).

**Line 19.—Direct defense expenditures**

This account measures expenditures by U.S. military agencies and the Coast Guard for foreign goods and services. Included are: (1) Personal expenditures by U.S. military and civilian personnel abroad; (2) outlays by the Defense Department for foreign goods, such as military equipment, petroleum, and goods purchased for resale to U.S. personnel in overseas post exchanges and commissaries; (3) payments for hire of foreign personnel; (4) overseas expenditures by U.S. and foreign contractors employed for the construction, operation, and maintenance of U.S. foreign military installations; (5) expenditures related to construction projects managed by U.S. military agencies at the request of foreign governments; and (6) contributions to North Atlantic Treaty Organization infrastructure projects and international military headquarters expenses. Excluded are imports of U.S. firms in fulfillment of contracts with U.S. military agencies (part of line 18). Estimates are based on reports to BEA by the Defense Department and the Coast Guard.

**Line 20.—Travel**

This account measures expenditures in foreign countries by U.S. travelers (excluding U.S. Government personnel and their dependents and other U.S. citizens residing abroad) for lodging, food, transportation within foreign areas, entertainment, personal purchases, gifts, and other outlays associated with travel abroad. Transocean passenger fares are excluded (part of line 21); however, fares paid to Canadian and Mexican carriers by U.S. travelers visiting Canada and Mexico are included.

Travel payments to each major world area are estimated by multiplying aver-

age expenditures per traveler for a particular area by the corresponding number of travelers to that area; area totals are then summed to arrive at total travel payments. Average expenditures per traveler by area are derived from BEA surveys of U.S. travelers. Numbers of U.S. travelers by area are derived from data provided by the Immigration and Naturalization Service.

**Line 21.—Passenger fares**

This account measures passenger fares paid to foreign ocean and air carriers by U.S. residents traveling between the United States and foreign countries. Excluded are passenger fares paid to Canadian and Mexican carriers by U.S. travelers visiting Canada and Mexico (part of line 20).

Passenger fare payments to each major world area are estimated by multiplying average round-trip fare per traveler for a particular area by the corresponding number of U.S. travelers to that area; area totals are then summed to arrive at total travel payments. Average round-trip fares per passenger by area are derived from BEA surveys of U.S. travelers. Numbers of U.S. travelers by area are derived from data provided by the Immigration and Naturalization Service. Adjustments for interairline transfers are made on the basis of official reports of U.S. international air carriers.

**Line 22.—Other transportation**

This account measures: (1) Freight payments to foreign-operated ocean, air, and other carriers (including rail and Great Lakes shipping) for international transport of U.S. imports; (2) port expenditure payments, representing purchases of goods and services in foreign countries by U.S.-operated carriers; and (3) payments to foreign owners by U.S. operators for the charter of vessels and rental of freight cars and containers.

Ocean freight payments are estimated by multiplying average freight rates by the corresponding data on tonnage shipped by foreign-operated carriers. Ocean port expenditure payments are estimated by multiplying average port expenditure rates per ton

by the corresponding data on tonnage shipped by U.S.-operated carriers. Average freight rates and port expenditures are derived from information reported to BEA by shipping companies. Tonnage data are derived from Census Bureau trade statistics. For the other components of this account, estimates are based on reports to BEA by transportation companies and information provided by U.S. Government agencies and foreign governments.

**Line 23.—Fees and royalties to affiliated foreigners**

This account measures payments to foreign direct investors by their U.S. affiliates for: (1) The use or sale of intangible property or rights (patents, trademarks, copyrights, manufacturing rights, techniques, etc.); (2) the rental of tangible property, including motion picture films and television tapes; and (3) the use of management, professional, and technical services, research and development assessments, and allocated expenses. Payments are reported as accrued. When funds are not actually transferred in the reporting period, offsetting entries are made in line 66. Payments are net of any fees and royalties received by U.S. affiliates from foreign direct investors and net of any withholding taxes. Estimates are based on reports to BEA by major U.S. affiliates of foreign direct investors (see line 66 for a definition of foreign direct investors).

**Line 24.—Fees and royalties to unaffiliated foreigners**

This account measures payments to foreign residents by U.S. residents who are not affiliated with the foreign organizations collecting the payments, for the use or sale of intangible property or rights (patents, trademarks, copyrights, manufacturing rights, techniques, etc.), and the use of management, professional, and technical services. Estimates are based on reports to BEA by U.S. residents involved in the transactions.

**Line 25.—Private payments for other services**

This account measures payments to foreign residents by U.S. private resi-

dents who are not affiliated with the foreign residents, for services rendered in the United States or abroad. Included are: (1) International cable, radio, telephone, and satellite services provided by foreign communications companies; (2) international reinsurance transactions of U.S. companies; and (3) wages paid to Canadian and Mexican commuters and foreign seasonal workers employed in the United States. Also included are payments of consular fees for export privileges, film rentals, and various other payments. Estimates are based on reports to BEA by U.S. companies and individuals, statistics provided by U.S. and foreign government agencies, and information obtained from trade journals and other industry sources.

**Line 26.—U.S. Government payments for miscellaneous services**

This account measures expenditures by nonmilitary U.S. Government agencies for foreign goods and services that are purchased and used abroad. Included are expenditures for maintenance of U.S. embassies and consulates, personal expenditures of U.S. civilian personnel employed abroad by U.S. nonmilitary agencies, and payments to international organizations for membership assessments. Estimates are based on reports to BEA by U.S. Government agencies involved in the transactions.

**Payments of Income on Foreign Assets in the United States**

**Line 28.—Direct investment: Interest, dividends, and earnings of unincorporated affiliates**

This account measures payments to foreign direct investors by their U.S. affiliates of: (1) Interest (net of interest receipts by U.S. affiliates from foreign direct investors and net of withholding taxes); (2) dividends (net of withholding taxes); and (3) earnings of unincorporated U.S. affiliates (net of U.S. income taxes). Payments are reported as accrued. When funds are not actually transferred in the reporting period, offsetting entries are made in line 66.

Estimates are based on reports to BEA by major U.S. affiliates of foreign direct investors (see line 66 for a definition of foreign direct investors and table 5).

**Line 29.—Direct investment: Reinvested earnings of incorporated affiliates**

This account measures foreign direct investors' shares in the earnings of their incorporated U.S. affiliates, less dividends paid to foreign direct investors (part of line 28) and less withholding taxes on dividends. In general, a foreign direct investor's share in the earnings of a U.S. affiliate is proportionate to the investor's equity participation in the affiliate. Because the earnings shown in this account are reinvested in the United States, an offsetting entry of equal magnitude and opposite sign is made in line 67. Estimates are based on reports to BEA by major U.S. affiliates of foreign direct investors (see line 66 for a definition of foreign direct investors and table 5).

**Line 30.—Other private payments**

This account measures: (1) Interest paid by U.S. residents on foreign holdings of U.S. debt securities; (2) interest paid on short- and long-term liabilities to foreigners reported by U.S. banks and nonbanking concerns; and (3) dividends paid by U.S. residents on foreign holdings of U.S. equity securities. Payments are net of U.S. withholding taxes. Excluded are payments to foreign direct investors from their U.S. affiliates (part of line 28).

Interest payments on liabilities are estimates based on relevant U.S. and Eurodollar interest rates applied to amounts outstanding in a given period (with time lags when appropriate). Dividend and interest payments on U.S. securities are estimated by adjusting the level of payments in a base period for subsequent changes in payments; these changes are derived by applying relevant U.S. dividend yields and interest rates to subsequent transactions.

**Line 31.—U.S. Government payments**

This account measures interest paid to foreign residents on their holdings of U.S. Government securities and on

their special deposits with the Treasury Department. Estimates are based on data reported to BEA by the Treasury Department and by other U.S. Government agencies.

## MILITARY GRANTS

**Line 32.—U.S. military grants of goods and services, net**

This account measures utilization of U.S. Government foreign military assistance; it offsets the transfers of goods and services to foreign governments recorded in line 16.

## UNILATERAL TRANSFERS (EXCLUDING MILITARY GRANTS OF GOODS AND SERVICES)

**Line 34.—U.S. Government grants (excluding military grants of goods and services)**

This account measures utilization of U.S. Government financing to transfer resources to foreigners under foreign assistance programs for which no repayment is expected or for which repayment terms are indeterminate. Gross transfers include goods and services delivered by the U.S. Government and disbursements of cash grants by the U.S. Government. Netted against these gross transfers are cash settlements for grants previously provided, returns of equipment previously transferred, goods and services provided to the U.S. Government under mutual assistance programs, and foreign currencies provided as offsets for U.S. expenditures under U.S. foreign assistance programs. Estimates are based on reports to BEA and published statements of U.S. Government agencies (see table 4).

**Line 35.—U.S. Government pensions and other transfers**

This account measures: (1) Payments of social security and railroad retirement benefits to eligible persons residing abroad; (2) payments under retirement and compensation programs for former U.S. Government civilian employees, military personnel, and veterans residing abroad; (3) payments abroad under U.S. educational and cultural exchange

programs; (4) grants supporting individual or institutional research abroad; and (5) payments and receipts of claims settled by intergovernmental agreements, including collections of funds for distribution to private claimants as a result of nationalization of property by foreign governments (excluded are claims involving receipts in installments over a period of years, which are included in line 45). Estimates are based on reports to BEA by U.S. Government agencies.

**Line 36.—Private remittances and other transfers**

This account measures net private unilateral transfers of goods, services, cash, and other financial claims between U.S. private residents and foreign residents. Receipts include postal money orders received by U.S. private residents, German Government pension and indemnification payments, Canadian Government pension payments to eligible persons residing in the United States, and immigrants' transfers. Payments include cash and goods distributed abroad by U.S. religious, charitable, educational, scientific, and other nonprofit organizations; personal remittances by U.S. private residents through banks, communications companies, and the U.S. Postal Service; parcel post shipments; and emigrants' transfers. Estimates are based on reports to BEA by U.S. banks, nonprofit organizations, U.S. and foreign government agencies, and publications of foreign governments.

## U.S. ASSETS ABROAD

### U.S. Official Reserve Assets

**Line 39.—Gold**

This account measures transfers of monetary gold between U.S. Government agencies (including the Exchange Stabilization Fund) and foreign governments or international monetary institutions. Transactions with foreign governments are generally valued at the official par value of the U.S. dollar. Transactions with the International Monetary Fund are valued at the U.S.

dollar equivalent of the established price of gold in terms of special drawing rights. Estimates are based on reports to BEA from the Treasury Department.

**Line 40.—Special drawing rights**

This account measures changes in U.S. holdings of special drawing rights (SDR) in the Special Drawing Account at the International Monetary Fund. It reflects allocations to the United States, other U.S. acquisitions, and U.S. uses of SDR. Excluded are changes in the value of U.S. SDR holdings resulting from changes in the U.S. dollar value of the SDR. Beginning in July 1974, the value of the SDR is based on a weighted average of exchange rates for the currencies of selected member countries; before that date, it was linked to the U.S. official price of gold. Estimates are based on reports to BEA from the Treasury Department.

**Line 41.—Reserve position in the International Monetary Fund**

This account measures changes in the U.S. reserve position in the International Monetary Fund (IMF). The reserve position is equal to the sum of the U.S. quota in the IMF and net U.S. lending to the IMF, minus the IMF holdings of U.S. dollars. The reserve position represents the amount of foreign exchange the United States can automatically draw from the IMF. Excluded are changes in the value of the U.S. reserve position resulting from changes in the U.S. dollar value of special drawing rights. Estimates are based on reports to BEA from the Treasury Department.

**Line 42.—Foreign currencies**

This account measures net changes in the Treasury Department and Federal Reserve System holdings of foreign currencies identified as international reserves. These holdings include currencies acquired under reciprocal currency (swap) arrangements with foreign monetary authorities. Estimates are based on reports to BEA from the Treasury Department.

**U.S. Government Assets Other Than Official Reserve Assets**

**Line 44.—U.S. loans and other long-term assets**

This account measures utilization of U.S. Government loans and other long-term credits to foreigners under foreign assistance programs requiring repayment over a period of years, usually with interest. Also included are U.S. Government loans to U.S. private residents made specifically for projects abroad; U.S. Government capital investments in, and contributions to, international financial institutions; and acquisitions of equity holdings by "public enterprise" accounts of U.S. Government agencies. Estimates are based on reports to BEA and published statements of U.S. Government agencies (see table 4).

**Line 45.—Repayments on U.S. loans**

This account measures collections of principal on loans and other credits in line 44. Also included are: (1) Collections resulting from inter-governmental agreements establishing repayment terms for assistance originally furnished under indeterminate terms; (2) collections on claims settled by intergovernmental agreements requiring payment in installments over a period of years (including funds for distribution to U.S. private residents); (3) collections on World War I debt; (4) recoveries of U.S. Government direct investments abroad in productive facilities and installations, or on the equity holdings of "public enterprise" accounts of U.S. Government agencies; and (5) sales of promissory notes (or other evidences of indebtedness) owned by the U.S. Government to third-party foreign participants either in the country of the borrower or in third countries. Estimates are based on reports to BEA and published statements of U.S. Government agencies (see table 4).

**Line 46.—U.S. foreign currency holdings and U.S. short-term assets, net**

This account measures: (1) Financing of exports of U.S. farm products in exchange for foreign currencies under the Agricultural Trade Development

and Assistance Act (Public Law 83-480) less the U.S. Government's disbursements of these currencies as grants, credits, or for purchases; (2) U.S. Government deposits abroad of foreign currencies collected as interest, principal, or under assistance programs; (3) changes in foreign currencies held by U.S. disbursing officers; (4) changes in accounts receivable of U.S. Government agencies that report their transactions on an accrual basis; and (5) advances of the Exchange Stabilization Fund that are not identified as reserve assets. Excluded are changes in foreign currencies held as official reserve assets by U.S. monetary authorities (line 42) and discernible gains or losses on foreign currency balances. Estimates are based on reports to BEA and published statements of U.S. Government agencies.

**U.S. Private Assets**

**Line 49.—Direct investment: Equity and intercompany accounts**

This account measures equity and intercompany account transactions between U.S. direct investors and their foreign affiliates. U.S. direct investors are U.S. residents who own or control 10 percent or more of the voting securities of an incorporated foreign business enterprise or an equivalent interest in an unincorporated foreign business enterprise. Also included are transactions of U.S. residents with unaffiliated foreign residents that result in the acquisition of at least a 10 percent ownership interest in previously unaffiliated foreign business enterprises, in the acquisition of additional ownership interests in existing foreign affiliates, or in total or partial sales of ownership interests. Equity and intercompany account transactions include net changes in capital stock (voting and nonvoting) and capital contributions, in intercompany accounts with incorporated foreign affiliates, and in U.S. direct investors' net equity in unincorporated foreign affiliates. Estimates are based on reports to BEA by

major U.S. direct investors. To these data are added verified transactions of nonreporters (see table 5).

**Line 50.—Direct investment: Reinvested earnings of incorporated affiliates**

This account measures earnings reinvested by U.S. direct investors in their incorporated foreign affiliates (see line 13 for a description).

**Line 51.—Foreign securities**

This account measures net U.S. purchases of foreign equity and debt securities with no contractual maturity or a maturity of more than 1 year. Included are purchases of foreign securities newly issued in the United States and trading in and redemptions of outstanding securities.

Estimates are based on reports of gross purchases and gross sales by foreigners collected by the Federal Reserve System for the Treasury Department, with adjustments by BEA for transactions included in other accounts. Reported data do not specifically identify the country of issue of foreign securities traded or the nationality of foreign buyers or sellers. Estimates of major types of transactions are made by BEA based on market information (see table 6).

**Line 52.—U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns: Long-term**

This account measures changes in loans to, and other claims on, unaffiliated foreigners reported by U.S. nonbanking concerns. These claims have contractual maturities of more than 1 year. Included are long-term suppliers' credits, notes issued to U.S. private investors by foreign governments in payment for nationalized properties, and participations in long-term loans of international financial institutions. Estimates are based on reports collected by the Federal Reserve System for the Treasury Department and information obtained from financial publications and market sources.

**Line 53.—U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns: Short-term**

This account measures changes in claims on unaffiliated foreigners reported by U.S. nonbanking concerns. These claims are payable on demand or have contractual maturities of 1 year or less. Included are credits extended by U.S. nonbanking concerns to finance U.S. exports; demand and time deposits held abroad; and negotiable and other readily transferable foreign obligations. Estimates are based on reports collected by the Federal Reserve System for the Treasury Department (see table 7).

**Line 54.—U.S. claims reported by U.S. banks, not included elsewhere: Long-term**

This account measures changes in loans to, and other claims on, foreigners reported by U.S. banks for their own accounts and for the custody accounts of their customers. These claims have contractual maturities of more than 1 year. Unutilized lines of credit and direct capital investments abroad are excluded. *Beginning with estimates for the second quarter of 1978, long-term claims are defined as claims having more than 1 year remaining to contractual maturity.* Estimates are based on reports collected by the Federal Reserve System for the Treasury Department.

**Line 55.—U.S. claims reported by U.S. banks, not included elsewhere: Short-term**

This account measures changes in claims on foreigners reported by U.S. banks for their own accounts and for the custody accounts of their customers. These claims have contractual maturities of 1 year or less. Included are loans, collections outstanding, acceptances, deposits abroad, claims on affiliated foreign banks, foreign government obligations, and foreign commercial and finance paper. *Beginning with estimates for the second quarter of 1978, short-term claims are defined as claims having 1 year or less remaining to contractual maturity.* Estimates are based on reports collected by the Federal Reserve System for the Treasury Department (see table 8).

## FOREIGN ASSETS IN THE UNITED STATES

### Foreign Official Assets in the United States

**Line 59.—U.S. Treasury securities**

This account measures net purchases of U.S. Treasury marketable and non-marketable bonds, notes, bills, and certificates by foreign official agencies. Estimates are based on reports collected by the Federal Reserve System for the Treasury Department (see table 9).

**Line 60.—Other U.S. Government securities**

This account measures net purchases of bonds, notes, and other obligations issued by U.S. Government corporations and federally sponsored agencies and U.S. Treasury obligations not included elsewhere by foreign official agencies. These securities have contractual maturities of more than 1 year. Estimates are based on reports collected by the Federal Reserve System for the Treasury Department and information from other U.S. Government agencies.

**Line 61.—Other U.S. Government liabilities**

This account measures changes in U.S. Government liabilities to foreign official agencies associated with U.S. military agency sales contracts and other U.S. Government transactions. Estimates are based on reports to BEA by U.S. Government agencies (see table 4).

**Line 62.—U.S. liabilities reported by U.S. banks, not included elsewhere**

This account measures changes in liabilities to foreign official agencies reported by U.S. banks for their own accounts and for the custody accounts of their customers. Included in these liabilities are demand and time deposits, time certificates of deposit, and other short- and long-term liabilities. Estimates are based on reports collected by the Federal Reserve System for the Treasury Department (see table 9).



**Line 63.—Other foreign official assets**

This account measures net purchases by foreign official agencies of U.S. equity and debt securities issued by U.S. corporations and by State and local governments. These securities have no contractual maturities or maturities of more than 1 year. Estimates are based on reports collected by the Federal Reserve System for the Treasury Department.

**Other Foreign Assets in the United States****Line 66.—Direct investment: Equity and intercompany accounts**

This account measures equity and intercompany account transactions between foreign direct investors and their U.S. affiliates. Foreign direct investors are foreign residents who own or control 10 percent or more of the voting securities of an incorporated U.S. business enterprise or an equivalent interest in an unincorporated U.S. business enterprise. Before 1974, foreign direct investment was based on a 25-percent ownership interest. Also included are transactions of foreign residents with unaffiliated U.S. residents that result in the acquisition of at least a 10 percent ownership interest in previously unaffiliated U.S. business enterprises, in the acquisition of additional ownership interests in existing U.S. affiliates, or in total or partial sales of ownership interests. Equity and intercompany account transactions include net changes in capital stock (voting and nonvoting) and capital contributions, in intercompany accounts with incorporated U.S. affiliates, and in foreign direct investors' net equity in unincorporated U.S. affiliates. Estimates are based on reports to BEA by major U.S. affiliates of foreign direct investors. To these data are added verified transactions of nonreporters (see table 5).

**Line 67.—Direct investment: Reinvested earnings of incorporated affiliates**

This account measures earnings reinvested by foreign direct investors in

their incorporated U.S. affiliates (see line 29 for a description).

**Line 68.—U.S. Treasury securities**

This account measures net purchases of U.S. Treasury bonds, notes, bills, and certificates by private foreigners and international financial institutions. Estimates are based on data collected by the Federal Reserve System for the Treasury Department (see table 9).

**Line 69.—U.S. securities other than U.S. Treasury securities**

This account measures net purchases of U.S. equity and debt securities by private foreigners and international financial institutions. These securities have no contractual maturities or maturities of more than 1 year. Included are U.S. corporate new issues of debt securities in foreign markets, trading in outstanding stocks and bonds issued by U.S. corporations and State and local governments, and trading in nonguaranteed U.S. Government agency securities.

Estimates are based on data collected by the Federal Reserve System for the Treasury Department. Adjustments to the Treasury Department data are made for securities newly issued by Netherlands Antilles finance subsidiaries to the extent that proceeds are transferred to U.S. parent companies; these adjustments are based on reports to BEA. Estimates of major types of transactions are made by BEA based on market information (see table 6).

**Line 70.—U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns: Long-term**

This account measures changes in liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns. These liabilities have contractual maturities of more than 1 year. Included are direct borrowings from foreign banks and other loans and advances from foreigners.

Estimates are based on reports collected by the Federal Reserve System for the Treasury Department. Adjustments to the Treasury Department data are made to account for proceeds of foreign long-term loans obtained by U.S. parent companies

through their Netherlands Antilles finance subsidiaries. These adjustments are based on reports to BEA.

**Line 71.—U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns: Short-term**

This account measures changes in liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns. These liabilities are payable on demand or have contractual maturities of 1 year or less. Included are direct borrowings from foreign banks by U.S. companies; accounts, notes, bills, and drafts payable to foreigners; and advance payments by foreigners for future delivery of U.S. goods and services, even if the transactions are not completed within 1 year. Estimates are based on reports collected by the Federal Reserve System for the Treasury Department. Adjustments to the Treasury Department data are made to account for proceeds of foreign short-term loans obtained by U.S. parent companies through their Netherlands Antilles finance subsidiaries. These adjustments are based on reports to BEA (see table 7).

**Line 72.—U.S. liabilities reported by U.S. banks, not included elsewhere: Long-term**

This account measures changes in liabilities to private foreigners and international financial institutions reported by U.S. banks for their own accounts and for the custody accounts of their customers. These liabilities have contractual maturities of more than 1 year. Included are time deposit liabilities, time certificates of deposit, and other long-term liabilities. *Beginning with estimates for the second quarter of 1978, the distinction between short- and long-term liabilities is discontinued.* Estimates are based on reports collected by the Federal Reserve System for the Treasury Department.

**Line 73.—U.S. liabilities reported by U.S. banks, not included elsewhere: Short-term**

This account measures changes in liabilities to private foreigners and inter-

(Continued on page 48)







Transactions—Continued

of dollars)

Table with columns for years 1974, 1975, 1976, 1977, and 1978, and rows for various transaction categories labeled I, II, III, IV, and I P. Includes a 'Line' column on the right.

Table 2.—U.S. International

[Millions]

Line	(Credits +; debits -) <sup>1</sup>	1970			
		I	II	III	IV
1	<b>Exports of goods and services <sup>2</sup></b>	<b>15,973</b>	<b>16,622</b>	<b>16,764</b>	<b>16,301</b>
2	Merchandise, adjusted, excluding military <sup>3</sup>	10,366	10,704	10,822	10,577
3	Transfers under U.S. military agency sales contracts	281	435	357	428
4	Travel	574	579	575	603
5	Passenger fares	131	139	134	140
6	Other transportation	737	776	809	791
7	Fees and royalties from affiliated foreigners	419	441	450	448
8	Fees and royalties from unaffiliated foreigners	132	140	147	154
9	Other private services	322	318	323	325
10	U.S. Government miscellaneous services	83	77	89	83
	Receipts of income on U.S. assets abroad:				
11	Direct investment	2,028	2,094	2,166	1,880
12	Interest, dividends, and earnings of unincorporated affiliates	1,378	1,194	1,264	1,156
13	Reinvested earnings of incorporated affiliates	650	900	902	724
14	Other private receipts	658	678	678	663
15	U.S. Government receipts	242	241	220	209
16	<b>Transfers of goods and services under U.S. military grant programs, net</b>	<b>559</b>	<b>739</b>	<b>735</b>	<b>680</b>
17	<b>Imports of goods and services</b>	<b>-14,653</b>	<b>-14,978</b>	<b>-15,098</b>	<b>-15,281</b>
18	Merchandise, adjusted, excluding military <sup>3</sup>	-9,746	-9,847	-9,963	-10,310
19	Direct defense expenditures	-1,178	-1,259	-1,211	-1,208
20	Travel	-946	-1,005	-1,010	-1,019
21	Passenger fares	-292	-293	-320	-310
22	Other transportation	-628	-716	-764	-708
23	Fees and royalties to affiliated foreigners	-23	-30	-28	-30
24	Fees and royalties to unaffiliated foreigners	-32	-29	-27	-26
25	Private payments for other services	-193	-204	-207	-207
26	U.S. Government payments for miscellaneous services	-183	-180	-176	-186
	Payments of income on foreign assets in the United States:				
27	Direct investment	-226	-227	-232	-190
28	Interest, dividends, and earnings of unincorporated affiliates	-115	-109	-105	-111
29	Reinvested earnings of incorporated affiliates	-111	-118	-127	-79
30	Other private payments	-998	-947	-875	-797
31	U.S. Government payments	-208	-241	-285	-290
32	<b>U.S. military grants of goods and services, net</b>	<b>-559</b>	<b>-739</b>	<b>-735</b>	<b>-680</b>
33	<b>Unilateral transfers (excluding military grants of goods and services), net</b>	<b>-786</b>	<b>-810</b>	<b>-839</b>	<b>-860</b>
34	U.S. Government grants (excluding military grants of goods and services)	-417	-404	-444	-471
35	U.S. Government pensions and other transfers	-100	-118	-122	-122
36	Private remittances and other transfers	-269	-288	-273	-267
37	<b>U.S. assets abroad, net (increase/capital outflow (-))</b>	<b>-2,787</b>	<b>-1,925</b>	<b>-2,445</b>	<b>-2,183</b>
38	U.S. official reserve assets, net <sup>4</sup>	264	805	584	824
39	Gold	-44	14	395	422
40	Special drawing rights	-270	-254	-251	-76
41	Reserve position in the International Monetary Fund	-253	227	406	9
42	Foreign currencies	831	818	34	469
43	U.S. Government assets, other than official reserve assets, net	-399	-348	-423	-419
44	U.S. loans and other long-term assets	-740	-864	-860	-829
45	Repayment on U.S. loans <sup>5</sup>	450	508	370	412
46	U.S. foreign currency holdings and U.S. short-term assets, net	-89	8	67	-2
47	U.S. private assets, net	-2,652	-2,382	-2,606	-2,588
48	Direct investment	-1,917	-2,124	-1,799	-1,749
49	Equity and intercompany accounts	-1,267	-1,224	-897	-1,025
50	Reinvested earnings of incorporated affiliates	-650	-900	-902	-724
51	Foreign securities	-306	80	-517	-333
	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns:				
52	Long-term	-381	-12	-129	-64
53	Short-term	15	-61	-28	64
	U.S. claims reported by U.S. banks, not included elsewhere:				
54	Long-term	14	49	12	80
55	Short-term	-77	-314	-145	-586
56	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b>	<b>2,053</b>	<b>1,025</b>	<b>1,835</b>	<b>1,449</b>
57	Foreign official assets in the United States, net	2,713	861	1,291	2,045
58	U.S. Government securities	( <sup>13</sup> )	( <sup>13</sup> )	( <sup>13</sup> )	( <sup>13</sup> )
59	U.S. Treasury securities <sup>6</sup>		31	-1	-1
60	Other <sup>7</sup>	-1			
61	Other U.S. Government liabilities <sup>8</sup>	-32	-206	42	-260
62	U.S. liabilities reported by U.S. banks, not included elsewhere	<sup>13</sup> 2,746	<sup>13</sup> 1,036	<sup>13</sup> 1,250	<sup>13</sup> 2,306
63	Other foreign official assets <sup>9</sup>				
64	Other foreign assets in the United States, net	-660	164	544	-596
65	Direct investment	602	222	372	269
66	Equity and intercompany accounts	491	104	245	190
67	Reinvested earnings of incorporated affiliates	111	118	127	79
68	U.S. Treasury securities	16	-35	1	99
69	U.S. securities other than U.S. Treasury securities	304	374	720	792
	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns:				
70	Long-term	122	366	299	325
71	Short-term	100	168	211	423
	U.S. liabilities reported by U.S. banks, not included elsewhere:				
72	Long-term	7	19	22	-25
73	Short-term	-1,811	-950	-1,081	-2,479
74	<b>Allocations of special drawing rights</b>	<b>217</b>	<b>217</b>	<b>217</b>	<b>216</b>
75	<b>Statistical discrepancy (sum of above items with sign reversed)</b>	<b>-17</b>	<b>-151</b>	<b>-434</b>	<b>358</b>
75a	Of which seasonal adjustment discrepancy				
	<b>Memoranda:</b>				
76	Balance on merchandise trade (lines 2 and 18)	620	857	859	267
77	Balance on goods and services (lines 1 and 17) <sup>10</sup>	1,320	1,644	1,666	1,020
78	Balance on goods, services, and remittances (lines 77, 35, and 36)	951	1,238	1,271	631
79	Balance on current account (lines 77 and 33) <sup>10</sup>	534	834	827	160
	<b>Transactions in U.S. official reserve assets and in foreign official assets in the United States:</b>				
80	Increase (-) in U.S. official reserve assets, net (line 38)	264	805	584	824
81	Increase (+) in foreign official assets in the United States (line 57 less line 61)	2,745	1,067	1,249	2,305

See footnotes on page 36.



Table 2.—U.S. International Transactions,

[Millions]

Line	(Credits +; debits -) <sup>1</sup>	1974			
		I	II	III	IV
1	<b>Exports of goods and services <sup>2</sup></b>	<b>34,009</b>	<b>36,215</b>	<b>37,312</b>	<b>38,550</b>
2	Merchandise, adjusted, excluding military <sup>3</sup>	22,460	24,212	25,033	26,601
3	Transfers under U.S. military agency sales contracts	638	683	781	850
4	Travel	972	969	1,021	1,070
5	Passenger fares	270	267	278	289
6	Other transportation	1,303	1,415	1,411	1,523
7	Fees and royalties from affiliated foreigners	706	738	789	837
8	Fees and royalties from unaffiliated foreigners	186	187	189	189
9	Other private services	530	545	573	612
10	U.S. Government miscellaneous services	95	97	114	113
	Receipts of income on U.S. assets abroad:				
11	Direct investment	5,199	5,009	4,806	4,142
12	Interest, dividends, and earnings of unincorporated affiliates	2,866	2,462	2,791	3,260
13	Reinvested earnings of incorporated affiliates	2,333	2,547	2,015	882
14	Other private receipts	1,421	1,802	2,057	2,076
15	U.S. Government receipts	229	291	260	248
16	<b>Transfers of goods and services under U.S. military grant programs, net</b>	<b>405</b>	<b>565</b>	<b>352</b>	<b>496</b>
17	<b>Imports of goods and services</b>	<b>-30,316</b>	<b>-34,085</b>	<b>-36,019</b>	<b>-36,763</b>
18	Merchandise, adjusted, excluding military <sup>3</sup>	-22,607	-25,696	-27,366	-27,990
19	Direct defense expenditures	-1,153	-1,298	-1,265	-1,316
20	Travel	-1,445	-1,499	-1,484	-1,552
21	Passenger fares	-482	-504	-513	-596
22	Other transportation	-1,299	-1,440	-1,483	-1,596
23	Fees and royalties to affiliated foreigners	-43	-41	-38	-38
24	Fees and royalties to unaffiliated foreigners	-48	-47	-46	-45
25	Private payments for other services	-297	-302	-301	-311
26	U.S. Government payments for miscellaneous services	-236	-253	-247	-231
	Payments of income on foreign assets in the United States:				
27	Direct investment	-355	-363	-422	-192
28	Interest, dividends, and earnings of unincorporated affiliates	-36	-84	-23	-123
29	Reinvested earnings of incorporated affiliates	-319	-279	-399	-69
30	Other private payments	-1,350	-1,592	-1,778	-1,771
31	U.S. Government payments	-1,001	-1,050	-1,076	-1,135
32	<b>U.S. Military grants of goods and services, net</b>	<b>-405</b>	<b>-565</b>	<b>-352</b>	<b>-496</b>
33	<b>Unilateral transfers (excluding military grants of goods and services), net</b>	<b><sup>12</sup> -2,977</b>	<b>-1,849</b>	<b>-1,263</b>	<b>-1,098</b>
34	U.S. Government grants (excluding military grants of goods and services)	<sup>12</sup> -2,606	-1,399	-811	-660
35	U.S. Government pensions and other transfers	-107	-189	-204	-194
36	Private remittances and other transfers	-264	-261	-248	-244
37	<b>U.S. assets abroad, net (increase/capital outflow (-))</b>	<b>-5,878</b>	<b>-10,318</b>	<b>-7,695</b>	<b>-10,820</b>
38	U.S. official reserve assets, net <sup>4</sup>	-210	-358	-1,003	137
39	Gold				
40	Special drawing rights		-29	-123	-20
41	Reserve position in the International Monetary Fund	-209	-244	-728	-84
42	Foreign currencies	-1	-85	-152	241
43	U.S. Government assets, other than official reserve assets, net	<sup>12</sup> 1,389	267	-354	-938
44	U.S. loans and other long-term assets	-1,191	-1,212	-1,053	-1,546
45	Repayments on U.S. loans <sup>5</sup>	<sup>12</sup> 2,788	864	575	598
46	U.S. foreign currency holdings and U.S. short-term assets, net	<sup>12</sup> -208	615	124	10
47	U.S. private assets, net	-7,057	-10,227	-6,338	-10,019
48	Direct investment	900	-1,790	-4,385	-3,776
49	Equity and intercompany accounts	3,233	757	-2,370	-2,894
50	Reinvested earnings of incorporated affiliates	-2,333	-2,547	-2,015	-882
51	Foreign securities	-600	-272	-282	-699
	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns:				
52	Long-term	-128		-138	-208
53	Short-term	-1,985	-588	411	-585
	U.S. claims reported by U.S. banks, not included elsewhere:				
54	Long-term	-178	-913	88	-180
55	Short-term	-5,066	-6,664	-2,082	-4,571
56	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b>	<b>6,380</b>	<b>9,875</b>	<b>9,190</b>	<b>9,231</b>
57	Foreign official assets in the United States, net	-1,072	4,648	3,149	4,256
58	U.S. Government securities	-1,122	3,085	-514	2,736
59	U.S. Treasury securities <sup>6</sup>	-892	2,948	-905	2,132
60	Other <sup>7</sup>	-229	136	391	604
61	Other U.S. Government liabilities <sup>8</sup>	66	158	418	82
62	U.S. liabilities reported by U.S. banks, not included elsewhere	-22	1,341	3,246	1,253
63	Other foreign official assets <sup>9</sup>	6	64	-1	185
64	Other foreign assets in the United States, net	7,452	5,228	6,041	4,975
65	Direct investment	1,784	539	1,610	828
66	Equity and intercompany accounts	1,465	260	1,211	759
67	Reinvested earnings of incorporated affiliates	319	279	399	69
68	U.S. Treasury securities	136	-240	200	601
69	U.S. securities other than U.S. Treasury securities	712	363	227	-925
	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns:				
70	Long-term	-41	-364	-160	475
71	Short-term	395	754	399	386
	U.S. liabilities reported by U.S. banks, not included elsewhere:				
72	Long-term	155	7	-40	-113
73	Short-term	4,311	4,169	3,805	3,723
74	<b>Allocations of special drawing rights</b>				
75	<b>Statistical discrepancy (sum of above items with sign reversed)</b>	<b>-1,219</b>	<b>162</b>	<b>-1,525</b>	<b>900</b>
75a	Of which seasonal adjustment discrepancy	1,185	-227	-2,509	1,554
	<b>Memoranda:</b>				
76	Balance on merchandise trade (lines 2 and 18)	-147	-1,484	-2,333	-1,379
77	Balance on goods and services (lines 1 and 17) <sup>10</sup>	3,693	2,130	1,293	1,787
78	Balance on goods, services, and remittances (lines 77, 35, and 36)	3,322	1,680	841	1,349
79	Balance on current account (lines 77 and 33) <sup>10</sup>	716	281	30	689
	<b>Transactions in U.S. official reserve assets and in foreign official assets in the United States:</b>				
80	Increase (-) in U.S. official reserve assets, net (line 38)	-210	-358	-1,003	137
81	Increase (+) in foreign official assets in the United States (line 57 less line 61)	-1,137	4,489	2,731	4,174

See footnotes on page 36.





Table 3.—U.S.

[Millions]

Line		1970	1971	1972	1973	1974	1975	1976	1977
A	<b>Balance of payments adjustments to Census trade data:</b>								
	<b>EXPORTS</b>								
1	<b>Merchandise exports, Census basis,<sup>1</sup> including reexports and excluding military grant shipments</b>	42,663	43,574	49,227	70,873	97,997	107,589	115,156	121,181
	Adjustments:								
2	Private gift parcel remittances	83	82	80	85	94	92	86	91
3	Virgin Islands exports to foreign countries	17	26	25	65	45	62	73	81
4	Gold exports, nonmonetary								14
5	Inland U.S. freight to Canada	248	275	331	404	557	601	659	691
6	U.S.-Canadian reconciliation adjustments, n.e.c., net <sup>2</sup>	522	556	608	1,158	1,250	1,148	1,546	1,787
7	Merchandise exports transferred under U.S. military agency sales contracts identified in Census documents <sup>3</sup>	-1,109	-1,191	-839	-1,278	-1,753	-2,620	-2,976	-3,285
8	Other adjustments, net <sup>4</sup>	45	-3	-51	103	116	216	150	25
9	Of which quarterly allocation of annual seasonal adjustment discrepancy <sup>5</sup>								
10	<b>Equals: Merchandise exports, adjusted to balance of payments basis, excluding "military" (table 1, line 2).</b>	42,469	43,319	49,381	71,410	98,306	107,088	114,694	120,585
	<b>IMPORTS</b>								
11	<b>Merchandise imports, Census basis<sup>1</sup> (general imports)</b>	40,114	45,784	55,941	69,832	100,649	96,573	121,009	147,671
	Adjustments:								
12	Virgin Islands imports from foreign countries	242	386	423	641	1,927	1,936	2,469	2,704
13	Gold imports, nonmonetary		19	9	156	359	83	608	1,286
14	U.S.-Canadian reconciliation adjustments, n.e.c., net <sup>2</sup>	-303	-463	-528	-205	174	-206	-65	-206
15	Merchandise imports of U.S. military agencies identified in Census documents <sup>3</sup>	-179	-185	-189	-310	-361	-293	-301	-243
16	Other adjustments, net <sup>4</sup>	-8	38	141	385	901	-52	327	432
17	Of which quarterly allocation of annual seasonal adjustment discrepancy <sup>5</sup>								
18	<b>Equals: Merchandise imports, adjusted to balance of payments basis excluding "military" (table 1, line 18).</b>	39,866	45,579	55,797	70,499	103,649	98,041	124,047	151,644
B	<b>Merchandise trade, by area, adjusted to balance of payments basis, excluding military:<sup>7</sup></b>								
	<b>EXPORTS</b>								
1	<b>Total, all countries (A-10)</b>	42,469	43,319	49,381	71,410	98,306	107,088	114,694	120,585
2	Western Europe	14,167	13,589	14,950	21,216	28,164	29,884	31,887	34,096
3	European Communities (9)				16,708	21,744	22,854	24,934	26,511
4	United Kingdom	2,543	2,405	2,742	3,760	4,706	4,881	5,107	6,034
5	European Communities (6)	8,299	8,008	8,589	12,377	16,491	17,358	19,098	19,560
6	Western Europe, excluding EC (9)	3,325	3,176	3,619	4,508	6,420	7,030	6,953	7,585
7	Eastern Europe	382	420	900	2,047	1,737	3,249	4,101	2,913
8	Canada <sup>2</sup>	9,478	10,927	13,109	16,710	21,842	23,537	26,336	28,293
9	Latin American Republics and other Western Hemisphere	6,514	6,462	7,227	9,961	15,820	17,108	16,843	17,909
10	Japan	4,650	4,053	4,963	8,356	10,724	9,567	10,196	10,561
11	Australia, New Zealand and South Africa	1,593	1,693	1,542	2,247	3,757	3,508	3,920	3,779
12	Other countries in Asia and Africa	5,685	6,175	6,690	10,873	16,262	20,235	21,411	23,034
13	Seasonal adjustment discrepancy (B1 less B2, 7-12)								
	<b>Memoranda:</b>								
14	Developed countries <sup>7</sup>	29,888	30,262	34,564	48,529	64,487	66,496	72,339	76,729
15	OPEC <sup>7</sup>	1,904	2,127	2,551	3,414	6,219	9,956	11,561	12,877
16	Other developing countries <sup>7</sup>	10,295	10,510	11,366	17,420	25,863	27,387	26,693	28,066
	<b>IMPORTS</b>								
17	<b>Total, all countries (A-18)</b>	39,866	45,579	55,797	70,499	103,649	98,041	124,047	151,644
18	Western Europe	11,294	12,813	15,661	19,774	24,267	20,764	23,003	28,192
19	European Communities (9)				15,816	19,244	16,513	17,739	22,097
20	United Kingdom	2,214	2,477	2,946	3,527	4,123	3,737	4,160	5,133
21	European Communities (6)	6,674	7,600	9,126	11,619	14,398	12,145	12,823	16,144
22	Western Europe, excluding EC (9)	2,406	2,736	3,589	3,958	5,023	4,251	5,264	6,095
23	Eastern Europe	218	225	363	601	977	734	875	1,127
24	Canada <sup>2</sup>	10,696	12,214	14,493	17,694	22,392	21,710	26,475	29,664
25	Latin American Republics and other Western Hemisphere	5,912	6,116	7,066	9,644	18,658	16,177	17,204	21,161
26	Japan	5,894	7,278	9,076	9,665	12,414	11,257	15,531	18,545
27	Australia, New Zealand and South Africa	1,128	1,158	1,413	1,852	2,019	2,242	2,479	2,791
28	Other countries in Asia and Africa	4,724	5,775	7,725	11,269	22,922	25,157	38,480	50,164
29	Seasonal adjustment discrepancy (B17 less B18, 23-28)								
	<b>Memoranda:</b>								
30	Developed countries <sup>7</sup>	29,012	33,463	40,643	48,985	61,092	55,973	67,488	79,192
31	OPEC <sup>7</sup>	1,763	2,265	2,974	5,097	17,234	18,897	27,409	35,795
32	Other developing countries <sup>7</sup>	8,873	9,626	11,817	15,816	24,346	22,437	27,966	34,876

See footnotes on page 36.



Table 3.—U.S. Merchandise

[Millions]

Line		1970	1971	1972	1973	1974	1975	1976	1977
<b>B</b>	<b>Merchandise trade, by area, adjusted to balance of payments basis, excluding military—Con.</b>								
	<b>BALANCE (EXCESS OF EXPORTS+)</b>								
33	<b>Total, all countries.....</b>	<b>2,603</b>	<b>-2,260</b>	<b>-6,416</b>	<b>911</b>	<b>-5,343</b>	<b>9,047</b>	<b>-9,353</b>	<b>-31,059</b>
34	Western Europe.....	2,873	776	-711	1,442	3,897	9,120	8,884	5,904
35	European Communities (9).....				892	2,500	6,341	7,195	4,414
36	United Kingdom.....	329	-72	-204	233	583	1,144	947	901
37	European Communities (6).....	1,625	408	-537	758	2,093	5,213	6,275	3,416
38	Western Europe, excluding EC (9).....	919	440	30	550	1,397	2,779	1,689	1,490
39	Eastern Europe.....	164	195	537	1,446	760	2,515	3,226	1,786
40	Canada <sup>2</sup> .....	-1,218	-1,287	-1,384	-984	-550	1,827	-139	-1,371
41	Latin American Republics and Other Western Hemisphere.....	602	346	161	317	-2,838	931	-361	-3,252
42	Japan.....	-1,244	-3,225	-4,113	-1,309	-1,690	-1,690	-5,335	-7,984
43	Australia, New Zealand and South Africa.....	465	535	129	395	1,738	1,266	1,441	988
44	Other countries in Asia and Africa.....	961	400	-1,035	-396	-6,660	-4,922	-17,069	-27,130
45	Seasonal adjustment discrepancy (B13 less B29).....								
	<b>Memoranda:</b>								
46	Developed countries <sup>7</sup> .....	876	-3,201	-6,079	-456	3,395	10,523	4,851	-2,463
47	OPEC <sup>7</sup> .....	141	-138	-423	-1,683	-11,015	-8,941	-15,848	-22,918
48	Other developing countries <sup>7</sup> .....	1,422	884	-451	1,604	1,517	4,950	-1,273	-6,810
<b>C</b>	<b>Merchandise trade, by principal end-use category, adjusted to balance of payments basis, excluding military:</b>								
	<b>EXPORTS</b>								
1	<b>Total (A-10).....</b>	<b>42,469</b>	<b>43,319</b>	<b>49,381</b>	<b>71,410</b>	<b>98,306</b>	<b>107,088</b>	<b>114,694</b>	<b>120,585</b>
2	Agricultural products.....	7,374	7,831	9,513	17,978	22,412	22,242	23,381	24,352
3	Nonagricultural products.....	35,095	35,488	39,868	53,432	75,894	84,846	91,313	96,233
4	Foods, feeds, and beverages.....	5,874	6,110	7,504	15,199	18,638	19,234	19,830	19,762
5	Foods, feeds, and beverages—agricultural.....	5,756	5,966	7,333	14,895	18,361	18,907	19,409	19,137
6	Grains.....	3,074	2,981	4,053	9,710	11,609	12,644	12,222	10,261
7	Soybeans.....	1,210	1,340	1,511	2,772	3,539	2,876	3,323	4,394
8	Industrial supplies and materials.....	13,795	12,703	13,966	19,862	30,120	29,925	32,112	34,543
9	Agricultural.....	1,515	1,774	2,080	2,899	3,787	3,120	3,688	4,643
10	Nonagricultural.....	12,280	10,930	11,886	16,963	26,333	26,805	28,424	29,900
11	Fuels and lubricants.....	1,697	1,703	1,704	1,947	3,586	4,739	4,653	4,747
12	Petroleum and products <sup>8</sup> .....	515	511	488	605	851	986	1,078	1,334
13	Capital goods, except automotive.....	14,659	15,372	16,914	21,999	30,887	36,659	39,065	39,768
14	Machinery, except consumer-type.....	11,756	11,756	13,347	17,454	24,625	29,881	32,035	33,509
15	Civilian aircraft, complete—all types.....	1,528	1,918	1,675	2,315	3,395	3,188	3,214	2,759
16	Other transportation equipment.....	243	335	395	481	634	858	846	559
17	Automotive vehicles, parts, and engines.....	3,870	4,698	5,485	6,878	8,625	10,631	12,100	13,027
18	To Canada <sup>9</sup> .....	2,692	3,512	4,267	5,251	6,205	7,088	8,429	9,278
19	To all other areas.....	1,178	1,186	1,219	1,627	2,421	3,543	3,671	3,749
20	Consumer goods (nonfood), except automotive.....	2,798	2,913	3,583	4,800	6,399	6,560	8,022	8,937
21	All other, including balance of payments adjustments, not included in lines C 4-20.....	1,473	1,523	1,929	2,672	3,637	4,079	3,565	4,548
22	Seasonal adjustment discrepancy (C1 less C4, 8, 13, 17, 20, and 21).....								
	<b>IMPORTS</b>								
23	<b>Total (A-18).....</b>	<b>39,866</b>	<b>45,579</b>	<b>55,797</b>	<b>70,499</b>	<b>103,649</b>	<b>98,041</b>	<b>124,047</b>	<b>151,644</b>
24	Petroleum and products <sup>8</sup> .....	2,930	3,650	4,650	8,415	26,589	27,017	34,573	44,977
25	Nonpetroleum products.....	36,936	41,929	51,147	62,084	77,060	71,024	89,474	106,667
26	Foods, feeds, and beverages.....	6,154	6,373	7,271	9,127	10,583	9,675	11,582	14,027
27	Industrial supplies and materials.....	15,397	17,474	20,999	28,140	54,564	51,228	64,573	80,990
28	Fuels and lubricants.....	3,175	3,974	5,101	8,967	27,487	28,519	37,079	47,780
29	Capital goods, except automotive.....	4,201	4,512	6,115	8,505	10,038	10,330	12,459	14,123
30	Machinery, except consumer-type.....	3,996	4,271	5,609	7,848	9,359	9,692	11,992	13,449
31	Civilian aircraft, engines, parts.....	191	227	477	618	636	548	406	592
32	Automotive vehicles, parts, and engines.....	5,570	7,425	8,782	10,319	12,078	11,849	16,365	18,849
33	From Canada.....	3,201	4,040	4,714	5,326	5,672	5,928	8,056	9,315
34	From all other areas.....	2,370	3,385	4,068	4,993	6,407	5,921	8,308	9,534
35	Consumer goods (nonfood), except automotive.....	7,481	8,410	11,133	12,923	14,415	13,234	17,191	21,827
36	All other, including balance of payments adjustments, not included in lines C 26-36.....	1,113	1,385	1,497	1,485	1,971	1,725	1,877	1,828
37	Seasonal adjustment discrepancy (C23 less C26, 27, 29, 32, 35 and 36).....								

See footnotes on page 36.



Table 3.—U.S. Merchandise

[Millions of

Line		1970	1971	1972	1973	1974	1975	1976	1977
D	<b>Merchandise trade, by end-use category, Census basis,<sup>1</sup> including military grant shipments:</b>								
1	<b>Merchandise exports, Census basis, including military grant shipments (A-1).....</b>	<b>43,228</b>	<b>44,155</b>	<b>49,787</b>	<b>71,389</b>	<b>98,596</b>	<b>108,050</b>	<b>115,346</b>	<b>121,243</b>
2	Agricultural products.....	7,349	7,787	9,504	17,862	22,261	22,695	23,274	24,234
3	Nonagricultural products.....	35,879	36,368	40,283	53,527	76,335	85,355	92,072	97,009
4	Excluding military grant shipments.....	35,314	35,787	39,723	53,011	75,736	85,494	91,882	96,947
5	<b>Foods, feeds, and beverages.....</b>	<b>5,849</b>	<b>6,066</b>	<b>7,500</b>	<b>15,089</b>	<b>18,489</b>	<b>19,086</b>	<b>19,712</b>	<b>19,611</b>
6	Grains and preparations.....	3,073	2,974	4,074	9,727	11,568	12,582	12,199	10,257
7	Soybeans.....	1,216	1,327	1,508	2,761	3,537	2,865	3,315	4,393
8	Other foods, feeds, and beverages.....	1,559	1,765	1,918	2,602	3,386	3,640	4,197	4,960
9	<b>Industrial supplies and materials<sup>10</sup>.....</b>	<b>13,690</b>	<b>12,620</b>	<b>13,878</b>	<b>19,642</b>	<b>29,961</b>	<b>29,775</b>	<b>31,960</b>	<b>34,302</b>
10	Fuels and lubricants <sup>11</sup> .....	1,695	1,694	1,701	1,921	3,626	4,750	4,684	4,747
11	Paper and paper base stocks.....	1,143	1,092	1,155	1,463	2,597	2,500	2,720	2,684
12	Textile supplies and materials.....	1,052	1,304	1,386	2,299	3,231	2,605	2,962	3,412
13	Raw cotton, including linters.....	378	589	508	940	1,353	1,001	1,058	1,538
14	Tobacco, unmanufactured.....	488	462	639	681	832	852	922	1,094
15	Chemicals, excluding medicinals.....	3,067	3,001	3,245	4,503	7,445	7,393	8,089	8,651
16	Other nonmetals (hides, tallow, minerals, wood, rubber, tires, etc.).....	2,644	2,701	3,299	4,699	5,919	5,629	6,795	7,358
17	Steelmaking materials.....	547	263	281	645	924	847	725	482
18	Iron and steel products.....	1,304	875	878	1,394	2,490	2,076	2,005	1,873
19	Other metals, primary and advanced, including advanced steel <sup>10</sup> .....	1,750	1,228	1,296	2,037	2,907	3,125	3,060	4,003
20	Precious metals (gold, silver, platinum).....	76	66	121	156	288	682	450	1,170
21	<b>Capital goods, except automotive.....</b>	<b>14,442</b>	<b>15,190</b>	<b>16,792</b>	<b>21,662</b>	<b>30,398</b>	<b>36,270</b>	<b>38,679</b>	<b>39,304</b>
22	Machinery, except consumer-type.....	11,619	11,645	13,212	17,168	24,200	29,568	31,658	33,058
23	Electrical and electronic, including parts and attachments.....	2,045	2,076	2,504	3,472	4,944	5,309	6,590	7,240
24	Nonelectrical, including parts and attachments.....	9,574	9,569	10,708	13,696	19,256	24,259	25,068	25,818
25	Construction machinery and nonfarm tractors.....	2,025	1,948	2,227	2,940	4,485	6,650	6,236	5,625
26	Textile and other specialized industry machinery.....	871	849	920	1,272	1,784	1,923	1,908	1,999
27	Other industrial machinery, n.e.c.....	3,784	3,842	4,230	5,163	7,173	9,289	9,747	9,939
28	Agricultural machinery and farm tractors.....	358	361	485	663	994	1,430	1,617	1,577
29	Business and office machines, computers, etc.....	1,687	1,686	1,822	2,352	3,061	2,960	3,274	4,049
30	Electronic computers and parts.....	1,237	1,262	1,341	1,717	2,198	2,228	2,588	3,264
31	Scientific, professional, and service industry equipment.....	849	883	1,023	1,309	1,770	2,007	2,285	2,631
32	Civilian aircraft, engines, parts.....	2,660	3,282	3,117	4,068	5,599	5,901	6,175	5,687
33	Civilian aircraft, complete, all types.....	1,528	1,918	1,707	2,315	3,366	3,169	3,294	2,747
34	Other transportation equipment.....	163	263	363	426	590	801	846	559
35	<b>Automotive vehicles, parts and engines.....</b>	<b>3,652</b>	<b>4,396</b>	<b>5,119</b>	<b>6,343</b>	<b>8,162</b>	<b>10,077</b>	<b>11,243</b>	<b>12,132</b>
36	To Canada <sup>9</sup> .....	2,474	3,210	3,901	4,716	5,742	6,634	7,572	8,583
37	To all other areas.....	1,178	1,186	1,219	1,627	2,421	3,443	3,671	3,749
38	Passenger cars, new and used.....	837	1,183	1,322	1,825	2,334	2,885	3,267	3,628
39	Trucks, buses, and special vehicles.....	579	622	711	888	1,394	2,199	2,068	2,041
40	Bodies, engines, parts and accessories, n.e.c.....	2,237	2,590	3,086	3,630	4,435	4,993	5,908	6,463
41	<b>Consumer goods (nonfood), except automotive.....</b>	<b>2,734</b>	<b>2,862</b>	<b>3,510</b>	<b>4,714</b>	<b>6,284</b>	<b>6,476</b>	<b>7,916</b>	<b>8,818</b>
42	Consumer durables, manufactured.....	1,039	1,115	1,482	2,055	2,801	2,840	3,573	3,763
43	Consumer nondurables, manufactured.....	1,571	1,612	1,841	2,324	3,070	3,374	4,010	4,689
44	Unmanufactured consumer goods (gems, nursery stock).....	124	136	187	336	324	261	334	366
45	<b>Special category (military-type goods).....</b>	<b>1,359</b>	<b>1,490</b>	<b>1,180</b>	<b>1,583</b>	<b>2,134</b>	<b>2,996</b>	<b>2,600</b>	<b>3,208</b>
46	<b>Exports, n.e.c., and reexports.....</b>	<b>1,503</b>	<b>1,533</b>	<b>1,808</b>	<b>2,354</b>	<b>3,168</b>	<b>3,372</b>	<b>3,236</b>	<b>3,866</b>
47	Domestic (low-value, miscellaneous).....	869	895	1,008	1,261	1,805	1,883	1,562	1,665
48	Foreign (reexports) <sup>12</sup> .....	634	638	800	1,093	1,363	1,490	1,674	2,201
49	<b>Seasonal adjustment discrepancy (D1 less D5, 9, 21, 35, 41, 45 and 46).....</b>								

See footnotes on page 36.



Table 3.—U.S. Merchandise

[Millions of

Line		1970	1971	1972	1973	1974	1975	1976	1977
50	<b>Merchandise imports, Census basis, (A-11)</b> .....	40,114	45,784	55,941	69,832	100,649	96,573	121,009	147,671
51	<b>Foods, feeds, and beverages</b> .....	6,152	6,364	7,264	9,112	10,568	9,642	11,546	13,981
52	Coffee, cocoa, and sugar.....	2,085	2,111	2,165	2,707	4,069	3,747	4,144	5,469
53	Green coffee.....	1,159	1,167	1,182	1,570	1,505	1,561	2,632	3,910
54	Cane sugar.....	725	764	832	925	2,247	1,865	1,154	1,076
55	Other foods, feeds, and beverages.....	4,067	4,253	5,099	6,405	6,499	5,895	7,402	8,513
56	<b>Industrial supplies and materials</b> <sup>10</sup> .....	15,221	17,134	20,616	27,001	51,583	49,131	61,081	76,362
57	<b>Fuels and lubricants</b> <sup>11 12</sup> .....	3,085	3,762	4,882	8,295	25,540	26,631	34,598	44,980
58	Petroleum and products <sup>9</sup> .....	2,796	3,376	4,368	7,759	24,661	25,194	32,211	42,343
59	Paper and paper base stocks.....	1,565	1,634	1,724	2,090	2,969	2,716	3,340	3,604
60	<b>Materials associated with nondurable goods and farm output, n.e.s.</b> .....	2,868	3,155	3,704	4,161	5,670	4,953	6,093	6,741
61	Textile supplies and materials.....	1,209	1,411	1,539	1,595	1,598	1,178	1,574	1,584
62	Tobacco, unmanufactured.....	111	89	157	191	254	343	392	322
63	Chemicals, excluding medicinal.....	837	956	1,130	1,346	2,499	2,229	2,579	3,069
64	Other (hides, copra, materials for making photos, drugs, dyes).....	712	702	878	1,029	1,321	1,203	1,547	1,767
65	<b>Building materials, except metals</b> .....	1,014	1,351	1,991	2,472	1,993	1,556	2,397	3,312
66	<b>Materials associated with durable goods output, n.e.s.</b> <sup>10</sup> .....	6,689	7,232	8,313	9,982	15,410	13,276	14,654	17,728
67	Steelmaking materials.....	706	714	758	970	1,356	1,744	1,872	1,850
68	Iron and steel products.....	2,191	2,871	3,070	3,196	5,559	4,605	4,379	6,020
69	Other metals, primary and advanced, including advanced steel.....	2,753	2,563	3,187	3,999	6,064	4,770	5,717	6,644
70	Precious metals (gold, silver, platinum).....	382	405	608	964	1,525	1,128	1,001	1,327
71	Nonmetals (oils, gums, resins, minerals, rubber, tires, etc.).....	1,039	1,084	1,299	1,819	2,432	2,157	2,685	3,213
72	<b>Capital goods, except automotive</b> .....	4,011	4,352	5,887	7,957	9,796	10,198	12,343	14,002
73	<b>Machinery, except consumer-type</b> .....	3,806	4,110	5,421	7,323	9,117	9,560	11,876	13,328
74	Electrical and electronic, and parts and attachments.....	966	1,118	1,550	2,353	3,096	2,899	4,430	4,365
75	Nonelectrical, and parts and attachments.....	2,841	2,991	3,871	4,970	6,021	6,660	7,446	8,964
76	Construction, textile and other specialized industry machinery and nonfarm tractors.....	596	719	946	1,086	1,179	1,261	1,321	1,670
77	Other industrial machinery, n.e.s.....	979	931	1,161	1,560	2,084	2,431	2,587	3,112
78	Agricultural machinery and farm tractors.....	359	364	497	667	849	998	1,056	1,174
79	Business and office machines, computers, etc.....	473	533	665	878	977	1,014	1,287	1,497
80	Scientific, professional and service industry equipment.....	433	444	603	778	932	956	1,196	1,512
81	<b>Transportation equipment, except automotive</b> .....	205	242	467	634	679	638	466	674
82	Civilian aircraft, engines, parts.....	191	228	437	595	636	548	406	592
83	Civilian aircraft, complete, all types.....	48	40	58	81	97	81	94	265
84	<b>Automotive vehicles, parts, and engines</b> <sup>13</sup> .....	5,894	7,917	9,327	10,886	11,961	11,673	16,155	18,668
85	From Canada <sup>13</sup> .....	3,525	4,532	5,259	5,893	5,554	5,752	7,846	9,134
86	From all other areas.....	2,370	3,385	4,068	4,993	6,406	5,921	8,308	9,534
87	Passenger cars, new and used.....	3,710	5,091	5,730	6,526	7,307	7,135	8,947	10,647
88	Trucks, buses, and special vehicles.....	720	835	1,129	1,282	1,452	1,302	2,062	2,635
89	Bodies, engines, parts and accessories, n.e.s.....	1,464	1,991	2,468	3,079	3,202	3,235	5,146	5,385
90	<b>Consumer goods (nonfood), except automotive</b> .....	7,404	8,392	11,111	12,890	14,380	13,211	17,165	21,796
91	Consumer durables, manufactured.....	3,918	4,514	6,224	7,110	8,256	6,805	8,405	11,760
92	Consumer nondurables, manufactured.....	2,960	3,316	4,124	4,786	5,166	5,479	7,488	8,285
93	Unmanufactured consumer goods (gems, nursery stock).....	526	563	762	994	958	927	1,272	1,751
94	<b>Imports, n.e.s. (low value, goods returned, military aircraft, movies, exhibits)</b> .....	1,402	1,629	1,743	1,995	2,370	2,726	2,725	2,862
95	<b>Seasonal adjustment discrepancy (D50 less D51, 56, 72, 84, 90, and 94)</b> .....								

See footnotes on page 36.



Trade—Continued

dollars]

Not seasonally adjusted									Seasonally adjusted									Line
1976				1977				1978	1976				1977				1978	
I	II	III	IV	I	II	III	IV	I*	I	II	III	IV	I	II	III	IV	I*	
27,379	29,522	31,489	32,619	35,379	37,239	36,925	38,128	40,551	27,560	29,082	31,932	32,283	35,480	36,301	37,524	38,456	40,520	50
2,603	2,867	2,960	3,116	3,514	3,950	3,149	3,368	3,864	2,636	2,777	3,021	3,112	3,615	3,813	3,190	3,363	3,955	51
887	1,030	1,112	1,115	1,581	1,621	1,027	1,240	1,535	887	1,030	1,112	1,115	1,581	1,621	1,027	1,240	1,535	52
552	599	678	803	1,235	1,234	632	809	1,179	552	599	678	803	1,235	1,234	632	809	1,179	53
230	339	344	241	215	235	293	333	128	293	312	284	265	272	210	236	358	166	54
1,715	1,837	1,848	2,002	1,933	2,330	2,122	2,128	2,328	1,715	1,837	1,848	2,002	1,933	2,330	2,122	2,128	2,328	55
13,728	14,587	16,191	16,575	19,040	18,846	19,523	18,953	19,701	13,470	14,831	16,446	16,334	18,459	19,558	19,509	18,836	19,304	56
7,958	7,893	9,247	9,500	12,245	10,724	11,377	10,634	10,489	7,531	8,241	9,476	9,350	11,468	11,560	11,341	10,611	9,836	57
7,432	7,326	8,727	8,726	11,663	10,078	10,731	9,871	9,727	7,005	7,674	8,956	8,576	10,886	10,914	10,695	9,848	9,074	58
688	883	895	874	862	899	868	975	930	697	849	900	894	875	860	870	996	951	59
1,576	1,538	1,444	1,535	1,671	1,809	1,732	1,529	2,043	1,495	1,521	1,524	1,553	1,583	1,787	1,825	1,546	1,938	60
405	396	380	393	385	421	420	358	489	408	403	386	377	389	428	341	489	481	61
187	98	45	62	105	82	71	64	105	140	92	74	86	71	68	104	79	74	62
605	676	629	669	739	841	783	706	915	589	648	665	677	720	808	827	714	892	63
379	369	390	409	441	465	458	403	534	379	369	390	409	441	465	458	403	534	64
475	597	666	659	688	823	897	904	936	498	545	644	710	721	753	863	975	984	65
3,031	3,675	3,940	4,008	3,573	4,595	4,652	4,908	5,303	3,303	3,610	3,887	3,854	3,900	4,505	4,595	4,728	5,770	66
303	466	591	512	248	516	585	501	347	428	438	519	487	355	490	520	485	481	67
925	1,023	1,129	1,302	1,096	1,507	1,617	1,800	1,839	970	1,087	1,151	1,171	1,142	1,602	1,656	1,620	1,904	68
1,193	1,527	1,530	1,467	1,421	1,724	1,645	1,854	2,309	1,193	1,527	1,530	1,467	1,421	1,724	1,645	1,854	2,309	69
207	252	289	253	263	305	307	452	614	207	252	289	253	263	305	307	452	614	70
609	660	690	726	808	848	802	755	808	609	660	690	726	808	848	802	755	808	71
2,821	3,068	3,162	3,292	3,110	3,496	3,546	3,850	4,236	2,863	3,004	3,214	3,262	3,163	3,430	3,604	3,805	4,309	72
2,693	2,955	3,050	3,178	2,993	3,332	3,386	3,617	4,024	2,721	2,908	3,097	3,150	3,030	3,288	3,433	3,577	4,077	73
926	1,092	1,209	1,203	927	1,051	1,158	1,229	1,226	979	1,095	1,181	1,175	983	1,057	1,128	1,197	1,299	74
1,767	1,863	1,841	1,975	2,067	2,281	2,228	2,388	2,798	1,746	1,809	1,914	1,977	2,045	2,218	2,315	2,386	2,768	75
328	349	315	329	363	419	444	444	547	328	349	315	329	363	419	444	444	547	76
620	609	671	687	718	774	792	828	994	620	609	671	687	718	774	792	828	994	77
274	309	237	236	289	354	259	272	325	260	268	276	252	274	307	301	292	309	78
285	304	312	386	337	364	367	429	482	285	304	312	386	337	364	367	429	482	79
260	291	308	337	361	371	366	414	450	265	288	309	334	368	369	367	408	457	80
128	113	111	114	117	165	159	233	213	128	113	111	114	117	165	159	233	213	81
112	96	97	101	103	143	131	215	175	112	96	97	101	103	143	131	215	175	82
21	18	35	20	36	52	52	125	36	21	18	35	20	36	52	52	125	36	83
3,998	4,359	3,683	4,115	4,382	4,825	4,205	5,256	5,826	3,866	4,044	4,126	4,119	4,229	4,484	4,685	5,270	5,629	84
1,845	2,109	1,765	2,127	2,537	2,525	1,822	2,450	2,410	1,798	1,929	2,105	2,014	2,288	2,325	2,172	2,349	2,554	85
2,154	2,249	1,917	1,988	2,046	2,299	2,383	2,806	3,416	2,058	2,154	2,027	2,089	1,941	2,174	2,497	2,922	3,266	86
2,367	2,540	1,834	2,206	2,502	2,777	2,401	2,967	3,375	2,224	2,268	2,187	2,268	2,328	2,462	2,832	3,025	3,166	87
503	554	478	527	590	640	554	851	878	493	518	527	524	571	599	612	853	846	88
1,128	1,264	1,371	1,383	1,290	1,408	1,250	1,437	1,573	1,153	1,253	1,399	1,341	1,322	1,400	1,264	1,399	1,615	89
3,614	4,009	4,749	4,793	4,731	5,329	5,817	5,919	6,145	3,902	4,145	4,452	4,666	5,104	5,505	5,441	5,746	6,622	90
1,655	1,923	2,256	2,571	2,538	2,854	3,009	3,359	3,126	1,845	1,968	2,170	2,422	2,815	2,908	2,890	3,147	3,462	91
1,650	1,780	2,162	1,896	1,791	2,024	2,378	2,092	2,447	1,742	1,874	1,955	1,917	1,894	2,131	2,146	2,114	2,589	92
309	307	331	325	401	452	431	467	572	309	307	331	325	401	452	431	467	572	93
616	634	746	729	602	792	685	783	779	627	650	749	699	613	813	689	747	793	94
-	-	-	-	-	-	-	-	-	196	-569	-76	91	297	-1,302	406	689	-92	95

Table 4.—Selected U.S. Government Transactions

[Millions of dollars]

Line		1975	1976	1977	1976				1977				1978
					I	II	III	IV	I	II	III	IV	
A1	<b>U.S. Government grants (excluding military) and transactions increasing Government assets, total</b>	8,839	9,955	9,175	2,142	2,376	3,267	2,170	2,329	2,360	2,474	2,012	2,454
1a	<i>Seasonally adjusted</i>				2,027	2,240	3,396	2,294	2,222	2,225	2,593	2,137	2,350
	<b>By category</b>												
2	Grants, net (table 1, line 34, with sign reversed)	2,894	3,145	2,776	540	642	1,424	539	626	811	774	566	740
3	Financing military purchases <sup>1</sup>	647	873	501	28	100	745	5	139	245	117	—	179
4	Other grants	2,247	2,266	2,275	512	542	679	534	487	565	657	566	562
5	Loans and other long-term assets (table 1, line 44, with sign reversed)	5,936	6,943	6,445	1,551	1,884	1,860	1,649	1,772	1,453	1,746	1,475	1,670
6	Capital subscriptions and contributions to international financial institutions, excluding IMF	654	1,102	870	155	364	345	238	185	227	243	215	292
7	Credits repayable in U.S. dollars	5,269	5,793	5,507	1,381	1,504	1,508	1,400	1,570	1,174	1,516	1,247	1,370
8	Credits repayable in foreign currencies	24	45	38	14	15	5	11	9	11	6	12	8
9	Other long-term assets	-11	4	30	(*)	1	1	2	8	40	-19	1	(*)
10	Foreign currency holdings and short-term assets, net (table 1, line 46, with sign reversed)	9	-133	-47	52	-149	-17	-18	-68	96	-46	-28	44
11	Foreign currency holdings (excluding administrative cash holdings), net	74	-100	-71	-20	-34	-26	-21	-25	-10	-31	-4	-16
	<b>Receipts from—</b>												
12	Sales of agricultural commodities	5	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
13	Interest	94	37	77	22	20	25	20	19	20	20	18	19
14	Repayments of principal	221	154	198	31	36	43	44	45	77	34	42	38
15	Reverse grants	2	6	—	6	(*)	—	—	—	—	—	—	—
16	Other sources	36	11	8	3	2	1	5	1	2	4	1	3
	<b>Less disbursements for—</b>												
17	Grants and credits in the recipient's currency	21	39	16	8	26	2	3	9	2	3	2	2
18	Other grants and credits	1	4	(*)	4	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
19	Other U.S. Government expenditures	263	314	337	73	61	94	86	80	107	86	63	74
20	Assets held under Commodity Credit Corporation Charter Act, net	70	-31	47	-3	-17	30	-40	3	50	-22	16	53
21	Assets financing military sales contracts, net <sup>2</sup>	-43	—	—	91	-91	—	—	—	—	—	—	—
22	Other short-term assets (including changes in administrative cash holdings), net	-92	-2	-23	-16	-7	-21	43	-46	56	7	-40	-23
	<b>By program</b>												
23	Capital subscriptions and contributions to international financial institutions, excluding IMF	654	1,102	870	155	364	345	238	185	227	243	215	292
24	Under farm product disposal programs	1,385	1,171	1,142	159	366	408	238	188	347	411	106	232
25	Under Foreign Assistance Act and related programs	3,668	4,874	4,737	1,280	856	1,686	1,051	1,329	1,034	1,188	1,185	1,370
26	Under Export-Import Bank Act	2,490	2,004	1,482	451	543	494	516	507	339	349	237	268
27	Other assistance programs	564	891	962	131	275	346	139	173	262	326	202	232
28	Other foreign currency assets acquired (lines A13, A14, and A16)	352	252	283	55	58	70	69	65	99	58	61	60
29	Less foreign currencies used by U.S. Government other than for grants or credits (line A19)	263	314	337	73	61	94	86	80	107	86	63	74
30	Other (including changes in administrative cash holdings), net	-30	-24	36	-17	-24	11	6	-37	109	-14	-21	55
	<b>By disposition<sup>3</sup></b>												
31	Estimated transactions involving no direct dollar outflow from the United States	7,488	8,091	7,481	1,834	1,897	2,717	1,643	2,014	1,876	2,037	1,554	1,993
32	Expenditures on U.S. merchandise	4,748	4,438	3,886	957	1,165	1,243	1,072	983	927	1,132	844	928
33	Expenditures on U.S. services <sup>4</sup>	1,120	1,209	1,190	257	333	337	283	273	309	366	243	321
34	Financing of military sales contracts by U.S. Government <sup>5</sup> (line C6)	1,130	1,737	1,624	464	142	861	270	623	353	341	306	493
35	By long-term credits	537	873	1,124	357	133	118	266	486	108	224	306	314
36	By short-term credits <sup>1</sup>	—	100	—	91	9	—	—	—	—	—	—	—
37	By grants <sup>1</sup>	593	764	500	16	—	743	5	138	245	117	—	179
38	U.S. Government grants and credits to repay prior U.S. Government credits <sup>14</sup>	357	467	239	141	220	50	56	51	39	48	51	42
39	U.S. Government long- and short-term credits to repay prior U.S. private credits	486	782	965	109	232	341	99	179	320	281	186	306
40	Increase in liabilities associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) <sup>6</sup> (line C11)	6	-3	-2	6	-5	-1	-3	-1	(*)	1	-1	1
41	Less receipts on short-term U.S. Government assets (a) financing military sales contracts <sup>1</sup> and (b) financing repayments of private credits	96	226	83	28	129	21	49	13	14	45	11	24
42	Less foreign currencies used by U.S. Government other than for grants or credits (line A19)	263	314	337	73	61	94	86	80	107	86	63	74
43	Estimated dollar payments to foreign countries and international financial institutions	1,351	1,864	1,694	309	479	580	527	315	484	437	458	461
B1	<b>Repayments on U.S. Government long-term assets, total (table 1, line 45)</b>	2,475	2,597	2,720	661	786	559	592	579	733	656	752	640
2	Receipts of principal on U.S. Government credits	2,444	2,563	2,686	657	757	558	591	574	706	654	752	636
3	Under farm product disposal programs	235	222	250	32	62	41	87	52	65	51	82	49
4	Under Foreign Assistance Act and related programs	526	776	776	237	209	180	149	177	218	175	206	226
5	Under Export-Import Bank Act	992	1,029	1,141	243	301	202	283	264	302	252	323	267
6	Other assistance programs	692	536	518	144	185	135	71	81	121	176	141	95
7	Receipts on other long-term assets	31	34	34	4	29	(*)	1	5	27	2	(*)	4
C1	<b>U.S. Government liabilities other than securities, total, net increase (-) (table 1, line 61)</b>	1,647	4,993	1,644	1,496	666	1,750	1,080	505	417	332	390	785
2	Associated with military sales contracts <sup>2</sup>	1,460	4,481	1,438	1,476	643	1,335	1,027	405	395	302	336	789
3	U.S. Government cash receipts from foreign governments (including principal repayments on credits financing military sales contracts), net of refunds <sup>1</sup>	4,525	8,270	7,273	2,218	1,783	1,972	2,297	1,787	1,836	1,963	1,687	2,292
4	Less U.S. Government receipts from principal repayments	275	313	380	75	88	96	54	95	92	84	110	141
5	Less U.S. Treasury securities issued in connection with prepayments for military purchases in the United States	—	—	—	—	—	—	—	—	—	—	—	—
6	Plus financing of military sales contracts by U.S. Government <sup>5</sup> (line A34)	1,130	1,737	1,624	464	142	861	270	623	353	341	306	493
7	By long-term credits	537	873	1,124	357	133	118	266	486	108	224	306	314
8	By short-term credits <sup>1</sup>	—	100	—	91	9	—	—	—	—	—	—	—
9	By grants <sup>1</sup>	593	764	500	16	—	743	5	138	245	117	—	179
10	Less transfers of goods and services (including transfers financed by grants to Israel, and by credits) <sup>12</sup> (table 1, line 3)	3,919	5,213	7,079	1,132	1,193	1,403	1,486	1,912	1,702	1,918	1,547	1,855
11	Associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) <sup>6</sup> (line A40)	6	-3	-2	6	-5	-1	-3	-1	(*)	1	-1	1
12	Associated with other liabilities	181	514	208	14	28	417	56	102	23	29	54	—
13	Sales of nuclear materials by Energy Research and Development Administration	92	56	92	-1	8	30	19	33	9	17	34	—
14	Other sales and miscellaneous operations	89	458	116	15	20	387	36	70	14	11	21	—

See footnotes on page 37.

Table 5.—Direct Investment: Income and Capital

[Millions of dollars]

Line	(Credits +; debits -)	1975	1976	1977	1976				1977				1978
					I	II	III	IV	I	II	III	IV	I P
<b>U.S. direct investment abroad.</b>													
1	Income (table 1, line 11).....	16,595	18,999	19,851	4,587	4,888	4,368	5,157	4,930	5,191	4,722	5,009	5,650
2	Interest, dividends, and earnings of unincorporated affiliates (table 1, line 12).....	8,547	11,303	12,540	2,824	2,383	2,377	3,719	2,986	3,165	2,900	3,489	2,898
3	Interest.....	662	729	786	175	171	179	204	177	194	230	186	n.a.
4	Dividends.....	4,361	5,698	6,474	1,576	1,116	952	2,055	1,424	1,625	1,443	1,983	n.a.
5	Earnings of unincorporated affiliates.....	3,524	4,876	5,280	1,073	1,096	1,247	1,460	1,386	1,347	1,227	1,320	n.a.
6	Reinvested earnings of incorporated affiliates (table 1, line 13).....	8,048	7,696	7,312	1,763	2,505	1,991	1,438	1,944	2,026	1,822	1,520	2,753
7	Capital (outflow (-)) (table 1, line 48).....	-14,244	-11,614	-12,215	-4,033	-2,357	-3,056	-2,169	-2,281	-4,062	-3,086	-2,787	-4,550
8	Equity and intercompany accounts (table 1, line 49).....	-6,196	-3,918	-4,904	-2,270	148	-1,065	-731	-338	-2,036	-1,264	-1,266	-1,798
9	Incorporated affiliates.....	-1,771	-1,412	-1,669	-1,480	881	376	-1,189	-553	-596	283	-804	n.a.
10	Equity.....	-1,490	-1,128	-1,316	-622	101	108	-715	-323	-160	-417	-416	n.a.
11	Increase <sup>1</sup> .....	-3,275	-2,659	-2,400	-826	-321	-453	-1,060	-420	-418	-538	-1,024	n.a.
12	Decrease <sup>2</sup> .....	1,786	1,531	1,084	204	421	561	345	97	258	121	608	n.a.
13	Intercompany accounts.....	-281	-284	-353	-859	780	269	-474	-230	-486	700	-388	n.a.
14	Short-term.....	-238	-329	-683	-760	552	401	-522	-102	-505	209	-286	n.a.
15	Long-term.....	-43	45	330	-100	229	-132	48	-128	69	491	-102	n.a.
16	Unincorporated affiliates.....	-4,425	-2,606	-3,235	-790	-733	-1,441	458	215	-1,441	-1,547	-463	n.a.
17	Reinvested earnings of incorporated affiliates (table 1, line 50).....	-8,048	-7,696	-7,312	-1,763	-2,505	-1,991	-1,438	-1,944	-2,026	-1,822	-1,520	-2,753
<b>By industry of affiliate:<sup>3</sup></b>													
<b>Income (line 1):</b>													
18	Petroleum.....	4,795	5,123	5,482	1,152	1,143	1,215	1,614	1,451	1,384	1,229	1,418	n.a.
19	Manufacturing.....	5,998	7,223	7,326	1,883	1,980	1,466	1,894	1,758	2,009	1,743	1,816	n.a.
20	Other.....	5,802	6,653	7,044	1,552	1,765	1,686	1,650	1,721	1,798	1,750	1,775	n.a.
<b>Interest, dividends, and earnings of unincorporated affiliates (line 2):</b>													
21	Petroleum.....	2,738	4,385	4,478	1,538	730	809	1,309	1,090	1,205	841	1,341	n.a.
22	Manufacturing.....	2,547	3,106	3,812	457	709	679	1,261	895	855	1,112	951	n.a.
23	Other.....	3,262	3,812	4,250	829	944	889	1,150	1,001	1,105	948	1,197	n.a.
<b>Reinvested earnings of incorporated affiliates (line 6, or line 17 with sign reversed):</b>													
24	Petroleum.....	2,057	738	1,004	-386	413	406	305	360	178	388	77	n.a.
25	Manufacturing.....	3,451	4,117	3,514	1,425	1,272	787	633	863	1,154	631	865	n.a.
26	Other.....	2,540	2,841	2,794	723	821	797	500	720	693	802	579	n.a.
<b>Equity and intercompany accounts (outflow (-)) (line 8):</b>													
27	Petroleum.....	-2,820	-1,316	-1,613	-793	56	-231	-348	552	-1,638	-383	-145	-950
28	Manufacturing.....	-1,301	-1,041	-884	-487	170	-351	-374	-420	51	-378	-137	n.a.
29	Other.....	-2,075	-1,561	-2,406	-991	-78	-483	-10	-469	-449	-503	-985	n.a.
<b>Foreign direct investment in the United States.</b>													
30	Income (table 1, line 27).....	-2,234	-3,110	-2,829	-892	-726	-724	-768	-553	-767	-702	-807	-697
31	Interest, dividends, and earnings of unincorporated affiliates (table 1, line 28).....	-1,042	-1,451	-1,257	-350	-301	-274	-526	-245	-363	-295	-354	-275
32	Interest.....	-102	-128	-147	-37	-29	-29	-34	-28	96	-34	-48	-43
33	Dividends.....	-508	-664	-781	-135	-155	-133	-242	-175	-211	-191	-205	-185
34	Earnings of unincorporated affiliates.....	-436	-658	-329	-179	-117	-113	-250	-42	-115	-70	-101	-46
35	Reinvested earnings of incorporated affiliates (table 1, line 29).....	-1,189	-1,659	-1,572	-541	-425	-450	-243	-309	-404	-408	-452	-423
36	Capital (inflow (+)) (table 1, line 65).....	2,603	4,347	3,338	1,472	1,086	999	790	880	996	1,012	450	679
37	Equity and intercompany accounts (table 1, line 66).....	1,414	2,687	1,766	930	661	549	547	571	593	604	-2	256
38	Incorporated affiliates.....	1,168	2,347	1,828	853	622	527	346	715	604	614	-105	283
39	Equity.....	1,114	1,249	1,049	352	264	276	358	230	119	348	352	241
40	Increase <sup>1</sup> .....	1,163	1,356	1,124	384	270	306	396	244	132	380	368	241
41	Decrease <sup>2</sup> .....	-49	-107	-75	-33	-6	-30	-39	-14	-14	-32	-16	n.a.
42	Intercompany accounts.....	54	1,099	779	501	358	252	-12	486	485	266	-457	42
43	Short-term.....	n.a.	785	815	426	362	95	-98	652	399	166	-401	n.a.
44	Long-term.....	n.a.	314	-37	75	-4	157	87	-167	87	100	-56	n.a.
45	Unincorporated affiliates.....	246	340	-63	78	39	22	201	-144	-11	-10	103	-27
46	Reinvested earnings of incorporated affiliates (table 1, line 67).....	1,189	1,659	1,572	541	425	450	243	309	404	408	452	423
<b>By industry of affiliate:<sup>3</sup></b>													
<b>Income (line 30):</b>													
47	Petroleum.....	-714	-803	-838	-251	-180	-217	-156	-223	-173	-207	-235	-247
48	Manufacturing.....	-743	-949	-843	-264	-282	-214	-190	-239	-224	-210	-170	-257
49	Other.....	-777	-1,358	-1,148	-377	-265	-294	-423	-91	-370	-286	-402	-194
<b>Interest, dividends, and earnings of unincorporated affiliates (line 31):</b>													
50	Petroleum.....	-194	-265	-234	-52	-70	-42	-101	-61	-57	-47	-70	-56
51	Manufacturing.....	-252	-340	-467	-77	-58	-77	-129	-82	-136	-125	-123	-99
52	Other.....	-600	-846	-556	-221	-173	-156	-296	-102	-170	-123	-161	-120
<b>Reinvested earnings of incorporated affiliates (line 35, or line 46 with sign reversed):</b>													
53	Petroleum.....	-520	-538	-604	-199	-110	-175	-55	-162	-116	-160	-165	-191
54	Manufacturing.....	-491	-609	-377	-187	-225	-137	-61	-158	-88	-85	-47	-158
55	Other.....	-177	-513	-592	-156	-91	-138	-127	11	-200	-163	-241	-74
<b>Equity and intercompany accounts (inflow (+)) (line 37):</b>													
56	Petroleum.....	79	410	42	186	24	95	104	-40	71	93	-83	76
57	Manufacturing.....	593	625	747	168	201	240	16	162	145	284	156	216
58	Other.....	742	1,653	977	575	437	214	427	449	377	227	-75	-36

See footnotes on page 37.

Table 6.—Securities Transactions

[Millions of dollars]

Line	(Credits +; debits -)	1975	1976	1977	1976				1977				1978
					I	II	III	IV	I	II	III	IV	
A1	Foreign securities, net U.S. purchases(-), balance of payments basis (table 1, line 51, or lines 6+17 below)	-6,235	-8,852	-5,398	-2,465	-1,394	-2,746	-2,248	-736	-1,766	-2,165	-731	-934
	<b>Stocks:</b>												
2	Treasury basis, net <sup>1</sup>	-184	-322	-409	-110	-46	-167	1	-194	-118	-297	200	330
	<b>Adjustments:</b>												
3	Less recorded in table 1, line 48 as U.S. direct investment abroad	-4											
4	Plus exchange of stock associated with direct investment in the United States												
5	Plus other adjustments	160											
6	Balance of payments basis, net	-19	-322	-409	-110	-46	-167	1	-194	-118	-297	200	330
7	Newly issued in the United States	-92	-168	-196	-23		-63	-82	-77	-14	-68	-37	
8	Of which Canada	-92	-63				-63						
9	Other foreign stocks	73	-155	-213	-87	-46	-104	83	-117	-104	-229	237	330
10	Western Europe	61	-394	-532	-81	-125	-139	-49	-123	-168	-269	28	239
11	Canada	-9	49	-201	12	13	12	12	-104	-75	-54	32	-62
12	Japan	-8	141	468	-9	41	(*)	110	97	108	83	180	159
13	Other	29	49	52	-9	25	23	10	13	31	11	-3	-6
	<b>Bonds:</b>												
14	Treasury basis, net <sup>1</sup>	-6,326	-8,740	-5,055	-2,425	-1,409	-2,687	-2,249	-542	-1,694	-1,868	-931	-1,264
	<b>Adjustments:</b>												
15	Plus additional Canadian redemptions <sup>2</sup>	110	212	46	72	62	78			46			
16	Plus other adjustments	-5	-2		-2								
17	Balance of payments basis, net	-6,215	-8,530	-4,989	-2,355	-1,347	-2,579	-2,249	-542	-1,648	-1,865	-931	-1,264
18	Newly issued in the United States	-7,168	-9,979	-6,880	-2,830	-1,622	-3,011	-2,516	-1,287	-1,998	-2,276	-1,319	-1,077
19	By type: privately placed publicly offered	-1,655 -5,513	-2,777 -7,202	-2,577 -4,303	-938 -1,892	-375 -1,247	-819 -2,192	-645 -1,871	-463 -824	-602 -1,396	-585 -1,691	-927 -392	-753 -324
21	By area: Western Europe	-918	-1,526	-1,596	-385	-359	-285	-517	-291	-500	-293	-512	-309
22	Canada	-3,231	-5,352	-2,395	-2,013	-860	-1,318	-1,161	-728	-439	-979	-249	-659
23	Japan	-197	-255	-338	-50	-105	-100		-150	-147	-41		
24	Latin America	-187	-69	-527	-46	-23			-160	-84	-283		-45
25	Other countries	-600	-1,093	-574	-76	-275	-404	-338	-118	-52	-129	-275	-64
26	International financial institutions <sup>3</sup>	-2,035	-1,684	-1,450	-260		-924	-500		-700	-750		
27	Redemptions of U.S.-held foreign bonds <sup>2</sup>	827	1,267	1,318	426	244	279	318	557	235	216	310	263
28	Canada	525	706	505	178	189	192	147	181	153	85	86	115
29	Other countries	131	174	278	25	17	26	106	33	36	79	130	62
30	International financial institutions <sup>3</sup>	171	387	535	223	38	61	65	343	46	52	94	86
31	Other transactions in outstanding bonds <sup>2</sup>	126	182	573	49	31	153	-51	188	115	192	78	-450
32	Western Europe	444	336	445	198	135	45	-42	184	100	88	73	159
33	Canada	-287	-374	-267	-120	-127	-42	-85	-48	-106	-123	10	-22
34	Japan	-117	-32	-291	-28	2	8	-14	-68	-16	-57	-150	-697
35	Other	86	252	686	-1	21	142	90	120	137	284	145	110
B1	U.S. securities, excluding Treasury issues and transactions by foreign official agencies, net foreign purchases(+), balance of payments basis (table 1, line 69, or lines 5+12 below)	2,503	1,284	2,869	1,036	134	64	51	828	725	513	803	462
	<b>Stocks:</b>												
2	Treasury basis, net <sup>1</sup>	4,666	2,753	2,675	1,500	780	342	131	562	721	498	894	670
	<b>Adjustments:</b>												
3	Plus exchange of stock associated with U.S. direct investment abroad	19	-90			-90							
4	Plus other adjustments <sup>4</sup>	-1,632	-1,804	-1,361	-551	-688	-360	-306	-232	-446	-359	-314	-329
5	Balance of payments basis, net	3,054	859	1,325	949	102	-18	-174	330	275	139	580	341
6	Western Europe	2,490	335	1,010	671	29	-108	-257	200	223	122	465	389
7	Canada	362	233	65	103	-42	94	78	46	-41	4	56	-48
8	Japan	22	68	33	11	46	-6	17	18	9	-3	9	2
9	Other	179	223	216	164	69	2	-12	66	84	16	50	-2
	<b>Bonds:</b>												
10	Treasury basis, net <sup>1</sup>	797	1,206	4,336	231	420	311	244	536	1,500	1,046	1,254	238
11	Adjustments <sup>4,5</sup>	-1,347	-744	-2,791	-144	-389	-230	-19	-38	-1,050	-672	-1,031	-117
12	Balance of payments basis, net	-551	424	1,544	87	31	81	225	498	450	374	223	121
13	New issues sold abroad by U.S. corporations <sup>5</sup>	196	316	653	94	69	29	124	322	161	125	50	65
14	Investments by international financial institutions <sup>3</sup> in nonguaranteed bonds of U.S. federally sponsored agencies	-995	10	11	21	-5	6	-12	-17	-5	8	25	12
15	Other transactions in U.S. bonds	248	98	876	-28	-33	46	113	193	294	241	148	44
16	Of which United Kingdom	71	94	532	-15	1	32	76	259	238	-28	63	28

See footnotes on page 37.

Table 7.—Claims and Liabilities Reported by U.S. Nonbanking Concerns

(Millions of dollars)

Line	(Credits (+); increase in U.S. liabilities or decrease in U.S. assets. Debits (-); decrease in U.S. liabilities or increase in U.S. assets.)	1975	1976	1977	1976				1977				1978	Amounts out- standing Mar. 31, 1978
					I	II	III	IV	I	II	III	IV		
A1	Claims, total.....	-1,357	-2,030	-1,701	-741	-1,003	625	-911	-768	-1,137	1,390	-1,184	-2,015	22,747
2	Long-term (table 1, line 52).....	-366	5	25	-191	135	-23	84	33	66	205	-279	-60	4,905
3	Short-term (table 1, line 53) <sup>1</sup> .....	-991	-2,035	-1,725	-550	-1,138	648	-995	-801	-1,203	1,184	-905	-1,955	17,842
4	Payable in dollars.....	-782	-2,141	-1,354	-665	-1,129	714	-1,061	-784	-1,106	1,118	-582	n.a.	14,517
	By type:													
5	Deposits of major U.S. corporations.....	-120	-1,713	-978	-651	-565	289	-786	-900	-1,115	664	382	-1,313	6,715
6	Short-term investments of major U.S. corporations <sup>2</sup> .....	-263	-42	-29	-62	48	-25	-3	-82	-35	48	40	-173	575
7	Other.....	-399	-385	-347	48	-612	450	-272	207	44	406	-1,004	n.a.	4,727
	By area:													
8	United Kingdom.....	-132	-504	-212	-381	-318	240	-45	-45	-589	577	-155	n.a.	2,545
9	Other Western Europe.....	229	-221	-90	-139	-12	45	-115	-39	-46	263	-268	n.a.	2,417
10	Canada.....	-514	-365	-30	-181	-1	-3	-180	-14	-67	66	-15	n.a.	2,140
11	Japan.....	160	77	-79	-41	-66	111	73	-2	57	-134	(*)	n.a.	866
12	Bahamas.....	-70	-734	-466	-221	-260	201	-454	-438	-357	327	2	n.a.	1,852
13	Other.....	-455	-394	-477	298	-472	120	-340	-246	-104	19	-146	n.a.	4,697
14	Payable in foreign currencies.....	-83	106	-371	115	-9	-66	66	-17	-97	66	-323	n.a.	1,370
	By type:													
15	Deposits.....	-93	124	-177	87	-78	-35	150	12	-17	34	-206	n.a.	620
16	Of which major U.S. corporations.....	-82	117	-159	79	-57	-48	143	21	-16	30	-194	-94	647
17	Short-term investments of major U.S. corporations <sup>2</sup> .....	22	-40	-127	-7	55	-12	-76	-16	-74	39	-76	-97	510
18	Other.....	-12	22	-67	35	14	-19	-8	-13	-6	-7	-41	n.a.	240
	By area:													
19	Western Europe.....	-58	-48	-130	41	-82	-123	116	34	12	-26	-150	n.a.	502
20	Canada.....	28	5	-124	54	34	8	-91	46	-80	6	-96	n.a.	473
21	Japan.....	-62	144	-65	10	59	49	26	-55	-15	38	-33	n.a.	191
22	Other.....	9	5	-52	10	-20	(*)	15	-42	-14	48	-44	n.a.	204
	Memoranda:													
	U.S. dollar deposits in Canadian Banks:													
23	As reported by major U.S. corporations other than banks (included in line A4 above).....	44	-342	-13	-166	-11	-68	-107	66	-32	-15	-22	-571	1,504
24	As reported in Canadian banking statistics.....	71	-236	-93	-12	-96	-79	-39	-138	-339	169	316	-692	3,642
B1	Liabilities, total.....	319	-507	257	154	-248	-184	-229	-346	-412	590	425	418	11,905
2	Long-term (table 1, line 70) <sup>3</sup> .....	406	-958	-620	-231	-162	-247	-318	-220	-176	18	-242	45	3,406
3	Short-term (table 1, line 71) <sup>1,3</sup> .....	-87	451	877	385	-86	63	89	-126	-236	572	667	378	8,409
4	Payable in dollars.....	137	343	844	337	-60	-48	114	-181	-121	432	714	n.a.	7,291
5	United Kingdom.....	-335	-299	-370	-30	-110	-109	-50	-242	3	-126	-5	n.a.	787
6	Other Western Europe.....	-95	-41	432	-25	107	-23	-100	50	61	88	233	n.a.	1,739
7	Japan.....	-93	-80	473	14	-21	-26	-47	-19	4	415	73	n.a.	614
8	Other Asia.....	492	345	8	-11	11	211	134	-100	-178	185	101	n.a.	1,375
9	Africa.....	199	213	-45	114	29	-98	168	-17	-3	-20	-5	n.a.	555
10	Other.....	-31	205	346	275	-76	-3	9	147	-8	-110	317	n.a.	2,241
	Payable in foreign currencies.....	-296	108	33	48	-26	111	-25	55	-115	140	-47	n.a.	745
12	Of which Western Europe.....	-352	36	-122	-11	(*)	106	-59	-46	-76	5	-5	n.a.	26

See footnotes on page 37.

Table 8.—Claims on Foreigners Reported by U.S. Banks

(Millions of dollars)

Line	(Credits (+); decrease in U.S. assets. Debits (-); increase in U.S. assets.)	1975	1976	1977	1976				1977				1978	Amounts out- standing Mar. 31, 1978
					I	II	III	IV	I	II	III	IV		
1	Total.....	-13,532	-21,368	-11,427	-3,701	-4,786	-3,320	-9,561	3,684	-4,582	-1,779	-8,750	-6,270	98,832
2	Long-term (table 1, line 54).....	-2,357	-2,362	-751	-289	-377	-978	-718	-306	18	-447	-16	-311	12,980
3	Payable in dollars.....	-2,321	-2,330	-645	-257	-404	-958	-711	-265	29	-432	23	-311	12,705
4	Of which loans.....	-1,826	-1,777	-583	-163	-277	-793	-544	-314	117	-319	-67	-417	11,093
5	Payable in foreign currencies.....	-36	-32	-106	-32	27	-20	-7	-41	-11	-15	-39	(*)	255
6	Short-term (table 1, line 55).....	-11,175	-19,006	-10,676	-3,412	-4,409	-2,342	-8,843	3,990	-4,600	-1,332	-8,734	-5,959	85,872
7	Payable in dollars.....	-11,029	-18,663	-10,260	-3,429	-4,130	-2,237	-8,867	4,242	-4,770	-1,372	-8,360	-5,932	83,743
	By type:													
8	Loans.....	-1,913	-5,016	-1,740	-390	-1,558	266	-3,334	2,423	-507	-2,089	-1,567	-1,450	21,405
9	Acceptances.....	90	-1,211	-1,853	3	-396	378	-1,196	-432	-419	-489	-513	320	13,892
10	Collections outstanding.....	170	-289	-420	100	-150	-230	-9	-434	-227	392	-151	-590	6,765
11	Other <sup>1</sup> .....	-9,376	-12,147	-6,247	-3,142	-2,026	-2,651	-4,328	2,685	-3,617	814	-6,129	-4,212	41,681
	By area:													
12	United Kingdom.....	-2,078	-1,625	-1,884	40	-589	277	-1,353	957	-1,411	7	-1,437	-394	8,452
13	Other Western Europe.....	-462	-1,392	-1,349	89	-116	-89	-1,276	221	-587	-414	-569	-332	6,716
14	Japan.....	1,842	-9	1,136	684	-78	157	-772	1,519	-637	617	-363	-441	9,962
15	Canada.....	-162	-409	-225	-223	-219	-40	73	-338	140	-64	-91	-741	3,706
16	Caribbean <sup>2</sup> .....	-4,877	-11,267	-5,709	-3,601	-2,047	-2,756	-2,863	898	-1,264	-689	-4,654	-3,291	29,364
17	Other.....	-5,292	-3,961	-2,229	-418	-1,081	214	-2,676	985	-1,011	-957	-1,246	-733	25,543
18	Payable in foreign currencies.....	-146	-343	-416	17	-279	-105	24	-252	170	40	-374	-27	2,129
	By type:													
19	Deposits.....	13	-446	162	-141	-156	-110	-39	-37	306	16	-123	-7	948
20	Foreign government obligations and commercial and finance paper.....	-24	224	-365	166	-13	21	50	-234	21	37	-189	52	402
21	Other.....	-135	-121	-213	-8	-110	-16	13	19	-157	-13	-62	-72	779
	By area:													
22	Western Europe.....	-138	-175	11	55	-162	-109	41	104	-12	-44	-37	-64	795
23	Canada.....	122	177	-455	123	-30	37	47	-350	-11	144	-238	42	722
24	Other.....	-130	-345	28	-161	-87	-33	-64	-6	193	-60	-99	-5	612

See footnotes on page 37.

**Table 9.—Foreign Official Assets in the United States and Other Foreign Assets in the United States Reported by U.S. Banks**

(Millions of dollars)

Line	(Credits(+); increase in foreign assets. Debits(-); decrease in foreign assets.)	1975	1976	1977	1976				1977				1978	Amounts out-standing March 31, 1978
					I	II	III	IV	I	II	III	IV		
<b>A1</b>	<b>Foreign official assets in the United States, net (table 1, line 57)...</b>	<b>6,907</b>	<b>18,073</b>	<b>37,124</b>	<b>3,819</b>	<b>4,017</b>	<b>3,070</b>	<b>7,166</b>	<b>5,451</b>	<b>7,884</b>	<b>8,246</b>	<b>15,543</b>	<b>15,691</b>	<b>159,150</b>
2	U.S. Treasury securities (table 1, line 59).....	4,408	9,333	30,294	1,998	2,165	1,261	3,909	5,323	5,123	6,948	12,900	12,965	113,343
3	Bills and certificates.....	-834	3,526	10,094	807	530	133	2,056	2,642	923	-521	7,050	11,483	59,302
4	Denominated in U.S. dollars.....	-707	3,526	10,094	807	530	133	2,056	2,642	923	-521	7,050	11,483	59,302
5	Denominated in foreign currencies.....	-127												
6	Bonds and notes, marketable.....	1,612	5,117	20,328	1,117	1,437	1,575	988	2,189	4,367	7,237	6,535	2,412	34,528
7	Bonds and notes, nonmarketable.....	3,630	690	-128	74	199	-448	865	492	-167	232	-685	-930	19,513
8	Denominated in U.S. dollars.....	3,503	743	-249	74	199	-448	918	577	-81	318	-565	-796	18,478
9	Denominated in foreign currencies.....	127	-53	-377				-53	-85	-86	-86	-120	-134	1,035
10	Other U.S. Government securities (table 1 line 60).....	905	573	2,308	68	316	66	123	98	610	627	973	117	5,829
11	Other U.S. Government liabilities (table 1, line 61).....	1,647	4,993	1,644	1,496	666	1,750	1,080	505	417	332	390	785	12,554
12	U.S. liabilities reported by U.S. banks, not included elsewhere (table 1, line 62).....	-2,158	969	773	-412	181	-531	1,731	-725	752	-163	909	1,456	19,459
13	Long term.....	807	406	-41	386	148	-81	-47	-510	308	-76	237	-129	1,167
14	Short-term.....	-2,965	563	814	-798	32	-449	1,778	-215	444	-87	672	1,585	18,292
15	Demand deposits.....	-308	750	134	27	-39	-79	841	-756	67	428	395	-724	2,804
16	Time deposits <sup>1</sup> .....	-744	-1,102	-523	-793	-215	-216	122	-55	211	-489	-190	-20	1,777
17	Other obligations <sup>1</sup> .....	-1,913	915	1,203	-32	286	-154	815	596	166	-26	467	2,329	13,711
18	Other foreign official assets (table 1, line 63).....	2,104	2,205	2,105	669	689	524	323	250	982	502	371	368	7,965
<b>B1</b>	<b>Other foreign assets in the United States; U.S. Treasury securities and U.S. liabilities reported by U.S. banks, not included elsewhere (table 1 lines 63, 72 and 73).....</b>	<b>3,218</b>	<b>13,773</b>	<b>7,282</b>	<b>1,109</b>	<b>2,925</b>	<b>4,983</b>	<b>4,756</b>	<b>-4,323</b>	<b>4,870</b>	<b>3,891</b>	<b>2,844</b>	<b>567</b>	<b>68,342</b>
2	Foreign commercial banks.....	-486	8,070	5,299	1,083	2,090	2,171	2,726	-4,490	3,768	3,876	2,145	-151	43,098
3	Foreign branches of U.S. banks <sup>2 3</sup> .....	-1,146	3,470	1,430	530	86	365	2,689	-3,395	1,493	3,976	-644	n.a.	5 7,678
4	Foreign head offices and affiliated organizations abroad of U.S. agencies, branches, and subsidiaries <sup>2 3</sup> .....	-154	3,663	967	1,640	-500	1,672	651	-717	1,420	-117	571	n.a.	5 14,246
5	Others <sup>2 3</sup> .....	709	681	2,818	-1,003	2,580	111	-787	-404	853	-46	2,415	n.a.	5 20,616
6	U.S. Treasury bills and certificates.....	103	-216	22	-122	-60	23	-57	-11	8	25	16	20	161
7	U.S. Liabilities reported by U.S. banks.....	-589	8,286	5,277	1,205	2,150	2,148	2,783	-4,479	3,776	3,851	2,129	-171	42,937
8	Long-term.....	105	256	94	116	-56	23	173	26	2	63	3	34	749
9	Short-term.....	-694	8,030	5,183	1,089	2,206	2,125	2,610	-4,505	3,774	3,788	2,126	-205	42,188
10	Demand deposits.....	-697	1,570	1,829	-287	852	133	872	-709	1,068	212	1,258	-820	10,113
11	Time deposits <sup>1</sup> .....	-12	424	-258	219	-321	481	45	-533	353	-275	197	-306	1,777
12	Other obligations <sup>1</sup> .....	15	6,036	3,612	1,157	1,675	1,511	1,693	-3,263	2,353	3,851	671	921	30,341
13	International financial institutions <sup>4</sup> .....	1,894	2,714	-721	-132	232	1,843	771	-385	96	-718	286	346	8,378
14	U.S. Treasury securities.....	2,237	2,850	-283	566	-632	3,009	-93	826	-1,584	758	-283	621	6,073
15	Bills and certificates.....	2,058	147	-1,996	-59	-259	1,795	-1,330	41	-322	-645	-1,170	612	1,318
16	Marketable bonds and notes.....	179	2,703	1,713	625	-373	1,214	1,237	785	-1,362	1,403	887	9	4,755
17	U.S. liabilities reported by U.S. banks.....	-343	-136	-438	-698	864	-1,166	864	-1,211	1,680	-1,476	569	-275	2,305
18	Long-term.....	-407	-146	117	-233	9	28	50	-2	12	52	55	47	433
19	Short-term.....	64	10	-555	-465	855	-1,194	814	-1,209	1,668	-1,528	514	-322	1,872
20	Demand deposits.....	-1	151	-59	-9	128	73	-41	-87	25	-14	17	14	245
21	Time deposits <sup>1</sup> .....	38	56	-65	43	-32	-9	54	37	-85	-23	6	-30	109
22	Other obligations <sup>1</sup> .....	27	-197	-431	-499	759	-1,258	801	-1,159	1,728	-1,491	491	-306	1,518
23	Other private foreign residents and unallocated.....	1,810	2,989	2,704	158	603	969	1,259	552	1,006	733	413	372	16,866
24	U.S. Treasury securities.....	250	149	824	-6	100	-7	62	166	222	468	-32	240	2,239
25	Bills and certificates.....	47	-127	42	-65	59	-77	44	50	-81	237	-164	51	291
26	Bonds and notes.....	203	276	782	59	41	70	106	116	303	231	132	189	1,948
27	U.S. liabilities reported by banks.....	1,560	2,840	1,880	164	503	976	1,197	388	784	265	445	132	14,627
28	Long-term.....	22	121	162	31	24	54	18	90	79	-25	169	553	
29	Short-term.....	1,538	2,719	1,718	152	472	952	1,143	368	694	186	470	-37	14,074
30	Demand deposits.....	519	768	288	-205	103	540	330	-147	-79	81	433	-303	4,000
31	Time deposits <sup>1</sup> .....	1,079	1,701	1,021	424	280	279	718	473	300	341	-93	108	7,653
32	Other obligations <sup>1</sup> .....	-60	250	409	-67	89	133	95	42	473	-236	130	158	2,421

See footnotes on page 37.

**Footnotes to U.S. International Transactions Tables 1-10a**

General notes for all tables: <sup>p</sup> Preliminary. \* Less than \$500,000 (±). n.a. Not available.

**Table 1:**

1. Credits, +: exports of goods and services; unilateral transfers to United States; capital inflows (increase in foreign assets (U.S. liabilities) or decrease in U.S. assets); decrease in U.S. official reserve assets.

Debits, -: imports of goods and services; unilateral transfers to foreigners; capital outflows (decrease in foreign assets (U.S. liabilities) or increase in U.S. assets); increase in U.S. official reserve assets.

2. Excludes transfers of goods and services under U.S. military grant programs (see line 16).

3. Excludes exports of goods under U.S. military agency sales contracts identified in Census export documents, excludes imports of goods under direct defense expenditures identified in Census import documents, and reflects various other adjustments (for valuation, coverage, and timing) of Census statistics to a balance of payments basis; see table 3.

4. For all areas, amounts outstanding March 31, 1978, were as follows in millions of dollars: line 38, 19,192; line 39, 11,718; line 40, 2,693; line 41, 4,701; line 42, 80.

5. Includes sales of foreign obligations to foreigners.

6. Consists of bills, certificates, marketable bonds and notes, and nonmarketable convertible and nonconvertible bonds and notes.

7. Consists of U.S. Treasury and Export-Import Bank obligations, not included elsewhere, and of debt securities of U.S. Government corporations and agencies.

8. Includes, primarily, U.S. Government liabilities associated with military sales contracts and other transactions arranged with or through foreign official agencies; see table 4.

9. Consists of investment in U.S. corporate stocks and in debt securities of private corporations and State and local governments.

10. Conceptually, the sum of lines 79 and 74 (total, all areas) is equal to "net foreign investment" in the national income and product accounts (NIPA's) of the United States. However, the foreign transactions account in the NIPA excludes reinvested earnings of incorporated

foreign affiliates of U.S. direct investors and of incorporated U.S. affiliates of foreign direct investors; beginning with 1973-IV, shipments and financing of extraordinary military orders placed by Israel are also excluded. Line 77 (total, all areas) differs from "net exports of goods and services" in the NIPA due to the omission in the NIPA of net reinvested earnings, shipments of extraordinary military orders placed by Israel, and U.S. Government interest payments to foreigners. The latter payments are classified in a separate category in the foreign transactions account in the NIPA's. A reconciliation table of the international accounts and the NIPA's foreign transactions accounts will appear in table 4.3 in the presentation of the NIPA's in the July 1978 SURVEY OF CURRENT BUSINESS.

11. Includes return import into the United States, at a depreciated value of \$21 million in 1972-IV and \$22 million in 1973-II, of aircraft originally reported in 1970-III in line 3 as a long-term lease to Australia.

12. Includes extraordinary U.S. Government transactions with India. See "Special U.S. Government Transactions," June 1974 SURVEY, p. 27.

**Table 2:**

For footnotes 1-12, see table 1.

13. Seasonally adjusted data for line 59 are not available separately; they are combined with data in line 62 through 1972.

**Table 3:**

1. Exports, Census basis, represent transaction values, f.a.s. U.S. port of exportation, for all years; imports, Census basis, represent transaction values, f.a.s. foreign port of exportation beginning in 1974. For all prior years, imports reflect Customs (appraisal) values, f.o.b. foreign country of exportation, and may differ from the actual f.a.s. transaction value at the foreign port of exportation. The figures for export and imports are as published by the Census Bureau.

2. Adjustments in lines A6, A14, B8, B24, and B40 for the years beginning in 1970 reflect the Census Bureau's reconciliation of discrepancies in the merchandise trade statistics published by the United States and the counterpart statistics published by Canada. Since mid-1977, these adjustments have been estimated.

3. Exports of military equipment under U.S. military agency sales contracts with foreign governments (line A7), and direct imports by the Department of Defense and the Coast Guard (line A15), to the extent such trade is identifiable from Customs declarations. These exports are included in tables 1, 2, and 10 line 3 (transfers under U.S. military agency sales contracts); and the imports are included in tables 1, 2, and 10, line 19 (direct defense expenditures).

4. Addition of electric energy; deduction of exposed motion picture film for rental rather than sale; deduction of exports to the Panama Canal Zone; net change in stock of U.S.-owned grains in storage in Canada; net timing adjustments for goods recorded in Census data in one period but found to have been shipped in another; and coverage adjustments for special situations in which shipments were omitted from Census data.

5. Correction for discrepancy between sum of four quarters, seasonally adjusted, and the unadjusted annual totals.

6. Addition of electrical energy; deduction of foreign charges for repair of U.S. vessels abroad, which are included in tables 1, 2, and 10, line 22 (other transportation); deduction of imports from Panama Canal Zone; net timing adjustments for goods recorded in Census data in one period but found to have been shipped in another; and coverage adjustments for special situations in which shipments were omitted from Census data.

7. Annual and unadjusted quarterly data shown in this table correspond to country and area data in table 10, lines 2 and 18, except that imports from international organizations, namely, purchases of nonmonetary gold from the IMF, are included in data for other countries in Asia and Africa. The memorandum items are defined as follows: *Developed countries*: Western Europe, Canada, Japan, and Australia, New Zealand, and South Africa; *OPEC*: Venezuela, Ecuador, Iraq, Iran, Kuwait, Saudi Arabia, Qatar, United Arab Emirates, Indonesia, Algeria, Libya, Nigeria, Gabon; *Other developing countries*: Latin American Republics, Other Western Hemisphere, and Other countries in Asia and Africa, less *OPEC* and the IMF. Prior to 1973, "Western Europe excluding EC (9)" includes Denmark and Ireland.

8. The BEA definition for "petroleum and products" (lines C12, C24, and D58) includes propane and butane, in line with current Bureau of Mines and Federal Energy Administration practice.

9. This statistical identification of automotive products exports to Canada (line D36) is not as complete and comprehensive as the identification of imports under the U.S.-Canada Automotive Products Trade Act. However, the underestimation of automotive shipments to Canada due to unreported exports, amounting to about \$1,350 million in 1976 and \$1,760 million in 1977, largely has been corrected in line C18.

10. Includes silver ore and bullion.

11. Includes nuclear fuel materials and fuels.

12. Prior to 1973, line D48 includes reexports, and line D57 includes imports of natural gas in transit through the United States from Western to Eastern Canada.

13. Includes downward revisions in the Census/Customs value to automotive imports from Canada in 1970 which have not yet been incorporated in the Census Bureau's published import statistics as shown in line D50. This revision is valued at \$31 million.

NOTE.—The "seasonal adjustment discrepancy lines" (B13, B29, B45, C22, C57, D49 and D95) show the difference between total exports and imports and the sum of major items independently adjusted.

#### Table 4.

1. Expenditures to release Israel from its contractual liability to pay for defense articles and services purchased through military sales contracts—authorized under Public Law 93-199 and subsequent similar legislation—are included in line A3. Deliveries against these military sales contracts are included in line C10; see footnote 2. Of the line A3 items, part of the military expenditures is applied in lines A38 and A41 to reduce short-term assets previously recorded in lines A36 and C8; this application of funds is excluded from lines C3 and C4. A second part of line A3 expenditures finances future deliveries under military sales contracts and is applied directly to lines A37 and C9. A third portion of line A3, disbursed directly to finance purchases by Israel and other countries from commercial suppliers, is included in line A32:

2. Transactions under military sales contracts are those in which the Defense Department sells and transfers military goods and services to a foreign purchaser, on a cash or credit basis. Purchases by foreigners directly from commercial suppliers are *not* included as transactions under military sales contracts. The entries for the several categories of transactions related to military sales contracts in this and other tables are partially estimated from incomplete data.

3. The identification of transactions involving direct dollar outflows from the United States is made in reports by each operating agency.

4. Line A33 includes foreign currency collected as interest and lines A38 and B2 include foreign currency collected as principal, as recorded in lines A13 and A14, respectively.

5. Includes (a) advance payments of the Defense Department (on military sales contracts) financed by loans extended to foreigners by U.S. Government agencies and (b) the counter value of the part of line C10 which was delivered without prepayment by the foreign purchaser. Also includes expenditures of appropriations available to release foreign purchasers from liability to make repayment.

6. Excludes liabilities associated with military sales contracts financed by U.S. Government grants and credits and included in line C2.

#### Table 5.

1. Acquisition of capital stock of existing and newly established companies, capitalization of intercompany accounts, and other equity, contributions.

2. Sales and liquidations of capital stock and other equity holdings, total and partial.

3. Petroleum includes the exploration, development and production of crude oil and gas, and the transportation, refining and marketing of petroleum products exclusive of petrochemicals. Manufacturing excludes petroleum refining and the smelting operations of mining

companies. "Other" industries includes industries other than petroleum and manufacturing, the major ones being agriculture, mining and smelting, public utilities, transportation, trade, insurance, finance and services.

NOTE.—Table 5 has been revised to reflect the inclusion of reinvested earnings in the U.S. international transactions accounts. Income now consists of two basic components—interest, dividends, and earnings of unincorporated affiliates (previously receipts of income), and reinvested earnings. Income is synonymous with adjusted earnings used in the previous Table 5 format.

Capital also comprises two components—equity and intercompany accounts (previously net capital outflows) and reinvested earnings (of equal magnitude and with the opposite sign of that included in income). The reinvested earnings component was included in the previous Table 5 as a memorandum item. The equity item for incorporated affiliates formerly was called capital stock and other equity; intercompany accounts remain unchanged.

#### Table 6:

1. As published in Treasury Bulletin. Treasury data are based on transactions by foreigners reported by banks and brokers in the United States; net purchases by foreigners (+) correspond to net U.S. sales (-).

2. Redemptions consists of scheduled retirements and identifiable premature retirements of U.S.-held foreign debt securities, and estimates for redemptions of Canadian issues held by U.S. residents based on Canadian statistics. Unidentifiable nonscheduled retirements appear in line 31.

3. Consists of International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance Corporation (IFC), Asian Development Bank (ADB), and Inter-American Development Bank (IDB).

4. Mainly reflects exclusion of investments by foreign official agencies in U.S. corporate stocks and in debt securities of U.S. Government corporations and agencies, private corporations, and State and local governments. These investments are included in table 1, lines 60 and 63.

5. Securities newly issued by finance subsidiaries incorporated in the Netherlands Antilles are included to the extent that the proceeds are transferred to U.S. parent companies.

#### Table 7:

1. Includes changes in brokerage balances in 1975 after which reporting was discontinued.

2. Consists of negotiable and other readily transferable foreign obligations payable on demand or having a contractual maturity of not more than one year, including loans payable on demand. Excludes other types of loans, acceptances and accounts receivable.

3. Includes funds obtained by finance and subsidiaries incorporated in the Netherlands Antilles from sources other than sales of newly issued securities to the extent that they are transferred to U.S. parent companies.

4. Outstanding amounts as of December 31, 1977.

#### Table 8:

1. Includes claims on U.S. banks on their foreign branches and those of U.S. agencies and branches of foreign banks on their head offices and foreign branches of such head offices.

2. Mainly claims on U.S. branches in the Bahamas and Cayman Islands.

#### Table 9:

1. Time deposits with maturity of 1 year or less; negotiable certificates of deposit with a maturity of 1 year or less are included in "other obligations."

2. Excludes long-term liabilities in line B8.

3. Coverage of lines B3 and B4 is limited to Western Europe, Canada, Japan, Bahamas, and Cayman Islands.

4. Consists of International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance Corporation (IFC), Asian Development Bank (ADB), and Inter-American Development Bank (IDB).

5. Outstanding amounts as of December 31, 1977.

#### Table 10:

For footnotes 1-10, see table 1.

11. The "European Communities (9)" includes the "European Communities (6)", the United Kingdom, Denmark and Ireland.

12. The "European Communities (6)" includes Belgium, France, Germany, Italy, Luxembourg, the Netherlands, the European Atomic Energy Community, the European Coal and Steel Community, and the European Investment Bank.

13. Includes transactions with U.S. affiliated shipping companies operating under the flags of Honduras, Liberia, and Panama, and U.S. affiliated multinational trading companies, finance, and insurance companies, not designated by country.

14. Details not shown separately; see totals in lines 57 and 64.

15. Details not shown separately are included in combined lines 72 and 73.

#### Table 10a:

For footnotes 1-10, see table 1.

11. Details not shown separately are included in combined lines 72 and 73.

NOTE. Country data are based on information available from U.S. reporting sources. In some instances the statistics may not necessarily reflect the ultimate foreign transactor. For instance: U.S. export statistics reflect country of reported destination; in many cases the exports may be transshipped to third countries (especially true for the Netherlands and Germany). The geographic breakdown of security transactions reflects country with which transaction occurred but may not necessarily reflect the ultimate sources of foreign funds or ultimate destination of U.S. funds. Data for individual countries within EC(6) may not add to the published totals for EC(6) since in several instances the transactions are regional and in other instances estimates for the group are not available for each country. In addition, country data may not add to EC(6) totals because of rounding.

Table 10.—U.S. International

[Millions]

Line	(Credits +; debits -) <sup>1</sup>	Western Europe			European Communities (9) <sup>11</sup>		
		1975	1976	1977	1975	1976	1977
1	<b>Exports of goods and services</b> <sup>2</sup>	43,392	47,486	51,487	32,728	36,289	39,491
2	Merchandise, adjusted, excluding military <sup>3</sup>	29,884	31,887	34,096	22,854	24,934	26,511
3	Transfers under U.S. military agency sales contracts	912	1,130	1,146	589	593	612
4	Travel	611	852	988	469	646	758
5	Passenger fares	357	441	486	268	342	380
6	Other transportation	2,171	2,350	2,420	1,443	1,398	1,416
7	Fees and royalties from affiliated foreigners	1,765	1,702	1,850	1,533	1,473	1,609
8	Fees and royalties from unaffiliated foreigners	344	350	413	283	287	337
9	Other private services	597	646	750	420	456	522
10	U.S. Government miscellaneous services	146	173	155	88	111	89
	Receipts of income on U.S. assets abroad:						
11	Direct investment	4,989	6,169	7,126	3,620	4,755	5,617
12	Interest, dividends, and earnings of unincorporated affiliates	2,643	3,085	4,406	2,130	2,360	3,642
13	Reinvested earnings of incorporated affiliates	2,345	3,083	2,720	1,490	2,396	1,975
14	Other private receipts	1,308	1,525	1,922	1,009	1,176	1,484
15	U.S. Government receipts	314	263	136	153	120	156
16	<b>Transfers of goods and services under U.S. military grant programs, net</b>	64	8	10	-2	-2	-1
17	<b>Imports of goods and services</b>	-37,532	-40,572	-47,513	-29,028	-30,896	-36,757
18	Merchandise, adjusted, excluding military <sup>3</sup>	-20,764	-23,003	-28,192	-16,513	-17,739	-22,097
19	Direct defense expenditures	-2,647	-2,657	-3,064	-2,298	-2,282	-2,672
20	Travel	-1,709	-1,885	-2,103	-1,195	-1,364	-1,492
21	Passenger fares	-1,646	-1,913	-2,153	-1,196	-1,394	-1,571
22	Other transportation	-2,018	-2,160	-2,41	-1,360	-1,422	-1,595
23	Fees and royalties to affiliated foreigners	-159	-165	-155	-45	-34	-58
24	Fees and royalties to unaffiliated foreigners	-161	-160	-163	-145	-146	-143
25	Private payments for other services	-552	-763	-982	-471	-659	-813
26	U.S. Government payments for miscellaneous services	-250	-305	-279	-145	-171	-158
	Payments of income on foreign assets in the United States:						
27	Direct investment	-1,670	-2,102	-1,805	-1,448	-1,838	-1,588
28	Interest, dividends, and earnings of unincorporated affiliates	-756	-946	-833	-639	-756	-673
29	Reinvested earnings of incorporated affiliates	-915	-1,156	-972	-808	-1,082	-915
30	Other private payments	-3,413	-3,170	-3,360	-2,071	-1,987	-2,149
31	U.S. Government payments	-2,543	-2,289	-2,846	-2,140	-1,860	-2,421
32	<b>U.S. military grants of goods and services, net</b>	-64	-8	-10	2	2	1
33	<b>Unilateral transfers (excluding military grants of goods and services), net</b>	-170	-306	-295	123	50	119
34	U.S. Government grants (excluding military grants of goods and services)	-45	-88	-117	-1	-1	-1
35	U.S. Government pensions and other transfers	-374	-426	-453	-255	-294	-311
36	Private remittances and other transfers	249	208	276	378	344	432
37	<b>U.S. assets abroad, net (increase/capital outflow (-))</b>	-8,657	-11,440	-11,068	-6,663	-9,104	-8,829
38	U.S. official reserve assets, net <sup>4</sup>	-75	60	2	3	-4	2
39	Gold						
40	Special drawing rights						
41	Reserve position in the International Monetary Fund						
42	Foreign currencies	-75	60	2	3	-4	2
43	U.S. Government assets, other than official reserve assets, net	-430	-241	-202	18	179	218
44	U.S. loans and other long-term assets	-992	-800	-808	-290	-126	-67
45	Repayments on U.S. loans <sup>5</sup>	587	508	637	339	254	327
46	U.S. foreign currency holdings and U.S. short-term assets, net	-25	52	-31	-31	52	-42
47	U.S. private assets, net	-8,152	-11,260	-10,868	-6,685	-9,279	-9,048
48	Direct investment	-4,584	-5,492	-5,453	-3,373	-4,162	-4,343
49	Equity and intercompany accounts	-2,239	-2,408	-2,733	-1,884	-1,766	-2,368
50	Reinvested earnings of incorporated affiliates	-2,345	-3,083	-2,720	-1,490	-2,396	-1,975
51	Foreign securities	-391	-1,440	-1,585	-389	-1,647	-1,250
	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns:						
52	Long-term	55	118	96	53	131	110
53	Short-term	-25	-774	-422	13	-764	-436
	U.S. claims reported by U.S. banks, not included elsewhere:						
54	Long-term	-529	-480	-282	-278	-299	-363
55	Short-term	-2,678	-3,192	-3,222	-2,710	-2,538	-2,767
56	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b>	3,461	7,971	30,335	3,325	7,420	26,123
57	Foreign official assets in the United States, net	1,274	254	24,599			
58	U.S. Government securities				( <sup>15</sup> )	( <sup>15</sup> )	( <sup>15</sup> )
59	U.S. Treasury securities <sup>6</sup>	( <sup>14</sup> )	( <sup>14</sup> )	( <sup>14</sup> )	( <sup>15</sup> )	( <sup>15</sup> )	( <sup>15</sup> )
60	Other <sup>7</sup>						
61	Other U.S. Government liabilities <sup>8</sup>	154	58	304	6	12	89
62	U.S. liabilities reported by U.S. banks, not included elsewhere	( <sup>14</sup> )	( <sup>14</sup> )	( <sup>14</sup> )	( <sup>15</sup> )	( <sup>15</sup> )	( <sup>15</sup> )
63	Other foreign official assets <sup>9</sup>						
64	Other foreign assets in the United States, net	2,187	7,717	5,737			
65	Direct investment	1,911	2,815	2,322	1,618	2,599	2,116
66	Equity and intercompany accounts	996	1,659	1,350	810	1,517	1,202
67	Reinvested earnings of incorporated affiliates	915	1,156	972	808	1,082	915
68	U.S. Treasury securities	( <sup>14</sup> )	( <sup>14</sup> )	( <sup>14</sup> )	( <sup>15</sup> )	( <sup>15</sup> )	( <sup>15</sup> )
69	U.S. securities other than U.S. Treasury securities	2,749	690	2,051	1,659	580	1,650
	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns:						
70	Long-term	223	-778	-580	283	-518	-557
71	Short-term	-785	-304	-60	-943	-331	-279
	U.S. liabilities reported by U.S. banks, not included elsewhere:						
72	Long-term	( <sup>14</sup> )	( <sup>14</sup> )	( <sup>14</sup> )	<sup>15</sup> 701	<sup>15</sup> 5,079	<sup>15</sup> 23,103
73	Short-term						
74	<b>Allocations of special drawing rights</b>						
75	<b>Statistical discrepancy (sum of above items with sign reversed)</b>	-495	-3,139	-22,947	-485	-3,760	-20,147
	<b>Memoranda:</b>						
76	Balance on merchandise trade (lines 2 and 18)	9,120	8,884	5,904	6,341	7,195	4,414
77	Balance on goods and services (lines 1 and 17) <sup>10</sup>	5,861	6,914	3,975	3,700	5,393	2,734
78	Balance on goods, services, and remittances (lines 77, 35, and 36)	5,735	6,696	3,797	3,823	5,444	2,854
79	Balance on current account (lines 77 and 33) <sup>10</sup>	5,690	6,608	3,680	3,823	5,443	2,853

See footnotes on page 37.



Transactions, by Area

of dollars]

United Kingdom			European Communities (6) <sup>12</sup>			Eastern Europe			Canada			Line
1975	1976	1977	1975	1976	1977	1975	1976	1977	1975	1976	1977	
7,998	8,360	10,464	23,710	26,686	27,570	3,567	4,470	3,324	31,850	35,968	38,141	1
4,881	5,107	6,034	17,358	19,098	19,560	3,249	4,101	2,913	23,537	26,336	28,293	2
88	175	126	482	401	471				108	76	77	3
144	183	199	304	433	525				1,561	1,983	2,150	4
108	127	142	149	199	219							5
447	420	464	902	886	843	95	126	122	419	488	559	6
471	470	501	1,018	960	1,058				566	631	670	7
79	72	70	199	210	263	14	19	33	38	45	48	8
143	148	156	261	288	347	69	72	73	482	492	477	9
25	43	27	56	60	53	6	7	7	11	13	13	10
936	842	1,802	2,513	3,647	3,556				3,412	3,837	3,341	11
538	551	806	1,554	1,744	2,750				1,239	1,385	1,425	12
398	290	936	1,908	1,908	807				2,173	2,451	1,916	13
585	725	850	412	439	618	90	99	117	1,700	2,050	2,497	14
91	48	93	57	65	57	44	47	59	15	17	18	15
	(*)	(*)	-2	-2	-1							16
-7,744	-8,337	-9,860	-20,318	-21,333	-25,533	-905	-1,046	-1,326	-25,041	-30,037	-33,245	17
-3,737	-4,160	-5,133	-12,145	-12,823	-16,144	-734	-875	-1,127	-21,710	-26,475	-29,664	18
-337	-294	-383	-1,919	-1,932	-2,230	-2	-2	-2	-167	-172	-184	19
-404	-494	-585	-693	-749	-759	-69	-74	-61	-1,306	-1,371	-1,433	20
-432	-510	-577	-686	-794	-891	-13	-12	-13				21
-548	-526	-586	-746	-758	-857	-67	-50	-55	-336	-399	-471	22
-27	-8	-22	-17	-25	-36				-139	-137	-126	23
-76	-77	-74	-67	-67	-66	-2	(*)	(*)	-9	-9	-9	24
-298	-434	-524	-169	-218	-280	-2			-279	-350	-370	25
-21	-30	-25	-120	-135	-128	-22	-26	-32	-19	-18	-31	26
-694	-732	-459	-751	-1,098	-1,125				-430	-479	-374	27
-385	-401	-253	-253	-352	-433				-133	-232	-112	28
-309	-331	-220	-498	-746	-692				-249	-247	-262	29
-1,064	-993	-1,091	-994	-983	-1,048	-7	-7	-10	-394	-402	-421	30
-108	-80	-402	-2,012	-1,752	-1,970	(*)	(*)	(*)	-252	-224	-163	31
	(*)	(*)	2	2	1							32
5	-44	-59	154	123	217	-67	-73	-62	-136	-137	-144	33
				-1	-1	(*)	-5					34
-43	-45	-46	-191	-226	-241	-20	-22	-19	-102	-118	-128	35
47	1	-13	344	355	459	-46	-47	-42	-34	-19	-16	36
-3,767	-3,562	-4,416	-2,774	-5,159	-4,059	-349	-368	-11	-6,446	-8,383	-4,687	37
3			(*)	-4	2							38
												39
												40
												41
3			(*)	-4	2							42
77	39	153	-58	125	63	56	-151	-202	-45	-11	19	43
-94	-80	-16	-181	-37	-44	-215	-377	-347	-64	-29	-8	44
183	99	168	138	135	138	250	198	106	19	26	27	45
-11	21	(*)	-14	26	-32	20	27	40	(*)	2	(*)	46
-3,847	-3,601	-4,569	-2,717	-5,280	-4,123	-405	-217	191	-6,401	-8,372	-4,705	47
-1,420	-1,157	-2,284	-1,837	-2,284	-1,794				-2,592	-2,566	-1,507	48
-1,022	-867	-1,288	-878	-764	-987				-419	-115	409	49
-398	-290	-996	-959	-1,903	-807				-2,173	-2,451	-1,916	50
26	-193	-152	-421	-1,453	-1,037				-3,092	-5,032	-2,357	51
36	92	35	16	38	76	-5	-8	15	-131	-100	-210	52
-59	-544	-227	70	-202	-209	-78	-20	51	-492	-359	-154	53
-292	-240	-52	25	-54	-327	-268	-144	124	-54	-63	203	54
-2,138	-1,559	-1,890	-570	-943	-833	-34	-45	2	-40	-232	-680	55
292	3,917	14,716	3,031	3,221	10,963	-72	57	107	-430	2,047	-448	56
									-517	318	-1,063	57
(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(14)	(14)	(14)	58
												59
15	-10	(*)	-3	22	58				20	45	10	60
(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(14)	(14)	(14)	61
												62
669	733	536	940	1,880	1,552				87	1,730	614	63
360	402	316	442	1,134	860				217	560	299	64
309	331	220	498	746	692				-31	313	36	65
(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	249	247	262	66
666	442	1,237	989	142	416	-1	1	-3	(14)	(14)	(14)	67
408	-286	-260	-123	-235	-272	10	-4	67	489	296	155	68
-531	-255	-476	-397	-74	189	-33	-8	15	56	-68	-16	69
									-7	90	104	70
15	3,293	13,679	1,624	1,487	9,020	-49	68	28	(14)	(14)	(14)	71
3,217	-335	-10,844	-3,802	-3,543	-9,158	-2,174	-3,039	-2,032	203	541	383	72
												73
												74
1,144	947	901	5,213	6,275	3,416	2,515	3,226	1,786				75
254	23	604	3,391	5,353	2,037	2,662	3,423	1,998	1,827	-139	-1,371	76
258	-21	545	3,545	5,482	2,255	2,596	3,355	1,937	6,809	5,931	4,896	77
258	-21	545	3,545	5,481	2,254	2,596	3,351	1,936	6,673	5,794	4,752	78
									6,673	5,794	4,752	79

Table 10.—U.S. International

[Millions of

Line	(Credits +; debits -) <sup>1</sup>	Latin American Republics and Other Western Hemisphere			Japan		
		1975	1976	1977	1975	1976	1977
1	<b>Exports of goods and services</b> <sup>2</sup>	26,916	27,945	30,423	12,800	13,571	14,194
2	Merchandise, adjusted, excluding military <sup>3</sup>	17,108	16,843	17,909	9,567	10,196	10,561
3	Transfers under U.S. military agency sales contracts	117	141	128	36	41	33
4	Travel	1,962	2,076	2,128	410	439	436
5	Passenger fares	165	191	240	287	285	300
6	Other transportation	704	781	827	655	722	805
7	Fees and royalties from affiliated foreigners	376	298	333	223	260	300
8	Fees and royalties from unaffiliated foreigners	60	63	74	219	246	289
9	Other private services	625	740	745	132	106	120
10	U.S. Government miscellaneous services	68	74	72	22	23	31
	Receipts of income on U.S. assets abroad:						
11	Direct investment	3,201	3,479	3,913	233	417	512
12	Interest, dividends, and earnings of unincorporated affiliates	1,580	2,157	2,371	187	200	356
13	Reinvested earnings of incorporated affiliates	1,622	1,323	1,542	46	217	156
14	Other private receipts	2,282	2,983	3,756	984	797	763
15	U.S. Government receipts	247	277	298	33	39	44
16	<b>Transfers of goods and services under U.S. military grant programs, net</b>	25	16	13	(*)	(*)	(*)
17	<b>Imports of goods and services</b>	-21,640	-23,157	-27,818	-13,979	-18,930	-22,285
18	Merchandise, adjusted, excluding military <sup>3</sup>	-16,177	-17,204	-21,161	-11,287	-15,531	-18,545
19	Direct defense expenditures	-147	-160	-191	-765	-792	-811
20	Travel	-2,666	-2,739	-2,962	-131	-145	-149
21	Passenger fares	-203	-216	-233	-114	-120	-125
22	Other transportation	-514	-585	-660	-749	-1,156	-1,270
23	Fees and royalties to affiliated foreigners	-14	-26	-4	26	34	38
24	Fees and royalties to unaffiliated foreigners	-4	-6	-6	-9	-13	-15
25	Private payments for other services	-504	-620	-776	-47	-70	-81
26	U.S. Government payments for miscellaneous services	-247	-262	-279	-31	-28	-46
	Payments of income on foreign assets in the United States:						
27	Direct investment	-242	-387	-355	142	-94	-248
28	Interest, dividends, and earnings of unincorporated affiliates	-105	-178	-215	38	-51	-45
29	Reinvested earnings of incorporated affiliates	-137	-209	-140	104	-43	-203
30	Other private payments	-862	-898	-1,105	-323	-236	-236
31	U.S. Government payments	-59	-54	-87	-721	-692	-797
32	<b>U.S. military grants of goods and services, net</b>	-25	-16	-13	(*)	(*)	(*)
33	<b>Unilateral transfers (excluding military grants of goods and services), net</b>	-672	-756	-762	-42	-43	-43
34	U.S. Government grants (excluding military grants of goods and services)	-265	-294	-268	2	6	-
35	U.S. Government pensions and other transfers	-100	-112	-129	-16	-20	-8
36	Private remittances and other transfers	-307	-351	-365	-28	-28	-35
37	<b>U.S. assets abroad, net (increase/capital outflow (-))</b>	-13,369	-19,034	-11,692	1,498	-831	614
38	U.S. official reserve assets, net <sup>4</sup>		-300	300			
39	Gold						
40	Special drawing rights						
41	Reserve position in the International Monetary Fund						
42	Foreign currencies		-300	300			
43	U.S. Government assets, other than official reserve assets, net	-830	-514	-529	-10	-57	46
44	U.S. loans and other long-term assets	-1,375	-1,084	-1,120	-176	-204	-57
45	Repayments on U.S. loans <sup>5</sup>	547	558	566	164	141	105
46	U.S. foreign currency holdings and U.S. short-term assets, net	-2	13	25	2	7	-2
47	U.S. private assets, net	-12,539	-18,220	-11,463	1,508	-774	568
48	Direct investment	-2,867	-1,762	-3,632	-23	-454	-283
49	Equity and intercompany accounts	-1,245	-439	-2,090	23	-237	-127
50	Reinvested earnings of incorporated affiliates	-1,622	-1,323	-1,542	-46	-217	-156
51	Foreign securities	-347	-230	-151	-291	-246	-308
	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns:						
52	Long-term	-250	117	109	24	13	11
53	Short-term	-67	-1,216	-752	94	220	-144
	U.S. claims reported by U.S. banks, not included elsewhere:						
54	Long-term	-853	-1,301	-918	-38	-86	65
55	Short-term	-8,155	-13,738	-6,120	1,742	-221	1,227
56	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b>	3,631	5,124	5,517	-696	4,105	6,350
57	Foreign official assets in the United States, net						
58	U.S. Government securities	(15)	(15)	(15)	(15)	(15)	(15)
59	U.S. Treasury securities <sup>6</sup>						
60	Other <sup>7</sup>						
61	Other U.S. Government liabilities <sup>8</sup>	51	20	32	65	86	140
62	U.S. liabilities reported by U.S. banks, not included elsewhere	(15)	(15)	(15)	(15)	(15)	(15)
63	Other foreign official assets <sup>9</sup>						
64	Other foreign assets in the United States, net						
65	Direct investment	178	321	187	245	587	573
66	Equity and intercompany accounts	41	112	47	350	544	370
67	Reinvested earnings of incorporated affiliates	137	209	140	-104	43	203
68	U.S. Treasury securities	(15)	(15)	(15)	(15)	(15)	(15)
69	U.S. securities other than U.S. Treasury securities	43	201	280	28	50	273
	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns:						
70	Long-term	82	-26	-9	30	1	-92
71	Short-term	77	110	149	-70	-84	501
	U.S. liabilities reported by U.S. banks, not included elsewhere:						
72	Long-term	15 3,200	15 4,497	15 4,878	15 -994	15 3,465	15 4,956
73	Short-term						
74	Allocations of special drawing rights						
75	<b>Statistical discrepancy (sum of above items with sign reversed)</b>	5,134	9,877	4,333	418	2,128	1,170
76	<b>Memoranda:</b>						
76	Balance on merchandise trade (lines 2 and 18)	931	-361	-3,252	-1,690	-5,335	-7,084
77	Balance on goods and services (lines 1 and 17) <sup>10</sup>	5,276	4,789	2,604	-1,178	-5,359	-8,091
78	Balance on goods, services, and remittances (lines 77, 35, and 36)	4,869	4,326	2,110	-1,222	-5,408	-8,134
79	Balance on current account (lines 77 and 33) <sup>10</sup>	4,604	4,032	1,842	-1,220	-5,402	-8,134

See footnotes on page 37.

Transactions, by Area—Continued

dollars]

Australia, New Zealand, and South Africa			Other countries in Asia and Africa			International organizations and unallocated <sup>13</sup>			Line
1975	1976	1977	1975	1976	1977	1975	1976	1977	
5,279	6,108	5,844	30,404	33,880	37,959	1,447	1,847	1,842	1
3,508	3,920	3,779	20,235	21,411	23,034				2
41	39	34	2,705	3,781	5,658		4	4	3
107	159	154	188	297	308				4
92	126	126	138	187	213				5
148	182	182	1,054	1,391	1,385	543	666	683	6
216	200	208	345	388	362	51	51	43	7
40	43	43	42	57	60				8
79	189	132	622	972	1,049	281	326	381	9
2	2	3	137	146	141	46	50	64	10
875	1,038	911	3,481	3,568	3,843	404	492	206	11
540	656	624	2,020	3,667	3,118	338	152	241	12
336	382	288	1,462	-100	725	66	340	-36	13
147	184	249	995	1,056	1,207	142	263	370	14
24	26	23	462	626	700	-20	-4	90	15
			2,118	349	171				16
-2,761	-2,976	-3,301	-28,962	-42,817	-55,293	-1,776	-2,378	-2,945	17
-2,242	-2,479	-2,791	-25,157	-38,171	-49,510		-309	-654	18
-17	-23	-20	-1,052	-1,095	-1,472				19
-65	-90	-112	-471	-552	-631				20
-107	-110	-115	-129	-139	-150	-64	-58	-54	21
-69	-75	-83	-583	-775	-851	-1,173	-1,360	-1,463	22
2	1	2	-2	-1	-8				23
-1	-1	-1	(*)	(*)	-1				24
-20	-27	-29	-84	-107	-118	-1	-1	-1	25
-26	-31	-30	-260	-299	-330	-190	-280	-332	26
									27
-10	-25	-23	-24	-23	-24				28
(*) -11	-13	-16	-31	-32	-36				29
	-12	-7	7	8	12				30
-44	-29	-34	-570	-728	-935	-176	-123	-123	31
-162	-88	-65	-632	-926	-1,263	-173	-247	-319	32
			-2,118	-349	-171				33
-24	-28	-32	-3,162	-3,374	-3,080	-342	-307	-290	34
			-2,245	-2,458	-2,100	-342	-307	-290	35
-7	-9	-9	-194	-227	-227				36
-17	-19	-24	-724	-689	-753				37
-1,074	-1,080	-1,029	-8,834	-5,545	-4,764	-2,213	-3,928	-2,014	38
						-532	-2,290	-533	39
								-118	40
						-66	-78	-121	41
						-466	-2,212	-294	42
									43
-25	42	50	-1,834	-2,529	-2,345	-351	-753	-517	44
-85	-35	-17	-2,675	-3,657	-3,566	-357	-758	-521	45
77	67	65	826	1,105	1,210	6	5	5	46
-18	9	3	14	23	12				47
-1,049	-1,122	-1,079	-7,000	-3,015	-2,420	-1,330	-885	-964	48
-499	-502	-383	-3,949	-859	-1,055	270	20	98	49
-164	-120	-95	-2,487	-959	-330	335	360	62	50
-336	-382	-288	-1,462	100	-725	-66	-340	36	51
-150	-418	-273	-388	-580	301	-1,575	-906	-1,024	52
-21	6	6	-38	-141	-2				53
31	4	7	-454	110	-312			1	54
									55
-124	-89	-56	-467	-90	151	(*) -24	(*) 1	-38	56
-286	-123	-380	-1,704	-1,455	-1,502			-1	57
-554	-65	-626	9,101	15,388	10,273	1,110	2,342	-638	58
									59
(15)	(15)	(15)	(15)	(15)	(15)				60
19	94	97	1,340	4,689	1,062				61
(15)	(15)	(15)	(15)	(15)	(15)				62
52	45	-28	-1	18	-15	1,110	2,342	-638	63
52	33	-35	-7	26	-3				64
(*)	12	7	-7	-8	-12				65
(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	66
15	-3	7	157	32	82	-977	17	26	67
-3	-9	2	8	-74	8				68
56	-44	-17	675	691	185				69
									70
15 -693	15 -147	15 -686	15 6,922	15 10,031	15 8,951	15 2,087	15 2,325	15 -664	71
									72
-866	-1,960	-856	1,455	2,468	14,906	1,774	2,424	4,046	73
									74
1,266	1,441	988	-4,922	-16,760	-26,476		-309	-654	75
2,518	3,132	2,542	1,441	-8,937	-17,334	-329	-532	-1,104	76
2,494	3,104	2,510	523	-9,853	-18,314	-329	-532	-1,104	77
2,494	3,104	2,510	-1,721	-12,311	-20,414	-671	-838	-1,394	78
									79

Table 10.—U.S. International

(Millions)

Line	(Credits +; debits -) <sup>1</sup>	Western Europe					European Communities (9) <sup>11</sup>				
		1977				1978	1977				1978
		I	II	III	IV	I <sup>a</sup>	I	II	III	IV	I <sup>a</sup>
1	<b>Exports of goods and services</b> <sup>2</sup>	12,873	13,595	12,155	12,865	13,575	9,868	10,483	9,220	9,919	10,934
2	Merchandise, adjusted, excluding military <sup>3</sup>	8,743	9,187	7,845	8,321	8,769	6,776	7,174	6,075	6,486	7,072
3	Transfers under U.S. military agency sales contracts	342	181	378	246	215	182	83	205	142	138
4	Travel	172	254	295	267	223	143	195	226	194	170
5	Passenger fares	77	138	168	104	84	60	108	134	78	66
6	Other transportation	537	649	654	580	578	306	387	388	335	331
7	Fees and royalties from affiliated foreigners	427	459	449	515	482	371	395	394	449	440
8	Fees and royalties from unaffiliated foreigners	94	100	107	112	114	77	82	87	92	93
9	Other private services	173	182	193	203	210	121	127	134	140	145
10	U.S. Government miscellaneous services	53	35	37	31	45	36	18	21	14	26
	Receipts of income on U.S. assets abroad:										
11	Direct investment	1,824	1,921	1,510	1,872	2,311	1,473	1,527	1,157	1,461	1,966
12	Interest, dividends, and earnings of unincorporated affiliates	1,053	1,207	1,193	952	943	825	964	1,062	791	713
13	Reinvested earnings of incorporated affiliates	771	714	317	919	1,368	648	562	96	670	1,252
14	Other private receipts	402	465	488	567	606	306	363	376	439	470
15	U.S. Government receipts	31	24	33	48	-62	18	25	23	90	17
16	<b>Transfers of goods and services under U.S. military grant programs, net</b>	(*)	3	1	6	5	-1			(*)	
17	<b>Imports of goods and services</b>	-10,446	-11,975	-12,477	-12,615	-13,935	-7,915	-9,341	-9,743	-9,758	-10,807
18	Merchandise, adjusted, excluding military <sup>3</sup>	-6,430	-6,981	-7,261	-7,520	-8,774	-4,986	-5,530	-5,781	-5,800	-6,891
19	Direct defense expenditures	-705	-735	-778	-846	-855	-609	-649	-672	-743	-776
20	Travel	-258	-646	-816	-383	-296	-153	-454	-589	-296	-215
21	Passenger fares	-433	-697	-589	-434	-482	-305	-503	-436	-327	-336
22	Other transportation	-564	-612	-626	-609	-605	-371	-404	-414	-407	-400
23	Fees and royalties to affiliated foreigners	-46	-34	-29	-46	-46	-10	-11	-18	-20	-16
24	Fees and royalties to unaffiliated foreigners	-40	-41	-41	-42	-42	-36	-36	-36	-35	-36
25	Private payments for other services	-232	-245	-249	-256	-252	-194	-202	-207	-210	-208
26	U.S. Government payments for miscellaneous services	-61	-71	-70	-77	-89	-33	-39	-41	-45	-41
	Payments of income on foreign assets in the United States:										
27	Direct investment	-354	-453	-446	-552	-476	-269	-443	-387	-490	-375
28	Interest, dividends, and earnings of unincorporated affiliates	-161	-194	-244	-234	-210	-132	-155	-206	-180	-177
29	Reinvested earnings of incorporated affiliates	-193	-260	-201	-318	-266	-138	-287	-180	-310	-198
30	Other private payments	-747	-825	-849	-938	-960	-473	-537	-537	-603	-628
31	U.S. Government payments	-875	-633	-725	-912	-1,058	-477	-536	-626	-782	-886
32	<b>U.S. military grants of goods and services, net</b>	(*)	-3	-1	-6	-5	1			(*)	
33	<b>Unilateral transfers (excluding military grants of goods and services), net</b>	-83	-60	-106	-46	-76	10	48	19	42	21
34	U.S. Government grants (excluding military grants of goods and services)	-24	-29	-48	-17	-26	(*)	(*)	(*)	(*)	(*)
35	U.S. Government pensions and other transfers	-110	-112	-116	-116	-117	-76	-78	-78	-80	-81
36	Private remittances and other transfers	51	81	58	86	67	86	125	98	122	103
37	<b>U.S. assets abroad, net (increase/capital outflow (-))</b>	-968	-5,235	-1,062	-3,804	-2,582	-617	-4,511	-465	-3,236	-1,581
38	U.S. official reserve assets, net <sup>4</sup>	-91	19	27	47	-62	4	-2	(*)	(*)	
39	Gold										
40	Special drawing rights										
41	Reserve position in the International Monetary Fund										
42	Foreign currencies	-91	19	27	47	-62	4	-2	(*)	(*)	
43	U.S. Government assets, other than official reserve assets, net	-223	-102	(*)	123	-93	6	16	56	140	49
44	U.S. loans and other long-term assets	-344	-184	-159	-121	-226	-48	-9	-9	-10	
45	Repayments on U.S. loans <sup>5</sup>	103	143	165	226	114	42	73	72	140	39
46	U.S. foreign currency holdings and U.S. short-term assets, net	17	-62	-5	19	20	13	-57	-7	9	10
47	U.S. private assets, net	-653	-5,151	-1,090	-3,974	-2,427	-627	-4,525	-521	-3,375	-1,629
48	Direct investment	-1,481	-1,860	-962	-1,150	-2,045	-1,409	-1,385	-676	-873	-1,443
49	Equity and intercompany accounts	-711	-1,147	-646	-231	-677	-761	-823	-580	-204	-191
50	Reinvested earnings of incorporated affiliates	-771	-714	-317	-919	-1,368	-648	-562	-96	-670	-1,252
51	Foreign securities	-209	-567	-452	-356	113	-127	-510	-468	-144	157
	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns:										
52	Long-term	4	18	64	10	-87	17	11	64	18	-34
53	Short-term	17	-618	743	-564	279	-111	-555	615	-385	293
	U.S. claims reported by U.S. banks, not included elsewhere:										
54	Long-term	-266	-114	-31	129	103	-262	-107	-27	33	133
55	Short-term	1,282	-2,010	-451	-2,043	-790	1,265	-1,979	-29	-2,024	-735
56	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b>	-423	9,088	8,381	13,289	6,022	275	7,177	7,836	10,834	4,345
57	Foreign official assets in the United States, net	2,389	5,328	7,355	9,527	6,314					
58	U.S. Government securities										
59	U.S. Treasury securities <sup>6</sup>	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)
60	Other <sup>7</sup>										
61	Other U.S. Government liabilities <sup>8</sup>	103	99	-48	150	180	-64	51	-28	131	27
62	U.S. liabilities reported by U.S. banks, not included elsewhere										
63	Other foreign official assets <sup>9</sup>	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)
64	Other foreign assets in the United States, net	-2,812	3,760	1,026	3,762	-292					
65	Direct investment	536	915	600	272	285	351	860	721	185	206
66	Equity and intercompany accounts	342	855	399	-46	19	214	573	541	-125	8
67	Reinvested earnings of incorporated affiliates	193	260	201	318	266	138	287	180	310	198
68	U.S. Treasury securities	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)
69	U.S. securities other than U.S. Treasury securities	642	586	278	545	427	424	478	197	552	517
	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns:										
70	Long-term	-294	-169	85	-202	92	-212	-167	42	-220	94
71	Short-term	-238	-12	-33	223	102	-297	-29	-101	148	122
	U.S. liabilities reported by U.S. banks, not included elsewhere:										
72	Long-term	(14)	(14)	(14)	(14)	(14)	1573	15 5,985	16 7,006	16 10,039	16 3,380
73	Short-term										
74	<b>Allocations of special drawing rights</b>										
75	<b>Statistical discrepancy (sum of above items with sign reversed)</b>	-953	-5,414	-6,891	-9,689	-3,004	-1,621	-3,856	-6,869	-7,801	-2,914
76	<b>Memoranda:</b>										
77	Balance on merchandise trade (lines 2 and 18)	2,313	2,206	584	801	-5	1,790	1,644	294	686	181
78	Balance on goods and services (lines 1 and 17) <sup>10</sup>	2,427	1,620	-322	250	-360	1,953	1,142	-522	161	128
79	Balance on goods, services, and remittances (lines 77, 35, and 36)	2,368	1,589	-380	221	-411	1,963	1,190	-503	203	149
79	Balance on current account (lines 77 and 33) <sup>10</sup>	2,344	1,561	-428	204	-437	1,963	1,190	-503	203	149

See footnotes on page 37.

Transactions, by Area—Continued

of dollars

United Kingdom					European Communities (6) <sup>12</sup>					Eastern Europe					Line
1977				1978	1977				1978	1977				1978	
I	II	III	IV	I <sup>p</sup>	I	II	III	IV	I <sup>p</sup>	I	II	III	IV	I <sup>p</sup>	
2,414	2,765	2,532	2,753	2,999	7,099	7,319	6,339	6,813	7,546	1,024	846	635	820	1,014	1
1,487	1,618	1,394	1,535	1,675	5,054	5,309	4,475	4,722	5,158	931	738	529	715	907	2
36	17	40	33	17	142	65	168	107	117						3
34	42	66	57	53	103	143	152	127	110						4
21	39	51	30	23	36	63	77	44	40						5
102	125	125	111	106	181	233	233	197	201	30	32	32	28	35	6
106	135	125	136	130	256	247	254	302	298						7
16	17	18	19	19	59	64	68	72	73	7	8	9	10	10	8
39	39	39	39	42	77	83	90	96	98	18	18	19	20	20	9
8	6	8	6	11	26	10	11	7	13	2	2	2	1	2	10
383	511	438	471	638	1,028	936	657	935	1,245						11
195	173	221	216	122	613	754	838	545	572						12
188	338	217	254	517	414	183	-181	391	673						13
178	208	222	243	281	126	153	150	190	183	29	30	29	29	29	14
4	9	7	74	5	13	15	15	15	10	10	18	15	17	11	15
			(*)		-1			(*)							16
-2,008	-2,527	-2,651	-2,674	-2,774	-5,620	-6,470	-6,694	-6,749	-7,684	-261	-352	-357	-357	-407	17
-1,180	-1,277	-1,352	-1,324	-1,623	-3,611	-4,050	-4,290	-4,253	-5,125	-222	-307	-292	-306	-370	18
-84	-86	-90	-127	-134	-508	-554	-567	-601	-629	(*)	-1	-1	-1	-1	19
-44	-186	-233	-122	-73	-104	-232	-264	-169	-132	-7	-11	-31	-12	-4	20
-121	-170	-165	-121	-133	-165	-300	-242	-184	-181	-1	-7	-4	-1	-1	21
-137	-150	-153	-147	-147	-197	-216	-221	-223	-216	-13	-14	-15	-13	-14	22
-3	-2	-9	-8	-7	-7	-8	-9	-12	-9						23
-19	-19	-18	-18	-18	-17	-17	-17	-17	-17		(*)	(*)	(*)	(*)	24
-128	-131	-133	-133	-131	-64	-69	-72	-75	-75	-6	-4	-6	-11	-7	25
-5	-6	-9	-5	-6	-27	-31	-31	-39	-34	-10	-6	-6	-11	-7	26
-18	-166	-104	-171	-44	-250	-274	-281	-320	-330						27
-49	-64	-49	-77	-39	-82	-91	-157	-103	-138						28
31	-102	-55	-94	-5	-168	-183	-124	-217	-192						29
-235	-274	-271	-311	-336	-235	-260	-263	-290	-289	-2	-3	-3	-3	-3	30
-84	-64	-115	-188	-222	-436	-460	-497	-577	-649	(*)	(*)	(*)	(*)	(*)	31
			(*)		1			(*)							32
-16	-14	-14	-15	-18	35	72	44	66	48	-18	-13	-17	-15	-12	33
-11	-12	-11	-12	-13	(*)	(*)	(*)	-1	(*)	(*)	(*)	(*)	(*)	(*)	34
-5	-2	-4	-3	-5	-69	-60	-61	-61	-62	-6	-3	-6	-5	-1	35
					94	132	106	128	111	-11	-11	-11	-9	-10	36
333	-2,721	-369	-1,659	-283	-869	-1,689	68	-1,570	-1,235	-118	63	73	-29	-34	37
					4	-2	(*)	(*)							38
															39
					4	-2	(*)	(*)							40
															41
															42
7	11	18	118	3	4	13	34	12	40	-57	-18	-64	-63	-86	43
-7		-9			-34			-10	-91	-60	-112	-85	-85	-119	44
16	17	20	115	12	23	48	50	17	24	19	31	35	21	32	45
-3	-6	7	2	-9	15	-35	-16	4	16	14	11	13	1	1	46
326	-2,732	-387	-1,777	-287	-877	-1,700	34	-1,581	-1,275	-61	81	137	34	52	47
-625	-699	-674	-287	-666	-682	-628	75	-559	-806						48
-437	-361	-457	-33	-50	-267	-446	-107	-168	-133						49
-188	-338	-217	-254	-517	-414	-183	181	-391	-673						50
80	-23	-237	29	256	-199	-457	-202	-180	-93		-1				51
34	-15	4	12	-17	-17	26	61	6	-16	3		9	3	2	52
-28	-552	558	-205	268	-90	-12	61	-168	21	32	30	21	-32	19	53
-85	-36	-4	73	151	-185	-75	-22	-45	-16	-43	36	36	95	3	54
990	-1,407	-34	-1,399	-378	296	-554	61	-636	-365	-53	16	71	-32	28	55
558	2,771	5,359	6,027	-926	-415	3,790	2,416	5,171	4,990	-4	2	-5	114	-69	56
(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	57
(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	58
(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	59
4	1	-13	8	23	-67	32	-18	111	-11	(*)	(*)	(*)	(*)		60
(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	61
(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	62
-117	208	272	174	-103	450	646	454	1	308						63
-86	105	216	80	-108	283	463	330	-216	116						64
-31	102	55	94	5	168	183	124	217	192						65
(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	66
338	362	209	329	339	87	124	-23	228	174	(*)	(*)	(*)	(*)	(*)	67
-96	-111	5	-58	51	-117	-52	38	-141	43	67	1		-1	-5	68
-314	-27	-122	-13	28	9	-1	18	163	85	7	-2	-2	12	7	69
15 743	15 2,339	15 5,009	15 5,588	15 -1,264	15 -777	15 3,041	15 1,947	15 4,809	15 4,390	15 -78	15 6	15 -3	15 103	15 -70	70
-1,281	-275	-4,857	-4,431	1,001	-231	-3,022	-2,175	-3,731	-3,664	-623	-546	-330	-534	-493	71
307	341	42	211	152	1,443	1,259	245	469	33	709	431	237	409	537	72
406	238	-119	79	226	1,479	849	-354	64	-138	763	494	278	463	608	73
390	224	-133	63	208	1,514	921	-310	131	-90	746	481	262	449	596	74
390	224	-133	63	208	1,514	920	-310	130	-90	745	481	262	449	596	75

Table 10.—U.S. International

[Millions]

Line	(Credits +; debits -) <sup>1</sup>	Canada				Latin American Republics and Other Western Hemisphere					
		1977				1978	1977				1978
		I	II	III	IV	I <sup>2</sup>	I	II	III	IV	I <sup>2</sup>
1	<b>Exports of goods and services</b> <sup>2</sup> .....	9,426	10,328	8,941	9,447	9,520	6,692	7,308	8,374	8,048	8,000
2	Merchandise, adjusted, excluding military <sup>3</sup> .....	6,899	7,767	6,432	7,195	6,842	3,861	4,334	5,002	4,712	4,624
3	Transfers under U.S. military agency sales contracts.....	21	16	18	22	31	55	18	41	13	24
4	Travel.....	652	549	611	338	675	383	548	611	586	492
5	Passenger fares.....						37	51	83	68	43
6	Other transportation.....	125	147	144	142	131	187	224	222	194	201
7	Fees and royalties from affiliated foreigners.....	129	182	174	185	137	69	73	114	78	66
8	Fees and royalties from unaffiliated foreigners.....	12	12	12	12	12	18	18	19	19	20
9	Other private services.....	119	119	119	120	136	198	186	179	182	196
10	U.S. Government miscellaneous services.....	2	6	2	2	2	17	20	18	17	19
	Receipts of income on U.S. assets abroad:										
11	Direct investment.....	855	928	770	787	821	965	898	1,061	989	1,003
12	Interest, dividends, and earnings of unincorporated affiliates.....	300	338	263	524	225	623	577	529	643	637
13	Reinvested earnings of incorporated affiliates.....	555	591	508	263	596	343	321	532	347	366
14	Other private receipts.....	608	597	655	637	731	828	866	946	1,117	1,233
15	U.S. Government receipts.....	3	6	3	6	3	73	73	80	72	79
16	<b>Transfers of goods and services under U.S. military grant programs, net</b> .....						4	2	1	6	6
17	<b>Imports of goods and services</b> .....	-7,651	-8,769	-8,020	-8,805	-8,559	-7,452	-6,866	-6,589	-6,912	-7,585
18	Merchandise, adjusted, excluding military <sup>3</sup> .....	-7,025	-7,799	-6,775	-8,065	-7,910	-5,845	-5,281	-4,870	-5,165	-5,671
19	Direct defense expenditures.....	-44	-48	-45	-47	-50	-40	-34	-56	-62	-58
20	Travel.....	-136	-384	-708	-205	-128	-783	-727	-739	-713	-841
21	Passenger fares.....						-72	-54	-69	-38	-74
22	Other transportation.....	-88	-119	-130	-133	-92	-152	-167	-173	-168	-166
23	Fees and royalties to affiliated foreigners.....	-26	-31	-35	-34	-28	-1	1	-4	(*)	-1
24	Fees and royalties to unaffiliated foreigners.....	-2	-2	-2	-2	-2	-2	-1	-1	-1	-2
25	Private payments for other services.....	-91	-93	-94	-92	-99	-184	-187	-195	-211	-206
26	U.S. Government payments for miscellaneous services.....	-4	-19	-4	-4	-5	-76	-64	-58	-81	-76
	Payments of income on foreign assets in the United States:										
27	Direct investment.....	-90	-131	-77	-76	-87	-65	-89	-100	-101	-90
28	Interest, dividends, and earnings of unincorporated affiliates.....	-58	-33	-7	-14	-13	-18	-108	-28	-61	-24
29	Reinvested earnings of incorporated affiliates.....	-33	-98	-70	-62	-74	-47	20	-72	-40	-66
30	Other private payments.....	-99	-99	-109	-114	-129	-213	-241	-304	-348	-374
31	U.S. Government payments.....	-47	-43	-41	-32	-30	-19	-21	-21	-26	-27
32	<b>U.S. military grants of goods and services, net</b> .....						-4	-2	-1	-6	-6
33	<b>Unilateral transfers (excluding military grants of goods and services), net</b> .....	-26	-41	-37	-40	-28	-183	-185	-210	-184	-204
34	U.S. Government grants (excluding military grants of goods and services).....						-73	-65	-73	-57	-69
35	U.S. Government pensions and other transfers.....	-31	-31	-34	-33	-34	-32	-31	-33	-33	-36
36	Private remittances and other transfers.....	5	-10	-4	-7	5	-79	-89	-104	-94	-99
37	<b>U.S. assets abroad, net (increase/capital outflow (-))</b> .....	-1,784	-671	-996	-1,236	-2,499	1,094	-2,644	-2,978	-7,163	-5,838
	U.S. official reserve assets, net <sup>4</sup> :						150	150			
38	Gold.....										
39	Special drawing rights.....										
40	Reserve position in the International Monetary Fund.....										
41	Foreign currencies.....						150	150			
42	U.S. Government assets, other than official reserve assets, net:										
43	U.S. loans and other long-term assets.....	5	8	3	3	5	-202	-152	-118	-57	-57
44	Repayments on U.S. loans <sup>5</sup> .....	-4	-1	-1	-2	-3	-327	-295	-267	-231	-215
45	U.S. foreign currency holdings and U.S. short-term assets, net.....	9	8	6	5	6	120	139	147	159	163
46		(*)	2	-2	1	2	4	5	2	15	-6
47	<b>U.S. private assets, net</b> .....	-1,789	-679	-999	-1,239	-2,504	1,146	-2,642	-2,860	-7,106	-5,781
48	Direct investment.....	-564	-266	-262	-415	-473	-377	-530	-1,323	-1,402	-556
49	Equity and intercompany accounts.....	-8	325	245	-152	123	-35	-209	-791	-1,055	-190
50	Reinvested earnings of incorporated affiliates.....	-555	-591	-508	-263	-596	-343	-321	-532	-347	-386
51	Foreign securities.....	-699	-467	-1,071	-121	-627	100	-112	90	-229	39
	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns:										
52	Long-term.....	57	-9	26	-284	-14	24	32	86	-33	11
53	Short-term.....	33	-148	72	-111	-718	-826	-530	403	201	-1,319
	U.S. claims reported by U.S. banks, not included elsewhere:										
54	Long-term.....	72	82	28	21	27	-31	-91	-401	-395	-495
55	Short-term.....	-688	129	208	-329	-699	2,256	-1,411	-1,716	-5,249	-3,461
56	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b> .....	-416	105	164	-302	77	346	1,698	4,079	-607	1,888
	Foreign official assets in the United States, net:										
57	U.S. Government securities.....	-722	23	-188	-176	-707					
58	U.S. Treasury securities <sup>6</sup> .....	(14)	(14)	(14)	(14)	(14)	(15)	(15)	(15)	(15)	(15)
59	Other <sup>7</sup> .....	(*)	8	4	-2	-5	-6	27	-15	26	-5
60	Other U.S. Government liabilities <sup>8</sup> .....	(14)	(14)	(14)	(14)	(14)	(15)	(15)	(15)	(15)	(15)
61	U.S. liabilities reported by U.S. banks, not included elsewhere.....										
62	Other foreign official assets <sup>9</sup> .....										
63	Other foreign assets in the United States, net:										
64	Direct investment.....	306	83	351	-126	784					
65	Equity and intercompany accounts.....	41	169	-1	90	303	56	-49	133	47	55
66	Reinvested earnings of incorporated affiliates.....	9	71	-71	28	229	9	-30	61	7	-11
67	U.S. Treasury securities.....	33	98	70	62	74	47	-20	72	40	66
68	U.S. securities other than U.S. Treasury securities.....	(14)	(14)	(14)	(14)	(14)	(15)	(15)	(15)	(15)	(15)
69	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns:										
70	Long-term.....	-7	-1	-3	-5	-4	3	9	-7	-14	-14
71	Short-term.....	27	22	6	49	40	81	-101	7	162	140
	U.S. liabilities reported by U.S. banks, not included elsewhere:										
72	Long-term.....	(14)	(14)	(14)	(14)	(14)	15 135	15 1,721	15 3,934	15 -912	15 1,687
73	Short-term.....										
74	<b>Allocations of special drawing rights</b> .....										
75	<b>Statistical discrepancy (sum of above items with sign reversed)</b> .....	450	-953	-51	936	1,489	-496	688	-2,676	6,817	3,739
	<b>Memoranda:</b>										
76	Balance on merchandise trade (lines 2 and 18).....	-126	-32	-343	-870	-1,068	-1,984	-947	132	-453	-1,047
77	Balance on goods and services (lines 1 and 17) <sup>10</sup> .....	1,775	1,560	921	641	961	-760	443	1,785	1,137	414
78	Balance on goods, services, and remittances (lines 77, 35 and, 36).....	1,749	1,519	883	602	933	-870	323	1,647	1,010	279
79	Balance on current account (lines 77 and 33) <sup>10</sup> .....	1,749	1,519	883	602	933	-943	258	1,575	953	211

See footnotes on page 37.

Transactions, by Area—Continued

of dollars)

Japan					Australia, New Zealand, and South Africa					Other countries in Asia and Africa					International organizations and unallocated <sup>15</sup>					Line
1977				1978	1977				1978	1977				1978	1977				1978	
I	II	III	IV	I <sup>p</sup>	I	II	III	IV	I <sup>p</sup>	I	II	III	IV	I <sup>p</sup>	I	II	III	IV	I <sup>p</sup>	
3,619	3,452	3,478	3,645	3,622	1,375	1,453	1,526	1,490	1,410	8,834	10,198	9,579	9,348	10,119	500	537	446	359	558	1
2,809	2,553	2,475	2,724	2,619	961	889	996	933	865	5,196	6,419	5,737	5,682	6,139	4					2
15	6	7	4	9	7	5	11	6	23	1,468	1,472	1,463	1,256	1,552						3
116	108	112	100	143	15	45	58	36	30	52	79	106	71	65						4
74	66	90	71	89	20	42	40	25	23	39	51	77	47	43						5
182	214	215	195	182	39	50	50	42	44	331	368	363	323	334	165	173	175	170	175	6
48	75	81	97	81	47	52	53	56	44	81	71	89	120	113	11	10	10	12	14	7
70	72	73	74	76	11	11	11	11	11	16	15	15	15	15						8
25	28	32	35	37	40	34	29	29	32	277	267	256	249	269	90	94	97	100	103	9
9	6	10	6	8	(*)	1	1	(*)	1	38	37	33	34	39	14	17	16	17	15	10
78	141	172	120	132	190	237	225	260	276	923	956	953	1,011	1,003	93	111	31	-30	104	11
76	87	74	119	74	117	176	138	193	170	733	766	698	921	797	84	15	6	136	52	12
2	54	99	1	58	74	61	87	67	106	190	191	255	90	207	10	95	26	-166	53	13
181	174	199	210	230	40	75	50	84	58	274	282	314	337	367	118	60	110	82	138	14
12	11	13	8	14	4	9	4	7	3	141	182	173	204	180	4	73	6	7	9	15
(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	35	48	29	58	66						16
-4,731	-5,550	-5,760	-6,244	-6,815	-702	-814	-837	-948	-1,053	-13,566	-13,790	-14,343	-13,595	-13,906	-772	-805	-657	-711	-795	17
-3,914	-4,589	-4,810	-5,232	-5,753	-555	-691	-729	-816	-904	-12,246	-12,338	-12,873	-12,053	-12,329	-179	-233	-77	-165	-185	18
-177	-199	-202	-233	-220	-5	-5	-5	-5	-4	-373	-385	-365	-349	-360						19
-23	-55	-36	-35	-17	-38	-21	-14	-39	-45	-142	-175	-156	-158	-174						20
-32	-42	-35	-16	-36	-36	-28	-29	-22	-43	-31	-36	-42	-41	-37						21
-303	-326	-333	-308	-317	-19	-21	-22	-22	-21	-203	-218	-227	-204	-217	-356	-380	-388	-339	-368	22
11	11	11	5	14	1	(*)	(*)	(*)	1	-1	-3	-4	-1	-1						23
-4	-4	-4	-4	-4	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	24
-20	-20	-21	-21	-21	-7	-7	-8	-8	-8	-30	-30	-29	-29	-30	(*)	(*)	(*)	(*)	(*)	25
-8	-10	-16	-12	-8	-7	-9	-6	-9	-8	-73	-74	-89	-95	-80	-110	(*)	(*)	(*)	(*)	26
-34	-85	-69	-61	-33	-7	-5	-4	-6	-1	-2	-4	-7	-11	-10						27
1	-16	1	-32	-14	-3	-6	-6	-1	-3	-6	-7	-11	-13	-10						28
-35	-69	-70	-29	-20	-4	1	2	-5	2	4	3	4	2	1						29
-58	-56	-52	-70	-77	-6	-7	-9	-12	-11	-199	-217	-231	-288	-290	-21	-36	-29	-37	-34	30
-170	-175	-194	-258	-343	-22	-20	-12	-11	-9	-267	-310	-321	-365	-378	-89	-68	-76	-85	-98	31
(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	-35	-48	-29	-58	-66						32
-12	-7	-16	-8	-15	-9	-7	-7	-9	-7	-723	-901	-763	-693	-803	-48	-75	-114	-53	-83	33
										-480	-642	-539	-439	-562	-48	-75	-114	-53	-83	34
-5	(*)	-5	1	-5	-2	-2	-2	-2	-2	-55	-54	-59	-59	-58						35
-7	-8	-11	-9	-9	-6	-5	-5	-7	-5	-188	-205	-165	-196	-183						36
1,345	-741	398	-388	-1,310	-411	-269	-65	-284	-229	-334	-1,883	-1,503	-1,045	-2,440	-437	-979	-400	-198	335	37
-5	20	19	11	5	2	29	7	13	3	-507	-434	-773	-630	-649	-135	-167	-119	-96	-202	43
-28	-18	-3	-7	-19	-2	-3	(*)	-12	-3	-837	-725	-1,083	-921	-881	-139	-167	-120	-96	-206	44
23	38	22	21	21	4	30	7	24	5	297	343	273	296	296	3				3	45
(*)	(*)	(*)	-3	3	(*)	1	1	(*)	(*)	33	-53	37	-5	-64						46
1,350	-761	379	-400	-1,316	-413	-298	-72	-297	-232	173	-1,449	-730	-414	-1,791	145	-649	-405	-55	229	47
118	-231	-133	-37	26	-147	-65	25	-196	-155	324	-1,090	-808	-519	-1,538	-153	-20	377	-107	192	48
120	-177	-35	-36	84	-74	-4	111	-129	-60	513	-899	-552	609	-1,331	-144	75	403	-272	245	49
-2	-54	-99	-1	-58	-74	-61	-67	-106	-190	-191	-255	-90	-207	-10	-95	-26	166	-53	50	50
-199	-69	-71	30	-525	11	2	-81	-206	3	-74	65	216	95	30	333	-617	-797	57	33	51
-19	-16	18	28	-13	2	-1		5	3	-38	42	2	-8	41						52
-57	42	-96	-33	-298	-2	15	-9	3	-5	3	4	50	-369	86	-1	2			1	53
-5	7	22	41	13	-25	-17	-30	16	12	26	126	-82	81	23	-34	-11	11	-4	3	54
1,612	-494	638	-429	-518	-252	-232	23	81	-86	-67	-595	-108	-732	-433		-3	3	-1		55
-395	310	1,155	5,280	8,095	201	-114	-587	-126	151	3,519	2,908	1,831	2,015	1,322	-338	65	-768	402	330	56
(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)
37	11	37	55	19	20	80	-2	-1	27	351	193	355	164	568						57
(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)
245		274	54	17	-5	-26	6	-3	-2	8	-12	(*)	-10	21						65
209	-69	204	26	-3	-10	-25	8	-8		11	-9	4	-8	22						66
35	69	70	29	20	4	-1	-2	5	-2	-4	-3	-4	-2	-1						67
(15)	(15)	(15)																		

Table 10a.—International Transactions, by

[Millions of

Line	(Credits +; debits -) <sup>1</sup>	Belgium-Luxembourg			France			Germany		
		1975	1976	1977 <sup>a</sup>	1975	1976	1977 <sup>a</sup>	1975	1976	1977 <sup>a</sup>
1	<b>Exports of goods and services<sup>2</sup></b>	3,071	3,591	3,892	4,564	4,883	4,967	7,423	8,819	9,113
2	Merchandise, adjusted, excluding military <sup>3</sup>	2,464	3,005	3,146	3,105	3,526	3,573	5,052	5,389	5,829
3	Transfers under U.S. military agency sales contracts	8	8	14	15	9	5	373	322	387
4	Travel	14	23	27	68	96	120	145	206	261
5	Passenger fares	9	15	8	36	54	70	58	80	93
6	Other transportation	73	65	66	144	145	145	263	305	294
7	Fees and royalties from affiliated foreigners	126	116	131	266	224	258	307	297	332
8	Fees and royalties from unaffiliated foreigners	9	10	20	47	57	40	51	83	107
9	Other private services	31	30	43	62	82	100	75	79	98
10	U.S. Government miscellaneous services	3	2	2	12	20	24	29	24	16
	Receipts of income on U.S. assets abroad:									
11	Direct investment	260	263	360	657	484	378	956	1,945	1,609
12	Interest, dividends, and earnings of unincorporated affiliates	138	158	225	228	269	306	706	685	1,570
13	Reinvested earnings of incorporated affiliates	131	105	135	429	215	72	250	1,260	39
14	Other private receipts	61	55	70	139	173	241	72	74	86
15	U.S. Government receipts	4	-1	5	13	13	13	12	15	11
16	<b>Transfers of goods and services under U.S. military grant programs, net</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
17	<b>Imports of goods and services</b>	-1,772	-1,708	-2,051	-3,360	-3,765	-4,241	-9,437	-9,768	-12,017
18	Merchandise, adjusted, excluding military <sup>3</sup>	-1,184	-1,116	-1,449	-2,143	-2,521	-3,043	-5,358	-5,581	-7,241
19	Direct defense expenditures	-52	-46	-52	-23	-21	-25	-1,540	-1,557	-1,860
20	Travel	-39	-35	-34	-226	-254	-233	-174	-195	-203
21	Passenger fares	-43	-43	-45	-190	-217	-195	-172	-197	-235
22	Other transportation	-45	-50	-54	-93	-88	-96	-339	-359	-380
23	Fees and royalties to affiliated foreigners	-2	-4	-4	(*)	-9	-6	-17	-10	-25
24	Fees and royalties to unaffiliated foreigners	-9	-10	-11	-15	-14	-18	-32	-34	-28
25	Private payments for other services	-12	-20	-17	-34	-50	-57	-75	-93	-146
26	U.S. Government payments for miscellaneous services	-16	-20	-17	-37	-34	-33	-41	-53	-50
	Payments of income on foreign assets in the United States:									
27	Direct investment	-60	-131	-127	-100	-108	-128	-67	-137	-149
28	Interest, dividends, and earnings of unincorporated affiliates	-6	-7	-9	-25	-63	-47	-26	-42	-73
29	Reinvested earnings of incorporated affiliates	-54	-124	-118	-75	-45	-81	-41	-95	-76
30	Other private payments	-197	-172	-175	-233	-242	-244	-243	-238	-240
31	U.S. Government payments	-113	-61	-66	-266	-207	-163	-1,379	-1,314	-1,460
32	<b>U.S. military grants of goods and services, net</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
33	<b>Unilateral transfers (excluding military grants of goods and services), net</b>	-8	-8	-9	-40	-46	-46	330	333	433
34	U.S. Government grants (excluding military grants of goods and services)	-4	-4	-4	-16	-16	-17	-84	-97	-104
35	U.S. Government pensions and other transfers	-4	-4	-5	-24	-30	-29	414	430	537
36	Private remittances and other transfers	-4	-4	-5	-24	-30	-29	414	430	537
37	<b>U.S. assets abroad, net (increase/capital outflow (-))</b>	-317	-613	-987	-1,624	-784	-840	-589	-1,932	-758
38	U.S. official reserve assets, net <sup>4</sup>				(*)	-4	-2	(*)		
39	Gold									
40	Special drawing rights									
41	Reserve position in the International Monetary Fund									
42	Foreign currencies				(*)	-4	-2	(*)		
43	U.S. Government assets, other than official reserve assets, net	-17	1	-7	34	61	47	-41	51	19
44	U.S. loans and other long-term assets	-24	-3		-21	-1	-21	-51		
45	Repayments on U.S. loans <sup>5</sup>	6	5	7	56	61	68	22	26	18
46	U.S. foreign currency holdings and U.S. short-term assets, net	1	-1	-14	-1	1	(*)	-12	25	1
47	U.S. private assets, net	-300	-614	-980	-1,658	-841	-885	-548	-1,963	-777
48	Direct investment	-305	-240	-623	-806	-43	-133	-757	-1,786	-504
49	Equity and intercompany accounts	-174	-135	-488	-377	172	-61	-507	-528	-465
50	Reinvested earnings of incorporated affiliates	-131	-105	-135	-429	-215	-72	-250	-1,260	-39
51	Foreign securities	20	-49	-161	-203	-652	-172	63	-6	-52
	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns:									
52	Long-term	-29	8	4	-4	-2	-11	-13	-36	2
53	Short-term	-14	-29	-56	136	-147	-75	-34	-23	-75
	U.S. claims reported by U.S. banks, not included elsewhere:									
54	Long-term	-4	6	-13	17	-23	-323	20	-36	-4
55	Short-term	32	-310	-131	-798	26	-171	173	-96	-144
56	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b>	216	-663	450	3,996	-2,286	708	-933	3,446	4,618
57	Foreign official assets in the United States, net									
58	U.S. Government securities	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )
59	U.S. Treasury securities <sup>6</sup>									
60	Other <sup>7</sup>	18	34	40	12	10	31	-68	-79	-165
61	Other U.S. Government liabilities <sup>8</sup>									
62	U.S. liabilities reported by U.S. banks, not included elsewhere	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )
63	Other foreign official assets <sup>9</sup>									
64	Other foreign assets in the United States, net									
65	Direct investment	105	136	239	230	171	222	-124	689	375
66	Equity and intercompany accounts	51	12	121	155	126	141	-165	594	299
67	Reinvested earnings of incorporated affiliates	54	124	118	75	45	81	41	95	76
68	U.S. Treasury securities	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )	( <sup>11</sup> )
69	U.S. securities other than U.S. Treasury securities	39	-42	-19	345	320	28	247	40	371
	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns:									
70	Long-term	-82	-49	-24	23	-49	-29	20	-134	-162
71	Short-term	-223	-131	-65	-57	50	33	-163	23	107
	U.S. liabilities reported by U.S. banks, not included elsewhere:									
72	Long-term	<sup>11</sup> 359	<sup>11</sup> -611	<sup>11</sup> 279	<sup>11</sup> 3,443	<sup>11</sup> -2,788	<sup>11</sup> 423	<sup>11</sup> -845	<sup>11</sup> 2,907	<sup>11</sup> 4,092
73	Short-term									
74	<b>Allocations of special drawing rights</b>									
75	Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed)	-1,190	-599	-1,295	-3,536	1,998	-548	3,206	-898	-1,389
76	<b>Memoranda:</b>									
76	Balance on merchandise trade (lines 2 and 18)	1,280	1,889	1,697	962	1,005	530	-306	-192	-1,412
77	Balance on goods and services (lines 1 and 17) <sup>10</sup>	1,299	1,883	1,841	1,204	1,118	726	-2,014	-949	-2,904
78	Balance on goods, services, and remittances (lines 77, 35, and 36)	1,291	1,875	1,832	1,164	1,164	680	-1,684	-616	-2,471
79	Balance on current account (lines 77 and 33) <sup>10</sup>	1,291	1,875	1,832	1,164	1,072	680	-1,684	-616	-2,471

See footnotes on page 37.



Selected Countries (published annually)

dollars

Italy			Netherlands			Mexico			Venezuela			Australia			South Africa			Line	
1975	1976	1977 <sup>p</sup>	1975	1976	1977 <sup>p</sup>	1975	1976	1977 <sup>p</sup>	1975	1976	1977 <sup>p</sup>	1975	1976	1977 <sup>p</sup>	1975	1976	1977 <sup>p</sup>		
3,621	3,963	3,769	4,951	5,512	5,758	7,818	7,373	7,512	2,997	3,393	3,186	3,095	3,746	3,710	1,654	1,793	1,562	1	
2,855	3,058	2,788	3,809	4,210	4,206	5,166	5,007	4,834	2,250	2,622	2,316	1,796	2,155	2,316	1,301	1,351	1,060	2	
60	34	44	25	28	22	(*)	1	4	14	19	27	35	35	30	(*)	(*)	(*)	3	
41	59	60	36	49	57							72	107	96	12	19	21	4	
38	39	41	8	12	7	1,453	1,428	1,414		145	176	60	88	93	5	3	3	5	
190	140	122	233	231	216	52	67	70			248	77	95	87	49	60	62	6	
157	152	181	161	171	157	114	86	75	26	17	18	146	137	145	59	51	49	7	
40	41	51	21	19	45	25	21	18			18	23	25	24	13	13	14	8	
57	41	54	36	56	62	155	180	251	67	113	47	55	157	62	12	21	59	9	
6	9	7	6	4	5	3	3	4				1	1	1	(*)	1	1	10	
89	290	301	540	664	909	455	70	293	344	262	310	726	820	690	140	197	197	11	
100	210	201	381	422	448	156	214	151	261	141	154	459	532	515	71	126	103	12	
-11	80	100	159	242	461	299	-144	142	83	121	156	267	288	175	69	71	94	13	
73	77	108	67	56	59	362	467	508	142	176	212	84	108	150	63	76	95	14	
15	23	12	9	12	13	53	43	41	9	8	8	20	18	16	(*)	1	1	15	
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	16
-3,331	-3,473	-4,190	-2,432	-2,619	-3,130	-5,187	-5,858	-7,243	-4,034	-3,848	-4,366	-1,531	-1,550	-1,503	-905	-986	-1,334	17	
-2,991	-2,525	-3,038	-1,082	-1,076	-1,470	-3,059	-3,594	-4,691	-3,727	-3,597	-4,117	-1,151	-1,212	-1,184	-846	-926	-1,261	18	
-228	-234	-239	-76	-74	-53	-1	-1	-6	-3	-18	-2	-10	-17	-15	-1	-1	-1	19	
-194	-207	-240	-60	-58	-49							-38	-50	-56	-11	-8	-20	20	
-131	-127	-144	-150	-210	-272	-1,637	-1,723	-1,918				-52	-54	-49	-9	-8	-11	21	
-153	-154	-174	-117	-108	-153	-86	-90	-86				-42	-45	-51	-18	-21	-22	22	
-1	2	2	3	-3	-3	(*)	(*)	-1	-83	-101	-102	1	(*)	1	(*)	(*)	(*)	23	
-4	-4	-5	-6	-6	-5	(*)	(*)	(*)				-1	-1	(*)	(*)	(*)	(*)	24	
-30	-38	-38	-17	-17	-22	-280	-318	-376				-16	-21	-19	-3	-3	-4	25	
-20	-21	-19	-7	-8	-8	-14	-20	-19				-16	-19	-19	-8	-9	-7	26	
-8	-23	-21	-517	-699	-700	-2	-1	-1	-2	(*)	(*)	-11	-24	-21	1	-1	(*)	27	
-10	-12	-10	-186	-227	-295	-2	-2	-5	(*)	(*)	(*)	-10	-13	-16	(*)	(*)	(*)	28	
2	-11	-11	-331	-472	-405	(*)	1	5	-2	(*)	(*)	-1	-11	-5	1	-1	(*)	29	
-104	-107	-138	-216	-225	-250	-106	-107	-144	-186	-114	-116	-36	-21	-28	-8	-7	-6	30	
-67	-35	-136	-187	-135	-145	-2	-3	-2	-33	-18	-29	-159	-86	-61	-3	-2	-3	31	
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	32
-120	-140	-149	-10	-12	-13	-172	-191	-200	-8	-10	-13	-13	-15	-19	-8	-8	-7	33	
-84	-105	-112	-4	-4	-5	-2	-1	-1	-1	-1	-1	-2	-6	-6	-1	-1	-1	34	
-36	-34	-36	-6	-8	-8	-114	-126	-128	-6	-8	-11	-8	-9	-13	-7	-7	-6	35	
17	-813	-379	79	-435	-651	-1,814	-1,225	-174	-900	97	-974	-613	-678	-666	-409	-359	-243	36	
(*)																		37	
																		38	
(*)																		39	
																		40	
																		41	
12	16	-2	-55	-14	-6	-68	-32	-75	20	23	19	19	47	52	-11	6	2	42	
-25	-14	-22	-59	-19		-122	-86	-117	-22	-27	-16	-45	13	-6				43	
39	28	22	3	5	10	54	53	43	42	50	34	68	59	57				44	
-2	2	-2	1	(*)	-16	1	1	-1			1	-4	1	1	-11	6	2	45	
5	-829	-377	134	-421	-645	-1,746	-893	-399	-920	74	-993	-632	-725	-718	-398	-365	-245	46	
-11	-244	-38	43	-352	-496	-346	223	-188	-280	379	-254	-359	-387	-225	-121	-84	-128	47	
-22	-164	62	202	-110	-35	-47	79	-46	-197	500	-98	-92	-99	-50	-52	-13	-34	48	
11	-80	-100	-159	-242	-461	-299	144	-142	-83	-121	-156	-267	-288	-175	-69	-71	-94	49	
26	-14	-10	22	-141	-183	-170	-107	-169	39	35	-211	-161	-434	-182	11	17	-5	50	
-1	7	7	62	61	74	-63	21	18	-305	186	43	-7	2	6	-14	5		51	
11	-4	-3	-28	1	1	-56	30	17	15	-12	-85	13	-3	-5	19	6		52	
5	-15	22	-13	14	-9	-282	-429	-524	-6	-37	-210	-49	3	-9	-76	-92	-47	53	
-25	-559	-355	48	-4	-32	-829	-631	447	-383	-477	-276	-69	94	-303	-217	-217	-77	54	
-1,448	2,033	3,638	1,193	681	1,493	340	866	24	-88	87	663	-679	-21	-666	134	-53	-13	55	
(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	56
1	9	-9	26	36	105	1	-2	-2	3	2	9	17	90	95	3	2	(*)	57	
(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	58
80	-24	14	649	909	702	1	-12	-33	-5	16	13	23	-29	41	15	-10	59		
82	-35	3	318	437	297	1	-7	-35	-5	16	12	12	-34	42	14	-10	60		
-2	11	11	331	472	405	(*)	-1	-5	2	(*)	(*)	1	11	5	-1	1	(*)	61	
(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	62
-2	-2	1	360	-174	35	-5	46	8	11	16	17	15	-4	8	(*)	(*)	(*)	63	
-68	-42	-48	-15	39	-9	(*)	12	12	1	1	1	2	-9	2	-5	1		64	
46	-42	27	1	26	87	23	13	13	51	120	3	1	1	17	56	-45	-34	65	
11-1,505	11 2,134	11 3,653	11 172	11 -155	11 573	11 320	11 797	11 5	11 -121	11 -47	11 617	11 -727	11 -122	11 -759	11 39	11 -27	11 32	66	
																			67
1,261	-1,570	-2,689	-3,781	-3,127	-3,457	-985	-965	81	2,033	281	1,504	-259	-1,482	-856	-466	-387	35	68	
																			69
464	533	-250	2,727	3,134	2,736	2,107	1,413	143	-1,477	-975	-1,801	645	943	1,132	455	425	-201	70	
290	490	-421	2,519	2,893	2,628	2,631	1,515	299	-1,037	-455	-1,180	1,564	2,196	2,207	749	807	228	71	
170	351	-569	2,509	2,881	2,615	2,461	1,325	69	-1,044	-464	-1,193	1,551	2,181	2,188	741	799	221	72	
170	350	-570	2,509	2,881	2,615	2,459	1,324	69	-1,045	-465	-1,193	1,551	2,181	2,188	741	799	221	73	

(Continued from page 7)

Such adjustments may affect both the annual level and quarterly pattern of earnings.

Quarterly estimates of reinvested earnings for both U.S. direct investment abroad and foreign direct investment in the United States are available from 1970 forward, and are presented in this article. Annual estimates from 1960 forward are also presented in this article; estimates for earlier years are available on request.

*Seasonal adjustment.*—For U.S. direct investment abroad, seasonal adjustments are made to total receipts of income (table 2, line 11) and to interest, dividends, and earnings of unincor-

porated affiliates (table 2, line 12). Seasonal adjustments to the reinvested earnings component of direct investment income (table 2, line 13) are derived each quarter as the difference between the adjustment to total income receipts and the adjustment to interest, dividends, and earnings of unincorporated affiliates. An adjustment of equal magnitude and opposite sign is made to the reinvested earnings component of the direct investment capital account and is reflected in total direct investment capital flows.

For foreign direct investment in the United States, previously calculated seasonal adjustments for interest, divi-

dends, and earnings of unincorporated affiliates (table 2, line 28) are retained through 1976. Beginning with the first quarter of 1977, seasonal adjustments are suspended, because the addition of 1977 data substantially weakened the stable seasonal pattern. Reinvested earnings (table 2, line 29) did not show statistically significant evidence of seasonality and, therefore, are not seasonally adjusted. Total payments of income (table 2, line 27) are derived for each quarter as the sum of seasonally adjusted (through 1976) interest, dividends, and earnings of unincorporated affiliates and the unadjusted reinvested earnings of incorporated affiliates.

(Continued from page 15)

national financial institutions reported by U.S. banks for their own accounts and for the custody accounts of their customers. These liabilities are payable on demand or have contractual maturities of 1 year or less. Included are demand, time, and savings deposits; time certificates of deposit; liabilities to affiliated foreign banks; and other liabilities. *Beginning with estimates for the second quarter of 1978, the distinction between short- and long-term liabilities is discontinued.* Estimates are based on reports collected by the Federal Reserve

System for the Treasury Department (see table 9).

### SDR ALLOCATIONS

#### *Line 74.—Allocations of special drawing rights*

This account measures the allocations of special drawing rights to the United States by the International Monetary Fund. The initial allocation occurred in January 1970; the second, January 1971; the third, January 1972.

### STATISTICAL DISCREPANCY

#### *Line 75.—Statistical discrepancy*

This account is a residual item equal to the algebraic sum of all the other lines in the international accounts with the sign reversed. The statistical discrepancy includes errors and omissions that may have occurred in any of the other accounts due to such factors as statistical errors, reporting deficiencies, and differences in timing in recording both sides (credit and debit) of a single transaction. Its entry secures the equality of credits and debits, which is a principle of double-entry bookkeeping.



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