

SURVEY OF CURRENT BUSINESS



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the BUSINESS SITUATION

ACCORDING to the "flash" estimates, real GNP increased at an annual rate of 2 percent in the first quarter of 1985, compared with 4½ percent in the fourth quarter of 1984. The GNP fixed-weighted price index increased at an annual rate of 4 percent, up from 3½ percent in the fourth quarter (table 1).¹

The "flash" estimate of real GNP includes another large change in net exports—a decline, following an increase of \$13½ billion in the fourth quarter. Based on merchandise trade data for only 1 month of the quarter, imports swung to a large increase, and exports again declined slightly.² Accordingly, gross domestic purchases, which includes imports but excludes exports, increased more in the

first quarter than did GNP. As explained in table 2, gross domestic purchases is a measure of U.S. demand for goods and services—wherever produced—by persons, investors, and government, and GNP is a measure of U.S. production. Except in the fourth quarter, U.S. demand recently has increased more than has U.S. production. Over the year from the first quarter of 1984, U.S. demand increased about 4½ percent and U.S. production increased 3½ percent. The corresponding final sales measures also show a difference of 1 percentage point. Final sales to domestic purchasers increased about 5½ percent over the last year, and final sales of GNP increased about 4½ percent.

The first-quarter increase in U.S. demand was largely accounted for by personal consumption expenditures (PCE). Changes in fixed investment, government purchases, and inventory investment were small to moderate, and partly offsetting. U.S. demand had increased much less—only 1 percent—in the fourth quarter, as a

Table 1.—GNP and GNP Prices
[Levels at seasonally adjusted annual rates; percent changes at annual rates]

	1984			1985
	II	III	IV [*]	I [*]
Current-dollar GNP (billions of dollars):				
Level.....	3,644.7	3,694.6	3,758.7	3,828.2
Percent change from preceding quarter.....	10.7	5.6	7.1	7.6
Real GNP (billions of 1972 dollars):				
Level.....	1,638.8	1,645.2	1,662.4	1,671.2
Percent change from preceding quarter.....	7.1	1.6	4.3	2.1
GNP fixed-weighted price index (index, 1972=100):				
Level.....	232.8	235.1	237.2	239.6
Percent change from preceding quarter.....	4.3	4.0	3.6	4.1
GNP implicit price deflator (index, 1972=100):				
Level.....	222.40	224.57	226.10	229.07
Percent change from preceding quarter.....	3.3	3.9	2.8	5.4

^{*} Revised.
^{*} Flash.

sharp decline in inventory investment almost offset increases in the other components.

First-quarter developments in the components of real GNP, in GNP prices, and in personal income are sketched below on the basis of data available as of mid-March.

1. Quarterly estimates in the national income and product accounts are expressed at seasonally adjusted annual rates, and quarterly changes in them are differences between these rates. Quarter-to-quarter percent changes are compounded to annual rates. Real, or constant-dollar, estimates are expressed in 1972 dollars.

The procedures used to prepare the "flash" estimates—that is, estimates prepared 15 days before the end of the quarter—are the same as those used to prepare the estimates released after the end of the quarter. However, the source data that are available are limited to only 1 or 2 months of the quarter and, in most cases, are preliminary. The major source data that are available are: For *personal consumption expenditures* (PCE), January and February retail sales, unit sales of new autos through the first 10 days of March, and sales of new trucks for January and February; for *nonresidential fixed investment*, the same data for autos and trucks as for PCE, January construction put in place, and January manufacturers' shipments of equipment; for *residential investment*, January construction put in place, and January housing starts; for *change in business inventories*, January book values for manufacturing and trade, and unit auto inventories for January and February; for *net exports of goods and services*, January merchandise trade; for *government purchases of goods and services*, Federal unified budget outlays for January, State and local construction put in place for January, and State and local employment for January and February; and for *GNP prices*, the Consumer Price Index for January, and the Producer Price Index for January and February.

2. See the "Business Situation" in the January 1985 SURVEY OF CURRENT BUSINESS for a discussion of how imports are treated in estimating GNP and, accordingly, why care must be taken in relating changes in imports to changes in GNP.

Looking Ahead ...

- **NIPA Methodology.** A series of special papers documenting the concepts, sources, and methods of the national income and product accounts is being prepared. As these papers are completed, they will be made available. The first of these, "An Introduction to National Economic Accounting," appears as an article in this issue of the SURVEY. The second, on corporate profits, will be ready in May. For information about how to obtain a copy of this paper, contact the Public Information Office, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230 (202-523-0777); order information will also appear in the April SURVEY.

- **Capital Stocks by Industry.** Estimates of fixed private capital stocks by detailed industry for 1947-81 will be available soon. The estimates and methodology will be presented in an upcoming issue of the SURVEY.

- **NIPA Revisions.** A comprehensive revision of the NIPA's is scheduled for completion in December 1985. The revision of the estimates for 1982-84 that would customarily be published this July will be combined with the December revision. For more information, see page 5.

Table 2.—Real Measures of Production and Final Sales: Change From Preceding Quarter

Item	Explanation	Billions of 1972 dollars at seasonally adjusted annual rates					Percent change at annual rate				
		1984				1985	1984				1985
		I	II	III	IV	I*	I	II	III	IV	I*
Gross national product.....	U.S. production ¹	38.2	27.9	6.4	17.2	8.8	10.1	7.1	1.6	4.3	2.1
Less: Change in business inventories.....		24.4	-11.3	10.3	-13.8						
Equals: Final sales of GNP.....	Worldwide final sales of U.S. production.....	13.9	39.2	-3.9	31.0		3.6	10.3	-1.0	7.9	
Less: Exports.....	Foreign sales of U.S. production.....	3.9	-2	2.7	-3		11.4	-5	7.5	-7	
Equals: Domestic sales of domestically produced goods and services.....	Final sales in the United States of U.S. production.....	10.0	39.4	-6.6	31.3		2.8	11.4	-1.8	8.8	
Plus: Imports.....	Sales in the United States of foreign production.....	14.1	3.0	18.2	-13.9		47.1	8.0	55.5	-28.3	
Equals: Final sales to domestic purchasers.....	Final sales in the United States of worldwide production.....	24.2	42.3	11.7	17.4		6.3	11.1	2.9	4.3	
Personal consumption expenditures.....		11.7	20.1	1.7	9.5		4.6	7.9	.7	3.6	
Gross private domestic fixed investment.....		11.7	9.8	5.9	3.5		20.8	16.2	9.3	5.3	
Government purchases.....		.7	12.6	4.0	4.4		1.0	18.6	5.4	5.9	
Plus: Change in business inventories.....		24.4	-11.3	10.3	-13.8						
Equals: Gross domestic purchases.....	Final sales and inventory investment in the United States of worldwide production.....	48.5	31.0	22.0	3.6		12.9	7.9	5.4	.9	

* Flash.

1. Goods and services produced by labor and property supplied by U.S. residents.

NOTE.—Percent changes in major aggregates are found in the National Income and Product Accounts Tables, table 8.1. Dollar levels are found in tables 1.2 and 1.4.

• PCE increased more than the 3½ percent registered in the fourth quarter. Although durable goods increased less than in the fourth quarter, nondurable goods swung from a small decline to a sizable increase, and services increased slightly more than in the fourth quarter. In durables, motor vehicles—largely due to trucks—were up more than in the fourth quarter, but furniture and equipment were up substantially less than in that quarter. In nondurables, the swing was largely due to an increase in food following a decline in the fourth quarter; swings in energy—gasoline as well as fuel oil and coal—also contributed. In services, electricity and gas increased after a slight decline in the fourth quarter, reflecting the effects of unseasonable weather on heating expenditures. In the fourth quarter, the weather was mild in the Eastern part of the country; in the early part of the first quarter, severe cold was widespread.

• Nonresidential fixed investment was flat after an 8½-percent increase in the fourth quarter. Structures increased, although slightly less than the 17-percent increase in the fourth quarter. This pattern largely reflected that of commercial structures; other types of structures have registered smaller, and partly offsetting, changes in recent quarters. A decline in producers' durable equipment was more than accounted for by equipment other than motor vehicles. A decline in equipment other than motor vehicles—the first in over 2 years—

was largely due to a sharp drop in computers.

• Residential investment was unchanged following two consecutive quarters of decline. Construction of multifamily housing, which had held up earlier, slipped in the first quarter. Single-family housing stabilized, reflecting the lagged effect of the decline in mortgage rates since last July. The “other” component (largely additions and alterations, mobile homes, and commissions on house sales) again changed little.

• Business inventories appear to have accumulated at a moderately faster rate than in the fourth quarter. Motor vehicle inventories—the only part of inventories based on more than 1 month of source data for the first quarter—registered another substantial increase, as automakers continued to build inventories from a low level at the beginning of the 1985 model year. Only fragmentary information is available about farm inventories; it appears that accumulation continued in the first quarter. Nonfarm inventories other than motor vehicles appear to have increased somewhat more than the \$5½ billion registered in the fourth quarter. It is likely that the ratio of total business inventories to total final sales moved up in the first quarter, but remained in the 3.01–3.09 range within which it has fluctuated for the past 2 years.

• Net exports, as mentioned earlier, appear to have declined substantially. Imports registered a large increase, and exports registered another

slight decline. In merchandise imports, which more than accounted for the increase, most nonpetroleum end-use commodity categories increased after declining in the fourth quarter; petroleum imports declined. Investment income payments appear to have declined again, partly reflecting lower interest rates on portfolio investment. In exports, a decline in investment income receipts more than offset in increase in merchandise trade.

• Government purchases increased less than the 6 percent registered in the fourth quarter. The slowing was in Federal purchases, both defense and nondefense. Defense purchases, which tend to be erratic, had increased 17½ percent in the fourth quarter; a much smaller increase in the first reflected smaller increases in purchases of durable goods and services. Nondefense purchases showed little change across the several categories of purchases, including those of the Commodity Credit Corporation. State and local purchases increased slightly, reflecting slight increases in the several categories, except structures. In the fourth quarter, a decline in structures had offset slight increases in the other categories.

• The GNP fixed-weighted price index increased 4 percent, up from 3½ percent in the fourth quarter. The first-quarter increase was boosted 0.5 percentage point by a Federal pay raise in January, which is reflected in the prices of employee services purchased by the Federal Government.

Thus, other GNP prices in total increased about as much as in the fourth quarter. Among them, prices of fixed investment—especially residential—accelerated slightly; PCE prices—largely due to energy prices, which declined—decelerated slightly.

• Personal income increased about \$47½ billion, only slightly less than the \$49 billion registered in the fourth quarter. A number of special factors contributed to substantially different movements in several components in the two quarters. Without these special factors, personal income would have increased \$40½ billion, compared with \$52 billion in the fourth quarter.

Wages and salaries in government and government enterprises in the first quarter included the Federal pay raise, which added \$3 billion, and a retroactive payment and pay raise for Postal Service employees, which added \$1½ billion. Farm proprietors' income included a small decline in subsidies after a \$5 billion increase in the fourth quarter. Among transfer payments, military retirement pay included a \$5½ billion increase, following a decline in the fourth quarter of the same amount, because the Deficit Reduction Act of 1984 shifted the payment of benefits scheduled for December 31, 1984 to January 1, 1985. The impact on transfer payments of this shift was partly offset by a decline in retroactive Social Security benefit payments of \$2½ billion, following an increase of the same amount in the fourth quarter. These payments result largely from the recalculation of the earnings base underlying benefits for retirees whose post-retirement work raises the base. Finally, cost-of-living adjustments added a total of \$8½ billion to benefit payments under Social Security and several other retirement and income-support programs. A change in the Social Security wage base and tax rate added \$8½ billion to the increase in contributions for social insurance, which are deducted in deriving personal income.

With the exception of personal interest income, other components of personal income increased roughly as much as they had in the fourth quarter. Personal interest income again decelerated, reflecting the widespread decline in interest rates. The first-quarter increase was less than the \$6½ billion increase in the fourth

quarter, which, in turn, was down from increases that had exceeded \$20 billion in the second and third quarters.

Beginning in the first quarter, personal taxes reflected the indexing of Federal income taxes under the Economic Recovery Tax Act of 1981. Indexing lowered personal taxes \$7 billion, so—despite a slightly larger increase in the tax base than in the fourth quarter—they increased less than in the fourth quarter. Thus, the increase in disposable personal income was about the same in both quarters. In real terms, however, the increase was less than the 3½ percent registered in the fourth quarter, because prices—as measured by the implicit price deflator for PCE—increased more. The first-quarter increase in personal outlays—in which PCE predominates—was large. Accordingly, after a small decline in the fourth quarter, personal saving dropped sharply in the first. The

saving rate, which had been 6.2 percent in the fourth quarter, fell several tenths of a percentage point.

The Fourth Quarter: Corporate Profits and the Government Sector

Preliminary estimates of corporate profits for the fourth quarter of 1984 have been completed. Their compilation makes it possible to estimate corporate profits tax accruals for the fourth quarter, rounding out the estimates of receipts and expenditures of the government sector.

The 75-day revisions of the national income and product accounts for the fourth quarter are shown in table 3.

Corporate profits

Profits from current production—profits with inventory valuation adjustment (IVA) and capital consumption adjustment (CCAdj)—increased

Table 3.—Revisions in Selected Component Series of the NIPA's, Fourth Quarter of 1984

	Seasonally adjusted at annual rates			Percent change from preceding quarter at annual rates	
	45-day estimate	75-day estimate	Revision	45-day estimate	75-day estimate
Billions of current dollars					
GNP.....	3,764.2	3,758.7	-5.5	7.8	7.1
Personal consumption expenditures.....	2,397.2	2,396.5	-9	6.2	6.1
Nonresidential fixed investment.....	445.9	447.7	1.8	9.8	11.5
Residential investment.....	153.1	153.5	.4	-5.7	-4.7
Change in business inventories.....	35.3	36.6	1.3		
Net exports.....	-49.2	-56.0	-6.8		
Government purchases.....	781.7	780.5	-1.2	11.3	10.7
National income.....		3,038.3			7.3
Compensation of employees.....	2,227.5	2,228.1	.6	6.7	6.8
Corporate profits with inventory valuation and capital consumption adjustments.....		293.5			16.0
Other.....	519.5	516.6	-2.9	7.5	5.1
Personal income.....	3,098.9	3,096.2	-2.7	7.0	6.6
Billions of constant (1972) dollars					
GNP.....	1,664.8	1,662.4	-2.4	4.9	4.3
Personal consumption expenditures.....	1,075.4	1,075.4	0	3.6	3.6
Nonresidential fixed investment.....	212.7	213.8	1.1	6.3	8.5
Residential investment.....	59.3	59.2	-1	-5.3	-5.5
Change in business inventories.....	16.8	16.8	0		
Net exports.....	-10.2	-13.4	-3.2		
Government purchases.....	310.8	310.5	-3	6.3	5.9
Index numbers, 1972=100 ¹					
GNP implicit price deflator.....	226.10	226.10	0	2.8	2.8
GNP fixed-weighted price index.....	237.1	237.2	.1	3.4	3.6
GNP chain price index.....				3.4	3.6

1. Not at annual rates.

NOTE.—For the fourth quarter of 1984, the following revised or additional major source data became available: For *personal consumption expenditures*, revised retail sales for December, consumer share of new car purchases for December, and consumption of electricity for December; for *nonresidential fixed investment*, revised manufacturers' shipments of equipment for December, revised construction put in place for December, and business share of new car purchases for December; for *residential investment*, revised construction put in place for December; for *change in business inventories*, revised book values for manufacturing and trade for December; for *net exports of goods and services*, revised merchandise trade and revised service receipts for the quarter; for *government purchases of goods and services*, revised construction put in place for December; for *wages and salaries*, revised employment, average hourly earnings, and average weekly hours for December; for *net interest*, financial assets held by households for the quarter, and revised net interest received from abroad for the quarter; for *corporate profits*, preliminary domestic book profits for the quarter, and revised profits from the rest of the world for the quarter; and for *GNP prices*, revised residential housing prices for the quarter.

\$10½ billion, to \$293½ billion, in the fourth quarter, following an \$8 billion decline in the third. Domestic profits of financial corporations were unchanged in the fourth quarter; those of nonfinancial corporations were up \$14 billion; and those from the rest of the world were down \$3½ billion.

Real gross product of domestic nonfinancial corporations had remained unchanged in the third quarter and increased 5½ percent in the fourth. The larger product and increased profits per unit of product together boosted total profits of nonfinancial corporations in the fourth quarter. Unit prices received by corporations and unit costs paid by them both increased, but prices increased more. Labor and nonlabor costs increased at about the same rate.

Adjustment and disposition of profits before tax.—Profits before tax—profits without IVA and CCAdj—increased \$6 billion, to \$230½ billion, following a \$21½ billion decline. The IVA and CCAdj convert inventories and depreciation reported by business for tax purposes to those used in the national income and product accounts (NIPA's). The CCAdj was up \$6 billion, to \$64½ billion, in the fourth quarter, matching the third-quarter increase and somewhat above the increases in the first two quarters. The steady increases reflect mainly the effect of shorter service lives for depreciation of capital permitted by the Economic Recovery Tax Act of 1981 (ERTA). The effects of ERTA have become more pronounced as proportionately more investments have become eligible for shorter service lives. The CCAdj accounted for about 20 percent of profits from current production in the third and fourth quarters.

In the fourth quarter, the IVA declined \$1½ billion. In the third quarter, it had increased \$7 billion. The fourth-quarter IVA reflects relative stability of inventory prices during the quarter.

Corporate profits tax liability increased \$5 billion in the fourth quarter, to \$88½ billion, following a \$12½ billion decline. The fluctuation in tax liability reflects that in profits before tax. Dividends increased \$2 billion, to \$83 billion, matching the previous increase. Undistributed profits declined \$1 billion, to \$59 billion, following a \$10 billion decline.

Profits by industry.—Profits with IVA but without CCAdj—the variant of profits available by industry—increased \$4½ billion in the fourth quarter, to \$229 billion, following a \$14 billion decline.

Domestic profits of financial corporations were unchanged, at \$26½ billion, following a \$2½ billion decline. Domestic profits of nonfinancial corporations increased \$8 billion, to \$181½ billion, following a \$15 billion decline. Manufacturing and trade accounted for most of the increase. Widespread increases in durable goods manufacturing more than offset a decline in nondurable goods manufacturing—largely in petroleum and food. Both wholesale and retail trade profits were up.

Government sector

The fiscal position of the government sector in the national income and product accounts deteriorated in the fourth quarter; the combined deficit of the Federal Government and of the State and local governments increased \$8½ billion to \$141½ billion. A \$16½ billion increase in the Federal deficit was partly offset by an \$8 billion increase in the State and local government surplus. However, for the year 1984, the fiscal position of the government sector improved; the combined deficit, at \$122½ billion, was \$12 billion lower than in 1983. This improvement was largely accounted for by an increase in the State and local government surplus.

The Federal sector.—The Federal Government deficit increased \$16½ billion in the fourth quarter to \$197½ billion, as expenditures increased more than receipts. For the year 1984, the deficit was \$175½ billion, down \$3 billion from 1983.

Receipts increased \$16 billion, compared with \$2 billion in the third quarter; the acceleration was accounted for by corporate profits tax accruals, which increased \$4½ billion following a \$10½ billion decline in the third quarter. Personal tax and nontax receipts increased \$8½ billion, contributions for social insurance increased \$4 billion, and indirect business tax and nontax accruals were unchanged.

Expenditures increased \$33 billion, compared with \$19 billion in the third

quarter; the acceleration was largely accounted for by national defense purchases of goods and services, which increased \$11½ billion following a \$½ billion decline in the third quarter. The acceleration in defense purchases was attributable to a strong rebound in the delivery of military equipment, which declined sharply in the third quarter. Third-quarter deliveries were depressed by several factors; a major one was the postponement of deliveries while quality control problems were resolved. The fourth-quarter rebound also reflected the delivery of the first B1 bomber (over \$2 billion at an annual rate). Transfer payments to foreigners increased \$5½ billion as the result of a large payment to Israel. Grants-in-aid to State and local governments increased \$5 billion and included increases in medicaid, highways, and education. Net interest paid and subsidies less the current surplus of government enterprises increased \$4½ billion each; the latter was largely for subsidies to farmers. All other expenditures increased \$2½ billion.

Cyclically adjusted Federal budget.—When measured using cyclical adjustments based on middle-expansion trend GNP, the Federal fiscal position moved from a deficit of \$180 billion in the third quarter to a deficit of \$202 billion in the fourth (see table 3 on page 17). The cyclically adjusted deficit as a percentage of middle-expansion trend GNP increased from 4.9 percent in the third quarter to 5.4 percent in the fourth—a move toward a more expansionary fiscal position.

The State and local sector.—The State and local government surplus increased \$8 billion, to \$56 billion, as receipts increased more than expenditures. Most of the increase—\$6½ billion—was in the surplus of “other” funds, that is, other than social insurance, funds. For the year 1984, the surplus was \$53 billion, up \$9 billion from 1983. Of that increase, \$5 billion was in the social insurance fund surplus and \$4 billion was in the other funds surplus.

Receipts increased \$15 billion, compared with \$4 billion in the third quarter. The acceleration was largely accounted for by Federal grants-in-aid and by corporate profits tax accruals. Federal grants, as mentioned, increased \$5 billion; corporate profits taxes increased \$1 billion, following a

\$2½ billion decline in the third quarter. Indirect business tax and nontax accruals increased \$6 billion, of which \$3 billion was in sales taxes. Personal tax and nontax receipts increased \$2½ billion, and contributions for social insurance increased \$1 billion.

Expenditures increased \$7 billion, compared with \$11 billion in the third quarter; this deceleration was accounted for by a substantial slowdown in purchases of goods and services. Purchases increased \$6 billion in the fourth quarter, compared with \$11½

billion in the third quarter. This deceleration was largely attributable to the purchase of structures, which declined \$1½ billion, following a \$3 billion increase; highways accounted for the shift. All other expenditures increased \$1 billion in the fourth quarter.

*Comprehensive Revision of
the National Income
and Product Accounts*

A comprehensive revision of the national income and product accounts is underway. It will incorporate benchmark data, such as the 1977 economic censuses; improved adjustments for misreporting of tax return information; and information from a variety of other sources. All series in the accounts will be revised back to 1973, and some will be revised for earlier years. Preliminary estimates for 1977 appeared in the May 1984 SURVEY OF CURRENT BUSINESS and the improved adjustments for misreporting of tax return information were described in the June 1984 SURVEY. The current schedule calls for completing the revision in December 1985.

The revision of the estimates for 1982-84 that would customarily be published this July will be combined with the December revision. However, selected national income and product account tables with detailed annual estimates for 1984 (on an unrevised basis) will appear in the July 1985 SURVEY.

National Income and Product Accounts Tables

New estimates in this issue: Fourth quarter and annual 1984, revised.

The abbreviations used in the tables are: CCAdj Capital consumption adjustment
IVA Inventory valuation adjustment
NIPA's National income and product accounts
p Preliminary
r Revised

The NIPA estimates for 1929-76 are in *The National Income and Product Accounts of the United States, 1929-76: Statistical Tables* (Stock No. 003-010-00101-1, price \$10.00). Estimates for 1977-79 and corrections for earlier years are in the July 1982 SURVEY; estimates for 1980 and corrections for earlier years are in the July 1983 SURVEY; estimates for 1981-83 and corrections for earlier years are in the July 1984 SURVEY. Summary NIPA Series, 1952-83, are in the August 1984 SURVEY. These publications are available from the Superintendent of Documents and Commerce Department District Offices; see addresses inside front cover.

Table 1.1-1.2.—Gross National Product in Current and Constant Dollars

	Billions of dollars								Billions of 1972 dollars							
	1983	1984 ^r	Seasonally adjusted at annual rates						1983	1984 ^r	Seasonally adjusted at annual rates					
			1983		1984						1983		1984			
			III	IV	I	II	III	IV ^r			III	IV	I	II	III	IV ^r
Gross national product	3,304.8	3,662.8	3,346.6	3,431.7	3,553.3	3,644.7	3,694.6	3,758.7	1,534.7	1,639.3	1,550.2	1,572.7	1,610.9	1,638.8	1,645.2	1,662.4
Personal consumption expenditures	2,155.9	2,341.8	2,181.4	2,230.2	2,276.5	2,332.7	2,361.4	2,396.5	1,009.2	1,062.4	1,015.6	1,032.4	1,044.1	1,064.2	1,065.9	1,075.4
Durable goods.....	279.8	318.8	284.1	299.8	310.9	320.7	317.2	326.3	157.5	178.0	159.6	167.2	173.7	178.6	177.0	182.9
Nondurable goods.....	801.7	856.9	811.7	823.0	841.3	858.3	861.4	866.5	376.3	393.5	378.5	383.2	387.1	396.6	395.5	395.0
Services.....	1,074.4	1,166.1	1,085.7	1,107.5	1,124.4	1,153.7	1,182.8	1,203.8	475.4	490.8	477.6	482.0	483.4	488.9	493.5	497.5
Gross private domestic investment	471.6	637.8	491.9	540.0	623.8	627.0	662.8	637.8	221.0	289.9	230.6	249.5	285.5	283.9	300.2	289.9
Fixed investment.....	485.1	579.6	496.2	527.3	550.0	576.4	591.0	601.1	224.6	265.1	229.8	242.2	253.9	263.7	269.6	273.1
Nonresidential.....	325.9	425.7	353.9	383.9	389.8	402.8	435.7	447.7	171.0	204.9	172.6	184.5	193.3	202.9	209.5	213.8
Structures.....	129.7	150.4	126.2	136.6	142.2	150.0	151.4	157.9	49.2	56.9	48.3	51.4	54.1	56.8	57.1	59.4
Producers' durable equipment.....	223.2	275.3	227.8	247.3	256.7	270.7	284.2	289.7	121.8	148.0	124.3	133.1	139.2	146.0	152.4	154.4
Residential.....	132.2	153.9	142.3	143.4	151.2	155.6	153.5	153.5	53.7	60.2	57.2	57.8	60.6	60.8	60.1	59.2
Nonfarm structures.....	127.6	148.8	137.7	138.7	146.4	150.5	150.1	148.3	51.2	57.5	54.7	55.2	58.0	58.1	57.3	56.5
Farm structures.....	1.0	1.1	.9	.9	.9	1.0	1.2	1.0	.4	.4	.4	.4	.4	.4	.5	.4
Producers' durable equipment.....	3.6	4.0	3.7	3.8	3.9	4.1	4.0	4.1	2.1	2.3	2.1	2.2	2.2	2.3	2.3	2.4
Change in business inventories.....	-13.5	58.2	-4.3	12.7	73.8	50.6	71.8	36.6	-3.6	24.8	.9	7.2	31.6	20.3	30.6	16.8
Nonfarm.....	-3.1	49.6	11.6	14.1	60.6	47.0	63.7	27.2	.6	20.9	7.4	7.0	26.2	18.7	26.5	12.0
Farm.....	-10.4	8.6	-15.9	-1.4	13.2	3.5	8.1	9.4	-4.2	4.0	-6.6	.2	5.4	1.6	4.1	4.8
Net exports of goods and services	-8.3	-64.2	-16.4	-29.8	-51.5	-58.7	-90.6	-56.0	12.6	-15.0	11.9	2.0	-8.3	-11.4	-27.0	-13.4
Exports.....	336.2	364.3	342.0	346.1	358.9	362.4	368.6	367.2	139.5	146.0	141.6	141.0	144.9	144.7	147.4	147.1
Imports.....	344.4	428.5	358.4	375.9	410.4	421.1	459.3	423.2	126.9	161.1	129.7	139.1	153.2	156.2	174.4	160.5
Government purchases of goods and services	685.5	747.8	689.8	691.4	704.4	743.7	761.0	780.5	291.9	302.1	292.0	288.8	289.5	302.1	306.1	310.5
Federal.....	269.7	295.4	269.2	266.3	267.6	296.4	302.0	315.7	116.2	122.5	115.6	113.0	112.2	123.2	125.0	129.6
National defense.....	200.5	221.5	200.9	207.2	213.4	220.8	220.3	231.6	84.7	89.6	84.4	86.3	87.1	89.6	89.1	92.7
Nondefense.....	69.3	73.9	68.3	59.1	54.2	75.6	81.7	84.1	31.5	32.9	31.2	26.7	25.2	33.6	36.0	36.8
State and local.....	415.8	452.0	420.6	425.1	436.8	447.4	458.9	464.8	175.7	179.6	176.4	175.8	177.3	178.9	181.1	180.9

Table 1.3-1.4.—Gross National Product by Major Type of Product in Current and Constant Dollars

	Billions of dollars								Billions of 1972 dollars							
	1983	1984 ^r	Seasonally adjusted at annual rates						1983	1984 ^r	Seasonally adjusted at annual rates					
			1983		1984						1983		1984			
			III	IV	I	II	III	IV ^r			III	IV	I	II	III	IV ^r
Gross national product	3,304.8	3,662.8	3,346.6	3,431.7	3,553.3	3,644.7	3,694.6	3,758.7	1,534.7	1,639.3	1,550.2	1,572.7	1,610.9	1,638.8	1,645.2	1,662.4
Final sales.....	3,318.3	3,604.6	3,350.9	3,419.0	3,479.5	3,594.1	3,622.8	3,722.1	1,538.3	1,614.5	1,549.3	1,565.4	1,579.3	1,618.5	1,614.6	1,645.6
Change in business inventories.....	-13.5	58.2	-4.3	12.7	73.8	50.6	71.8	36.6	-3.6	24.8	.9	7.2	31.6	20.3	30.6	16.8
Goods	1,355.7	1,543.0	1,373.2	1,423.9	1,498.0	1,544.8	1,549.2	1,579.8	688.6	764.5	698.1	715.5	744.9	767.4	766.8	778.8
Final sales.....	1,369.2	1,484.8	1,377.5	1,411.2	1,424.2	1,494.2	1,477.4	1,543.2	692.2	739.6	697.2	708.2	713.3	747.1	736.1	762.0
Change in business inventories.....	-13.5	58.2	-4.3	12.7	73.8	50.6	71.8	36.6	-3.6	24.8	.9	7.2	31.6	20.3	30.6	16.8
Durable goods.....	555.3	655.7	576.9	607.4	632.3	647.9	654.7	687.7	295.6	341.6	305.2	318.6	331.1	339.5	340.2	355.4
Final sales.....	557.5	625.3	564.5	592.9	597.5	629.7	613.1	661.0	296.1	328.4	299.6	311.9	316.4	331.4	322.4	343.4
Change in business inventories.....	-2.1	30.4	12.5	14.5	34.9	18.2	41.7	26.7	-5	13.2	5.6	6.6	14.7	8.1	17.3	12.0
Nondurable goods.....	800.4	887.3	796.2	816.5	865.7	896.9	894.4	892.1	392.9	422.9	392.9	396.9	413.8	427.9	426.5	423.5
Final sales.....	811.7	859.5	813.0	818.3	826.8	864.6	864.3	882.2	396.1	411.2	397.7	396.3	396.9	415.7	413.7	418.6
Change in business inventories.....	-11.3	27.8	-16.8	-1.7	38.9	32.4	30.1	9.9	-3.2	11.7	-4.8	.6	16.9	12.2	12.5	4.8
Services	1,639.3	1,763.3	1,654.5	1,681.3	1,713.7	1,742.6	1,783.3	1,813.7	723.2	736.7	725.4	728.7	731.4	732.9	739.0	743.6
Structures	309.8	356.5	319.0	326.5	341.6	357.2	362.1	365.2	122.9	138.1	126.6	128.5	134.6	135.5	139.4	140.0
Addenda:																
Gross domestic purchases ¹	3,313.1	3,727.0	3,363.0	3,461.5	3,604.8	3,703.4	3,785.2	3,814.8	1,522.1	1,654.4	1,538.3	1,570.7	1,619.2	1,650.2	1,672.2	1,675.8
Final sales to domestic purchasers ¹	3,326.5	3,668.8	3,367.4	3,448.8	3,531.0	3,652.8	3,713.4	3,778.1	1,525.7	1,629.5	1,537.4	1,563.4	1,587.6	1,629.9	1,641.6	1,659.0

1. Gross domestic purchases equals GNP less exports plus imports; final sales to domestic purchasers equals final sales less exports plus imports.

Table 1.5-1.6.—Gross National Product by Sector in Current and Constant Dollars

	Billions of dollars								Billions of 1972 dollars							
	1983	1984 ^r	Seasonally adjusted at annual rates						1983	1984 ^r	Seasonally adjusted at annual rates					
			1983		1984						1983		1984			
			III	IV	I	II	III	IV ^r			III	IV	I	II	III	IV ^r
Gross national product	3,304.8	3,662.8	3,346.6	3,431.7	3,553.3	3,644.7	3,694.6	3,758.7	1,534.7	1,639.3	1,550.2	1,572.7	1,610.9	1,638.8	1,645.2	1,662.4
Gross domestic product	3,256.5	3,619.2	3,295.2	3,384.1	3,505.7	3,602.6	3,650.1	3,718.6	1,512.1	1,619.7	1,526.2	1,550.7	1,589.2	1,619.8	1,625.3	1,644.6
Business.....	2,790.8	3,120.5	2,826.2	2,906.8	3,017.2	3,106.8	3,148.5	3,209.4	1,307.8	1,413.9	1,321.9	1,345.7	1,364.0	1,414.1	1,419.5	1,436.1
Nonfarm.....	2,728.9	3,049.5	2,769.3	2,854.3	2,943.4	3,037.5	3,078.0	3,136.9	1,273.8	1,377.8	1,289.3	1,316.3	1,347.5	1,380.1	1,383.5	1,400.1
Housing.....	2,434.7	2,726.2	2,471.9	2,550.2	2,632.8	2,718.8	2,750.3	2,808.9	1,130.6	1,229.0	1,145.6	1,171.2	1,200.9	1,232.1	1,233.9	1,249.0
Farm.....	294.2	323.2	297.4	304.1	310.6	318.7	327.7	335.9	143.2	148.8	143.8	145.1	146.5	148.0	149.6	151.1
Statistical discrepancy.....	61.5	78.9	61.7	57.3	71.6	78.3	83.5	82.3	33.8	39.7	34.8	31.6	35.6	38.1	41.8	43.3
Households and institutions.....	116.5	123.5	117.3	119.6	121.0	123.1	123.8	126.0	47.3	47.8	47.3	47.5	47.6	47.9	47.7	48.2
Private households.....	7.8	8.1	7.8	7.9	7.9	8.0	8.1	8.3	3.3	3.4	3.3	3.3	3.4	3.4	3.5	3.5
Nonprofit institutions.....	108.7	115.4	109.6	111.8	113.1	115.1	115.7	117.8	44.0	44.4	44.0	44.2	44.2	44.5	44.3	44.8
Government.....	349.2	375.3	351.6	357.7	367.4	372.7	377.7	383.2	157.0	158.0	157.0	157.5	157.7	158.1	158.3	158.3
Federal.....	107.8	114.6	108.1	109.5	113.8	114.4	114.7	115.3	51.3	51.9	51.4	51.7	51.8	51.9	52.0	52.0
State and local.....	241.4	260.7	243.6	248.2	253.6	258.3	263.0	267.8	105.7	106.1	105.6	105.8	105.8	105.9	106.2	106.3
Rest of the world.....	48.3	43.6	51.5	47.7	47.6	42.1	44.5	40.2	22.5	19.6	24.0	21.9	21.6	19.0	19.9	17.8
Addendum:																
Gross domestic business product less housing.....	2,487.7								1,163.5							

Table 1.7.—Relation of Gross National Product, Net National Product, National Income, and Personal Income

	Billions of dollars							
	1983	1984 ^r	Seasonally adjusted at annual rates					
			1983		1984			
			III	IV	I	II	III	IV ^r
Gross national product	3,304.8	3,662.8	3,346.6	3,431.7	3,553.3	3,644.7	3,694.6	3,758.7
Less:								
Capital consumption allowances with CCAdj.....	377.1	403.3	382.8	386.4	391.8	400.0	406.9	414.4
Capital consumption allowances.....	367.2	417.3	375.7	387.8	398.6	410.3	423.1	437.2
Less: CCAdj.....	-9.9	14.1	-7.1	1.4	6.8	10.3	16.3	22.9
Equals: Net national product	2,927.7	3,259.6	2,963.9	3,045.4	3,161.5	3,244.7	3,287.7	3,344.4
Less:								
Indirect business tax and nontax liability.....	280.4	304.0	284.7	290.1	295.5	301.3	306.6	312.5
Business transfer payments.....	15.6	17.3	15.8	16.2	16.7	17.1	17.5	18.0
Statistical discrepancy.....	.5	-7.9	-4.8	-4.8	2.2	-9.0	-13.0	-11.8
Plus: Subsidies less current surplus of government enterprises.....	15.6	14.2	16.2	22.6	26.4	9.6	8.4	12.6
Equals: National income	2,646.7	2,960.4	2,684.4	2,766.5	2,873.5	2,944.8	2,984.9	3,038.3
Less:								
Corporate profits with IVA and CCAdj.....	225.2	286.2	245.0	260.0	277.4	291.1	282.8	293.5
Net interest.....	256.6	284.1	259.2	258.9	266.8	282.8	293.5	293.4
Contributions for social insurance.....	272.7	306.0	274.3	281.0	298.9	304.2	308.1	312.7
Wage accruals less disbursements.....	-4	.1	-4	0	.2	.2	-4	.5
Plus:								
Government transfer payments to persons.....	389.3	399.4	388.1	392.5	394.7	398.1	401.0	403.8
Personal interest income.....	376.3	433.7	382.3	388.2	403.9	425.6	449.3	456.1
Personal dividend income.....	70.3	77.7	70.7	72.8	75.0	77.2	78.5	80.2
Business transfer payments.....	15.6	17.3	15.8	16.2	16.7	17.1	17.5	18.0
Equals: Personal income	2,744.2	3,012.1	2,763.3	2,836.5	2,920.5	2,984.6	3,047.3	3,096.2

Table 1.8.—Relation of Gross National Product, Net National Product, and National Income in Constant Dollars

	[Billions of dollars]							
Gross national product	1,534.7	1,639.3	1,550.2	1,572.7	1,610.9	1,638.8	1,645.2	1,662.4
Less: Capital consumption allowances with.....	168.1	175.2	170.1	170.6	172.2	174.1	176.0	178.5
Equals: Net national product	1,366.6	1,464.1	1,380.1	1,402.0	1,438.7	1,464.7	1,469.2	1,484.0
Less:								
Indirect business tax and nontax liability business transfer payments less subsidies plus current surplus of government enterprises.....	151.8	159.0	152.5	155.9	157.9	158.9	159.1	160.0
Statistical discrepancy.....	.2	-3.6	-2.3	-2.2	1.0	-4.1	-5.9	-5.3
Equals: National income	1,214.5	1,308.7	1,229.8	1,248.4	1,279.8	1,309.9	1,331.6	1,329.3

Table 1.11.—National Income by Type of Income

	Billions of dollars							
	1983	1984 ^r	Seasonally adjusted at annual rates					
			1983		1984			
			III	IV	I	II	III	IV ^r
National income	2,646.7	2,960.4	2,684.4	2,766.5	2,873.5	2,944.8	2,984.9	3,038.3
Compensation of employees	1,984.9	2,173.2	2,000.7	2,055.4	2,113.4	2,159.2	2,191.9	2,228.1
Wages and salaries.....	1,658.8	1,804.1	1,670.8	1,715.4	1,755.9	1,793.3	1,819.1	1,848.2
Government and government enterprises.....	327.7	349.9	330.6	335.0	342.9	347.5	352.0	357.2
Other.....	331.1	1,454.2	1,340.3	1,380.4	1,413.0	1,445.8	1,467.1	1,490.9
Supplements to wages and salaries	326.2	369.0	329.9	340.0	357.4	365.9	372.8	380.0
Employer contributions for social insurance.....	153.1	173.5	153.9	157.9	169.4	172.4	174.7	177.5
Other labor income.....	173.1	195.5	175.9	182.1	188.1	193.5	198.1	202.5
Proprietors' income with IVA and CCAdj	121.7	154.4	123.3	131.9	154.9	149.8	153.7	159.1
Farm.....	13.8	28.2	11.2	17.3	32.5	24.8	27.3	29.4
Proprietors' income with IVA.....	22.1	36.4	19.6	25.7	40.7	31.7	35.5	37.6
CCAdj.....	-8.4	-8.2	-8.4	-8.3	-8.3	-8.3	-8.2	-8.2
Nonfarm.....	107.9	126.2	112.1	114.6	122.5	126.3	126.4	129.7
Proprietors' income.....	100.4	114.5	103.8	105.5	112.4	115.0	113.8	116.7
IVA.....	-8	-4	-1.3	-7	-1.2	-4	.1	-2
CCAdj.....	8.3	12.2	9.5	9.7	11.2	11.8	12.5	13.2
Rental income of persons with CCAdj	58.3	62.5	56.2	60.4	61.0	62.0	63.0	64.1
Rental income of persons.....	96.6	103.0	96.6	99.1	99.9	102.5	104.2	105.5
CCAdj.....	-38.3	-40.5	-40.3	-38.7	-38.8	-40.6	-41.2	-41.4
Corporate profits with IVA and CCAdj	225.2	286.2	245.0	260.0	277.4	291.1	282.8	293.5
Corporate profits with IVA.....	192.0	230.5	208.1	216.3	229.8	238.7	224.5	229.0
Profits before tax.....	203.2	236.2	227.4	225.5	243.3	246.0	224.8	230.6
Profits tax liability.....	75.8	90.0	84.7	84.5	92.7	95.8	83.1	88.3
Profits after tax.....	127.4	146.2	142.6	141.1	150.6	150.2	141.7	142.3
Dividends.....	72.9	80.5	73.3	75.4	77.7	79.9	81.3	83.1
Undistributed profits.....	54.5	65.7	69.3	65.6	72.9	70.2	60.3	59.2
IVA.....	-11.2	-5.7	-19.3	-9.2	-13.5	-13	-2	-1.6
CCAdj.....	33.2	55.7	36.9	43.6	47.6	52.3	58.3	64.5
Net interest	256.6	284.1	259.2	258.9	266.8	282.8	293.5	293.4
Addenda:								
Corporate profits after tax with IVA and CCAdj.....	149.4	196.2	160.2	175.5	184.7	195.2	199.8	205.2
Dividends.....	72.9	80.5	73.3	75.4	77.7	79.9	81.3	83.1
Undistributed profits with IVA and CCAdj.....	76.5	115.7	86.9	100.0	107.0	115.3	118.4	122.1

Table 1.13.—Gross Domestic Product of Corporate Business in Current Dollars and Gross Domestic Product of Nonfinancial Corporate Business in Current and Constant Dollars

	Billions of dollars								Billions of dollars								
	1983	1984 ^r	Seasonally adjusted at annual rates						1983	1984 ^r	Seasonally adjusted at annual rates						
			1983		1984						1983		1984				
			III	IV	I	II	III	IV ^r			III	IV	I	II	III	IV ^r	
Gross domestic product of corporate business	2,037.0	2,277.6	2,076.6	2,135.0	2,207.4	2,271.3	2,292.4	2,339.5	Net domestic product	1,699.7	1,922.2	1,736.6	1,791.8	1,858.6	1,917.6	1,936.0	1,976.4
Capital consumption allowances with CCAAdj.....	231.2	246.2	233.4	236.4	239.9	244.1	248.1	252.8	Indirect business tax and nontax liability plus business transfer payments less subsidies.....	196.7	214.6	200.4	203.7	207.3	213.4	216.9	220.7
Net domestic product.....	1,805.8	2,031.4	1,843.2	1,898.6	1,967.5	2,027.2	2,044.3	2,086.6	Domestic income.....	1,503.0	1,707.6	1,536.2	1,588.0	1,651.2	1,704.2	1,719.1	1,755.7
Indirect business tax and nontax liability plus business transfer payments less subsidies.....	206.2	224.8	210.0	213.4	217.2	223.5	227.2	231.2	Compensation of employees.....	1,263.1	1,392.8	1,277.8	1,310.8	1,354.0	1,384.5	1,405.2	1,427.4
Domestic income.....	1,599.6	1,806.6	1,633.3	1,685.2	1,750.3	1,803.7	1,817.1	1,855.4	Wages and salaries.....	1,044.3	1,143.0	1,051.5	1,084.8	1,111.3	1,137.1	1,153.0	1,170.7
Compensation of employees.....	1,357.1	1,494.8	1,372.8	1,407.2	1,453.2	1,485.6	1,508.3	1,532.1	Supplements to wages and salaries.....	218.8	249.7	226.4	226.0	242.7	247.4	252.1	256.7
Wages and salaries.....	1,121.2	1,225.8	1,129.0	1,163.5	1,192.0	1,219.0	1,236.5	1,255.5	Corporate profits with IVA and CCAAdj.....	171.0	235.3	188.0	205.8	223.0	240.8	231.6	245.7
Supplements to wages and salaries.....	236.0	269.1	243.8	243.7	261.2	266.6	271.7	276.7	Profits before tax.....	148.8	185.5	170.4	171.5	188.9	195.9	173.8	183.3
Corporate profits with IVA and CCAAdj.....	200.4	263.2	217.5	234.4	251.7	269.8	258.5	272.8	Profits tax liability.....	58.0	71.4	67.0	66.7	74.5	77.2	64.4	69.5
Profits before tax.....	178.4	213.2	199.9	200.0	217.6	224.8	200.4	210.0	Profits after tax.....	90.8	114.1	103.4	104.8	114.5	118.6	109.5	113.8
Profits tax liability.....	75.8	90.0	84.7	84.5	92.7	95.8	83.1	88.3	Dividends.....	62.8	71.0	63.2	63.9	65.9	70.3	70.9	76.7
Profits after tax.....	102.6	123.2	115.2	115.5	124.9	128.9	117.3	121.6	Undistributed profits.....	28.0	43.1	40.2	40.9	48.5	48.3	38.5	37.2
Dividends.....	63.0	71.6	63.3	64.2	66.3	70.9	71.6	77.6	IVA.....	-11.2	-5.7	-19.3	-9.2	-13.5	-7.3	-2	-1.6
Undistributed profits.....	39.6	51.6	51.9	51.3	58.6	58.1	45.7	44.0	CCAAdj.....	33.2	55.7	36.9	43.6	47.6	52.3	58.3	64.5
IVA.....	-11.2	-5.7	-19.3	-9.2	-13.5	-7.3	-2	-1.6	Net interest.....	42.1	48.6	43.0	43.6	45.4	48.3	50.4	50.5
CCAAdj.....	33.2	55.7	36.9	43.6	47.6	52.3	58.3	64.5	Gross domestic product of nonfinancial corporate business	896.4	977.5	912.4	931.1	956.9	979.5	980.0	993.5
Net interest.....	42.1	48.6	43.0	43.6	45.4	48.3	50.4	50.5	Capital consumption allowances with CCAAdj.....	100.0	104.0	100.7	101.5	102.4	103.4	104.5	105.8
Gross domestic product of financial corporate business	119.3	124.3	120.0	120.8	123.3	124.3	123.5	125.9	Net domestic product.....	796.4	873.5	811.7	829.6	854.6	876.1	875.5	887.7
Gross domestic product of nonfinancial corporate business	1,917.7	2,153.4	1,956.6	2,014.2	2,084.2	2,146.9	2,168.9	2,213.6	Indirect business tax and nontax liability plus business transfer payments less subsidies.....	97.8	101.3	98.5	100.0	100.7	101.2	101.1	102.3
Capital consumption allowances with CCAAdj.....	218.0	231.2	220.0	222.5	225.6	229.3	232.9	237.1	Domestic income.....	698.6	772.1	713.2	729.6	753.9	774.9	774.4	785.4

Table 1.14-1.15.—Auto Output in Current and Constant Dollars

	Billions of dollars								Billions of 1972 dollars							
	1983	1984 ^r	Seasonally adjusted at annual rates						1983	1984 ^r	Seasonally adjusted at annual rates					
			1983		1984						1983		1984			
			III	IV	I	II	III	IV ^r			III	IV	I	II	III	IV ^r
Auto output	88.7	106.4	96.6	99.6	114.8	98.7	99.0	113.2	49.9	58.1	53.9	55.1	62.5	54.4	54.4	61.3
Final sales.....	87.5	103.5	92.1	95.3	104.0	105.8	100.6	103.6	49.1	56.7	51.5	52.8	57.2	58.3	55.4	55.9
Personal consumption expenditures.....	88.3	102.3	90.2	96.3	101.9	104.6	100.9	101.8	43.4	48.5	44.2	46.5	48.8	49.7	47.4	47.9
New autos.....	65.2	75.9	66.4	71.9	76.2	77.8	73.6	76.0	35.8	40.6	36.5	38.8	41.0	41.8	39.4	40.2
Net purchases of used autos.....	23.0	26.4	23.8	24.5	25.7	26.8	27.3	25.8	7.6	7.9	7.7	7.7	7.8	7.9	8.0	7.7
Producers' durable equipment.....	17.3	24.9	19.0	19.8	24.3	24.9	26.2	24.3	12.4	16.9	13.5	14.0	16.5	17.1	17.6	16.2
New autos.....	31.0	40.3	32.9	34.9	39.6	40.8	41.8	39.1	17.0	21.5	18.1	18.8	21.2	21.8	22.2	20.6
Net purchases of used autos.....	-13.7	-15.4	-13.9	-15.1	-15.3	-15.9	-15.6	-14.8	-4.6	-4.6	-4.6	-4.8	-4.7	-4.7	-4.6	-4.4
Net exports.....	-19.2	-24.7	-18.3	-22.1	-23.5	-24.5	-27.4	-23.4	-7.4	-9.3	-7.0	-8.5	-8.9	-9.2	-10.3	-8.8
Exports.....	4.1	5.0	4.1	4.4	5.4	4.6	5.0	4.9	2.2	2.6	2.2	2.4	2.8	2.4	2.6	2.6
Imports.....	23.2	29.6	22.4	26.5	28.8	29.1	32.4	28.3	9.6	11.9	9.2	10.9	11.7	11.7	12.9	11.4
Government purchases.....	1.2	.9	1.2	1.1	1.2	.9	.8	.8	.7	.7	.7	.7	.8	.7	.6	.6
Change in business inventories.....	1.2	2.9	4.4	4.4	10.8	-7.1	-1.6	9.7	.8	1.4	2.4	2.3	5.2	-3.9	-1.0	5.4
New.....	.7	2.6	4.2	3.6	10.0	-8.2	-1.3	9.8	.7	1.3	2.3	2.1	5.0	-4.2	-0.9	5.4
Used.....	.4	.4	.2	.8	.9	1.1	-.3	-1	.1	.1	.1	.3	.3	.3	.1	0
Addenda:																
Domestic output of new autos ¹	70.1	86.7	76.0	78.9	95.7	79.3	82.4	89.5	38.4	46.2	41.7	42.6	51.2	42.5	43.9	47.3
Sales of imported new autos ²	33.1	37.8	32.5	37.3	34.4	38.2	37.1	41.4	18.1	20.2	17.9	20.1	18.5	20.6	19.9	21.9

Table 1.16-1.17.—Truck Output in Current and Constant Dollars

	Billions of dollars								Billions of 1972 dollars							
	1983	1984 ^r	Seasonally adjusted at annual rates						1983	1984 ^r	Seasonally adjusted at annual rates					
			1983		1984						1983		1984			
			III	IV	I	II	III	IV ^r			III	IV	I	II	III	IV ^r
Truck output¹	36.3	54.2	37.7	44.4	49.6	51.1	56.8	59.4	16.7	23.7	17.3	20.3	22.1	22.5	24.5	25.7
Final sales.....	36.1	51.5	37.5	43.1	45.8	50.5	52.6	57.0	16.6	22.5	17.3	19.8	20.5	22.2	22.8	24.7
Personal consumption expenditures.....	15.3	19.3	15.7	18.2	17.9	19.3	19.6	20.6	8.4	10.3	8.6	9.8	9.6	10.3	10.5	10.8
Producers' durable equipment.....	20.8	32.5	20.9	25.9	27.3	32.7	33.7	36.4	8.6	12.8	8.6	10.7	11.0	12.9	13.2	14.3
Net exports.....	-3.9	-5.4	-3.2	-5.0	-4.7	-6.6	-5.3	-5.0	-1.9	-2.6	-1.6	-2.4	-2.2	-3.1	-2.6	-2.4
Exports.....	2.0	2.5	2.1	2.2	2.4	2.2	2.6	2.8	.8	1.0	.9	.9	1.0	.9	1.0	1.1
Imports.....	5.9	7.9	5.3	7.2	7.1	8.8	7.9	7.8	2.7	3.6	2.5	3.3	3.2	4.0	3.6	3.5
Government purchases.....	3.9	5.0	4.1	4.0	5.3	5.1	4.6	5.1	1.6	2.0	1.7	1.7	2.1	2.0	1.8	2.0
Change in business inventories.....	.2	2.7	.1	1.3	3.8	.6	4.2	2.4	.1	1.1	0	.6	1.6	.3	1.7	1.0

Table 1.14-1.15:

1. Consists of final sales and change in business inventories of new autos produced in the United States.
2. Consists of personal consumption expenditures, producers' durable equipment, and government purchases.

Table 1.16-1.17:

1. Includes new trucks only.

Table 2.1.—Personal Income and Its Disposition

	Billions of dollars							
	1983	1984 ^r	Seasonally adjusted at annual rates					
			1983		1984			
			III	IV	I	II	III	IV ^r
Personal income.....	2,744.2	3,012.1	2,763.3	2,836.5	2,920.5	2,984.6	3,047.3	3,096.2
Wage and salary disbursements.....	1,659.2	1,804.0	1,671.3	1,715.4	1,755.7	1,793.1	1,819.5	1,847.6
Commodity-producing industries.....	519.3	569.3	523.5	539.0	555.9	567.0	573.3	580.9
Manufacturing.....	395.2	433.9	399.1	411.9	424.6	432.2	436.4	442.4
Distributive industries.....	398.6	432.0	399.7	413.2	419.2	429.5	436.4	443.1
Service industries.....	413.1	452.9	417.0	428.2	437.9	449.3	457.3	466.9
Government and government enterprises.....	328.2	349.8	331.0	335.0	342.8	347.3	352.4	356.7
Other labor income.....	173.1	195.5	175.9	182.1	188.1	193.5	198.1	202.5
Proprietors' income with IVA and CCAAdj.....	121.7	154.4	123.3	131.9	154.9	149.8	153.7	159.1
Farm.....	13.8	28.2	11.2	17.3	32.5	23.4	27.3	29.4
Nonfarm.....	107.9	126.2	112.1	114.6	122.5	126.3	126.4	129.7
Rental income of persons with CCAAdj.....	58.3	62.5	56.2	60.4	61.0	62.0	63.0	64.1
Personal dividend income.....	70.3	77.7	70.7	72.8	75.0	77.2	78.5	80.2
Personal interest income.....	376.3	433.7	382.3	388.2	403.9	425.6	449.3	456.1
Transfer payments.....	405.0	416.7	403.9	408.8	411.3	415.2	418.6	421.8
Old-age, survivors, disability, and health insurance benefits.....	221.6	237.3	222.4	227.7	232.1	235.2	238.2	243.5
Government unemployment insurance benefits.....	26.1	15.9	22.8	20.2	16.7	15.8	15.2	16.0
Veterans benefits.....	16.6	16.5	16.6	16.5	16.4	16.6	16.7	16.4
Government employees retirement benefits.....	59.5	62.2	60.4	61.3	62.4	63.1	63.9	59.2
Other transfer payments.....	81.0	84.9	81.7	83.1	83.7	84.5	84.6	86.7
Aid to families with dependent children.....	14.2	14.7	14.3	14.3	14.9	14.9	14.6	14.6
Other.....	66.8	70.1	67.4	68.8	68.8	69.6	70.0	72.1
Less: Personal contributions for social insurance.....	119.6	132.5	120.4	123.2	129.6	131.8	133.4	135.2
Less: Personal tax and nontax payments.....	404.2	435.3	395.8	407.9	418.3	430.3	440.9	451.7
Equals: Disposable personal income.....	2,340.1	2,576.8	2,367.4	2,428.6	2,502.2	2,554.3	2,606.4	2,644.5
Less: Personal outlays.....	2,222.0	2,420.7	2,248.4	2,300.0	2,349.6	2,409.5	2,442.3	2,481.5
Personal consumption expenditures.....	2,155.9	2,341.8	2,181.4	2,230.2	2,276.5	2,332.7	2,361.4	2,396.5
Interest paid by consumers to business.....	65.1	77.8	65.9	68.7	71.9	75.7	79.8	83.6
Personal transfer payments to foreigners (net).....	1.0	1.2	1.1	1.2	1.2	1.0	1.1	1.5
Equals: Personal saving.....	118.1	156.1	119.0	128.7	152.5	144.8	164.1	163.0
Addenda:								
Disposable personal income:								
Total, billions of 1972 dollars.....	1,095.4	1,169.0	1,102.2	1,124.3	1,147.6	1,165.3	1,176.5	1,186.7
Per capita:								
Current dollars.....	9,977	10,887	10,082	10,318	10,608	10,806	11,000	11,133
1972 dollars.....	4,670	4,939	4,694	4,776	4,865	4,930	4,965	4,996
Population (millions).....	234.5	236.7	234.8	235.4	235.9	236.4	237.0	237.5
Personal saving as percentage of disposable personal income.....	5.0	6.1	5.0	5.3	6.1	5.7	6.3	6.2

Table 2.2-2.3.—Personal Consumption Expenditures by Major Type of Product in Current and Constant Dollars

	Billions of dollars							
	1983	1984 ^r	Seasonally adjusted at annual rates					
			1983		1984			
			III	IV	I	II	III	IV ^r
Personal consumption expenditures.....	2,155.9	2,341.8	2,181.4	2,230.2	2,276.5	2,332.7	2,361.4	2,396.5
Durable goods.....	279.8	318.8	284.1	299.8	310.9	320.7	317.2	326.3
Motor vehicles and parts... Furniture and household equipment.....	129.3	149.8	132.0	141.7	147.7	152.3	148.6	150.7
Other.....	104.1	117.0	105.2	109.8	113.0	116.6	116.8	121.8
Other.....	46.4	51.9	46.9	48.2	50.3	51.7	51.9	53.8
Nondurable goods.....	801.7	856.9	811.7	823.0	841.3	858.3	861.4	866.5
Food.....	416.5	443.6	420.5	425.1	433.9	442.1	448.6	449.8
Clothing and shoes.....	127.0	140.2	126.8	132.5	136.1	142.2	139.3	143.2
Gasoline and oil.....	90.0	91.4	92.1	91.7	92.0	92.8	90.0	90.8
Other nondurable goods.....	168.2	181.7	172.2	173.6	179.3	181.2	183.6	182.7
Fuel oil and coal.....	21.0	21.2	22.4	22.1	22.5	21.6	21.1	19.7
Other.....	147.2	160.5	149.8	151.5	156.7	159.7	162.5	163.1
Services.....	1,074.4	1,166.1	1,085.7	1,107.5	1,124.4	1,153.7	1,182.8	1,203.8
Housing.....	363.3	397.9	366.8	374.7	382.4	392.4	403.3	413.4
Household operation.....	153.8	164.0	155.7	157.5	158.8	163.3	167.6	166.4
Electricity and gas.....	81.3	85.7	83.6	84.0	82.6	86.1	88.4	85.9
Other.....	72.5	78.3	72.1	73.5	76.2	77.2	79.2	80.5
Transportation.....	72.5	78.3	73.9	74.8	76.1	77.6	78.5	81.2
Other.....	484.8	525.9	489.3	500.5	507.1	520.4	533.4	542.8
	Billions of 1972 dollars							
Personal consumption expenditures.....	1,009.2	1,062.4	1,015.6	1,032.4	1,044.1	1,064.2	1,065.9	1,075.4
Durable goods.....	157.5	178.0	159.6	167.2	173.7	178.6	177.0	182.9
Motor vehicles and parts... Furniture and household equipment.....	66.6	75.8	68.0	72.2	75.2	77.2	74.8	75.9
Other.....	65.9	74.8	66.5	69.3	71.7	74.1	74.8	78.5
Other.....	25.0	27.5	25.0	25.8	26.7	27.4	27.4	28.5
Nondurable goods.....	376.3	393.5	378.5	383.2	387.1	396.6	395.5	395.0
Food.....	188.9	193.4	190.9	191.2	189.7	193.6	195.6	194.7
Clothing and shoes.....	88.5	96.5	87.6	91.4	94.2	99.1	95.9	96.9
Gasoline and oil.....	26.1	26.9	26.1	26.3	27.0	27.1	26.9	26.7
Other nondurable goods.....	72.9	76.7	73.9	74.3	76.1	76.9	77.1	76.7
Fuel oil and coal.....	4.0	3.9	4.2	4.2	4.1	3.9	3.9	3.7
Other.....	68.9	72.8	69.7	70.2	72.0	73.0	73.1	73.1
Services.....	475.4	490.8	477.6	482.0	483.4	488.9	493.5	497.5
Housing.....	171.3	177.7	171.9	173.4	175.1	176.8	178.5	180.3
Household operation.....	64.1	64.8	64.6	64.6	64.0	65.1	65.1	65.2
Electricity and gas.....	24.9	25.1	25.7	25.3	24.8	25.6	25.2	25.0
Other.....	39.1	39.7	38.9	39.3	39.2	39.5	39.9	40.2
Transportation.....	31.7	32.7	31.7	32.2	32.4	32.7	32.6	33.1
Other.....	208.3	215.6	209.4	211.8	211.9	214.3	217.2	218.9

Table 3.14.—State and Local Government Social Insurance Funds Receipts and Expenditures

	[Billions of dollars]							
Receipts.....	64.6	73.0	65.4	67.5	69.8	72.0	74.1	76.2
Contributions for social insurance.....	39.0	42.6	39.4	40.3	41.3	42.1	43.0	43.8
Personal contribution.....	10.4	11.4	10.5	10.7	11.0	11.2	11.5	11.7
Employer contributions.....	28.6	31.2	28.9	29.6	30.3	30.9	31.5	32.1
Government and government enterprises.....	26.1	28.5	26.3	27.0	27.6	28.2	28.8	29.3
Other.....	2.5	2.7	2.5	2.6	2.7	2.7	2.7	2.7
Interest and dividends received.....	25.6	30.5	26.0	27.2	28.5	29.8	31.1	32.4
Expenditures.....	27.1	30.4	27.4	28.4	29.3	30.0	30.8	31.7
Administrative expenses (purchases of goods and services).....	1.0	1.1	1.0	1.0	1.1	1.1	1.1	1.2
Transfer payments to persons.....	26.1	29.3	26.5	27.4	28.3	29.0	29.6	30.5
Surplus or deficit (-).....	37.5	42.6	38.0	39.1	40.5	41.9	43.3	44.5

Table 3.14: NOTE.—In this table, interest and dividends received are included in receipts; in tables 3.2 and 3.3, interest received and dividends received are netted against expenditures.

Table 3.2.—Federal Government Receipts and Expenditures

	Billions of dollars							
	1983	1984 ^r	Seasonally adjusted at annual rates					
			1983		1984			
			III	IV	I	II	III	IV ^r
Receipts.....	641.1	704.8	640.2	655.0	686.4	704.3	706.2	722.5
Personal tax and nontax receipts.....	295.2	315.0	284.6	293.3	301.6	310.7	319.7	327.9
Income taxes.....	288.8	308.4	277.8	287.2	294.5	303.8	314.0	321.2
Estate and gift taxes.....	5.9	5.9	6.3	5.5	6.4	6.2	5.0	6.0
Nontaxes.....	.5	.7	.5	.6	.6	.6	.7	.7
Corporate profits tax accruals.....	59.8	70.9	66.7	66.5	73.0	75.6	65.3	69.7
Indirect business tax and nontax accruals.....	52.4	55.5	54.0	54.5	54.1	55.9	56.1	55.9
Excise taxes.....	36.1	35.8	37.0	37.0	36.0	36.1	35.6	35.5
Customs duties.....	9.1	11.9	9.7	10.0	10.9	12.1	12.4	12.1
Nontaxes.....	7.1	7.8	7.3	7.5	7.1	7.7	8.2	8.4
Contributions for social insurance.....	233.7	263.4	234.9	240.7	257.6	262.0	265.2	269.0
Expenditures.....	819.7	880.5	821.1	835.5	847.6	868.0	886.8	919.7
Purchases of goods and services.....	269.7	295.4	269.2	266.3	267.6	296.4	302.0	315.7
National defense.....	200.5	221.5	200.9	207.2	213.4	220.8	220.3	231.6
Nondefense.....	69.3	73.9	68.3	59.1	54.2	75.6	81.7	84.1
Transfer payments.....	345.6	353.0	343.4	350.1	347.7	350.1	353.8	360.4
To persons.....	338.7	344.5	337.1	340.0	341.1	343.7	346.2	347.2
To foreigners.....	7.0	8.4	6.4	10.1	6.6	6.4	7.7	13.1
Grants-in-aid to State and local governments.....	86.3	93.2	86.7	86.5	90.6	93.2	92.1	97.0
Net interest paid.....	94.2	116.7	97.3	102.0	107.6	110.9	122.0	126.4
Interest paid.....	119.5	143.6	123.1	127.5	133.6	138.0	149.0	153.9
To persons and business.....	101.8	124.0	105.4	109.5	115.2	119.2	128.9	132.9
To foreigners.....	17.7	19.6	17.7	18.1	18.4	18.9	20.0	21.0
Less: Interest received.....	25.3	26.9	25.8	25.6	26.0	27.2	27.0	27.4
Subsidies less current surplus of government enterprises.....	23.4	22.3	24.1	30.6	34.4	17.7	16.5	20.7
Subsidies.....	21.7	21.6	19.7	30.0	33.7	16.4	15.8	20.5
Less: Current surplus of government enterprises..	-1.7	-7	-4.4	-5	-7	-1.3	-7	-3
Less: Wage accruals less disbursements.....	-4	.1	-4	0	.2	.2	-4	.5
Surplus or deficit (-), NIPA's.....	-178.6	-175.7	-180.9	-180.5	-161.3	-163.7	-180.6	-197.3
Social insurance funds.....	-28.4	-8.5	-25.6	-22.8	-8.7	-7.7	-7.3	-10.2
Other.....	-150.2	-167.2	-155.3	-157.7	-152.5	-156.0	-173.3	-187.1

Table 3.3.—State and Local Government Receipts and Expenditures

	Billions of dollars							
	1983	1984 ^r	Seasonally adjusted at annual rates					
			1983		1984			
			III	IV	I	II	III	IV ^r
Receipts.....	478.2	523.6	486.1	495.0	509.6	520.6	524.6	539.8
Personal tax and nontax receipts.....	109.0	120.3	111.3	114.6	116.7	119.6	121.2	123.8
Income taxes.....	58.7	64.5	60.4	62.2	63.0	64.5	64.6	65.7
Nontaxes.....	40.8	45.8	41.4	42.7	43.9	45.2	46.5	47.8
Other.....	9.5	10.0	9.5	9.6	9.8	9.9	10.2	10.3
Corporate profits tax accruals.....	16.0	19.1	18.0	18.0	19.7	20.2	17.8	18.7
Indirect business tax and nontax accruals.....	228.0	248.4	230.7	235.6	241.4	245.4	250.5	256.6
Sales taxes.....	107.4	119.4	109.2	112.2	116.2	118.3	120.2	123.0
Property taxes.....	91.3	98.3	92.1	93.6	95.2	96.9	99.4	101.9
Other.....	29.3	30.7	29.4	29.7	30.0	30.2	30.9	31.7
Contributions for social insurance.....	39.0	42.6	39.4	40.3	41.3	42.1	43.0	43.8
Federal grants-in-aid.....	86.3	93.2	86.7	86.5	90.6	93.2	92.1	97.0
Expenditures.....	434.1	470.7	438.7	443.8	455.7	466.1	477.0	484.0
Purchases of goods and services.....	415.8	452.0	420.6	425.1	436.8	447.4	458.9	464.8
Compensation of employees.....	241.4	260.7	243.6	248.2	253.6	258.3	263.0	267.8
Other.....	174.4	191.3	177.0	176.9	183.2	189.1	195.9	197.0
Transfer payments to persons.....	50.7	54.8	51.0	52.5	53.6	54.4	54.8	56.6
Net interest paid.....	-21.9	-25.3	-22.4	-22.4	-24.0	-24.9	-25.9	-26.4
Interest paid.....	32.4	38.2	32.9	34.4	35.9	37.5	39.0	40.6
Less: Interest received.....	54.3	63.5	55.3	57.6	59.9	62.4	64.9	66.9
Less: Dividends received.....	2.6	2.8	2.6	2.6	2.7	2.7	2.8	2.9
Subsidies less current surplus of government enterprises.....	-7.8	-8.1	-7.9	-7.9	-8.0	-8.0	-8.1	-8.2
Subsidies.....	.5	.6	.5	.5	.6	.6	.6	.6
Less: Current surplus of government enterprises..	8.3	8.7	8.4	8.5	8.6	8.6	8.7	8.8
Less: Wage accruals less disbursements.....	0	0	0	0	0	0	0	0
Surplus or deficit (-), NIPA's.....	44.1	53.0	47.4	51.2	53.9	54.5	47.6	55.8
Social insurance funds.....	37.5	42.6	38.0	39.1	40.5	41.9	43.3	44.5
Other.....	6.6	10.4	9.5	12.0	13.4	12.6	4.3	11.2

Table 3.7B-3.8B.—Government Purchases of Goods and Services by Type in Current and Constant Dollars

	Billions of dollars								Billions of 1972 dollars							
	1983	1984 ^r	Seasonally adjusted at annual rates													
			1983		1984											
			III	IV	I	II	III	IV ^r								
Government purchases of goods and services.....	685.5	747.4	689.8	691.4	704.4	743.7	761.0	780.5	291.9	302.1	292.0	288.8	289.5	302.1	306.1	310.5
Federal.....	269.7	295.4	269.2	266.3	267.6	296.4	302.0	315.7	116.2	122.5	115.6	113.0	112.2	123.2	125.0	129.6
National defense.....	200.5	221.5	200.9	207.2	213.4	220.8	220.3	231.6	84.7	89.6	84.4	86.3	87.1	89.6	89.1	92.7
Durable goods.....	59.1	69.3	57.9	62.9	66.5	70.7	66.3	73.7	24.2	26.9	23.4	25.0	26.1	27.7	25.8	28.0
Non-durable goods.....	12.4	11.6	12.6	11.7	11.6	11.9	11.8	11.3	2.9	2.8	3.0	2.9	2.7	2.8	2.9	2.8
Services.....	124.4	135.7	125.6	127.6	130.9	133.7	136.8	141.4	55.5	57.8	55.9	56.3	57.1	58.2	59.8	
Compensation of employees.....	73.1	77.9	73.3	74.4	77.5	77.8	78.1	78.4	34.6	35.0	34.6	34.8	35.0	35.0	35.1	
Military.....	43.6	46.7	43.8	44.6	46.5	46.7	46.8	47.0	20.2	20.6	20.3	20.4	20.5	20.6	20.6	
Civilian.....	29.5	31.2	29.5	29.8	31.0	31.1	31.2	31.5	14.3	14.5	14.3	14.4	14.4	14.5	14.5	
Other services.....	51.3	57.7	52.3	53.2	53.4	55.9	58.7	63.0	21.0	22.8	21.3	21.5	21.3	22.1	24.8	
Structures.....	4.6	4.9	4.8	4.9	4.4	4.5	5.4	5.2	2.0	2.1	2.1	2.2	1.9	1.9	2.3	
Nondefense.....	69.3	73.9	68.3	59.1	54.2	75.6	81.7	84.1	31.5	32.9	31.2	26.7	25.2	33.6	36.0	
Durable goods.....	3.5	3.7	3.3	3.8	3.5	3.6	3.7	4.0	1.6	1.7	1.5	1.7	1.6	1.6	1.7	
Non-durable goods.....	-2	.6	-1.3	-12.1	-18.0	3.7	8.3	8.5	-6	.4	-8	-5.9	-7.1	1.6	3.5	
Commodity Credit Corporation: Inventory change.....	-5.9	-4.9	-7.8	-17.0	-22.9	-1.9	3.0	2.0	-2.4	-1.5	-2.7	-7.5	-9.0	-2	1.7	
Other nondurables.....	5.7	5.5	6.5	4.9	4.9	5.5	5.3	6.5	1.8	1.9	1.9	1.6	1.9	1.7	1.8	
Services.....	59.3	62.8	59.2	61.1	62.4	61.4	62.9	64.5	27.6	28.0	27.4	28.1	28.0	27.5	28.0	
Compensation of employees.....	34.7	36.6	34.7	35.1	36.4	36.5	36.6	36.9	16.8	16.9	16.8	16.9	16.9	16.9	16.9	
Other services.....	24.6	26.2	24.4	26.0	26.0	24.8	26.3	27.6	10.8	11.1	10.6	11.3	11.2	10.6	11.1	
Structures.....	6.6	6.8	7.1	6.3	6.3	7.0	6.8	7.0	2.8	2.8	3.0	2.7	2.7	2.9	2.9	
State and local.....	415.8	452.0	420.6	425.1	436.8	447.4	458.9	464.8	175.7	179.6	176.4	175.8	177.3	178.9	181.1	180.9
Durable goods.....	13.4	14.2	13.4	13.6	13.9	14.0	14.3	14.5	6.1	6.3	6.1	6.2	6.2	6.3	6.4	
Non-durable goods.....	33.1	36.6	33.5	34.2	35.5	36.3	36.9	37.5	12.6	13.6	12.7	12.9	13.2	13.4	13.7	
Services.....	329.0	356.7	331.4	338.2	346.1	352.9	360.6	367.2	139.7	141.2	139.5	140.0	140.4	140.8	141.5	
Compensation of employees.....	241.4	260.7	243.6	248.2	253.6	253.3	263.0	267.8	105.7	106.1	105.6	105.8	105.8	105.9	106.2	
Other services.....	87.6	96.0	87.8	90.0	92.5	94.6	97.6	99.3	34.0	35.2	33.9	34.3	34.6	34.9	35.4	
Structures.....	40.3	44.6	42.3	39.0	41.4	44.2	47.2	45.7	17.3	18.5	18.1	16.7	17.5	18.4	19.5	

Table 4.1-4.2.—Foreign Transactions in the National Income and Product Accounts in Current and Constant Dollars

	Billions of dollars								Billions of 1972 dollars								
	1983	1984 ^r	Seasonally adjusted at annual rates						1983	1984 ^r	Seasonally adjusted at annual rates						
			1983		1984						1983		1984				
			III	IV	I	II	III	IV ^r			III	IV	I	II	III	IV ^r	
Receipts from foreigners.....	336.2	364.3	342.0	346.1	358.9	362.4	368.6	367.2									
Exports of goods and services.....	336.2	364.3	342.0	346.1	358.9	362.4	368.6	367.2	139.5	146.0	141.6	141.0	144.9	144.7	147.4	147.1	
Merchandise.....	198.6	219.2	200.4	206.1	215.2	217.7	219.8	224.2	76.7	82.1	77.1	77.9	80.7	80.6	82.1	85.0	
Durable goods.....	114.0	126.9	114.7	117.6	123.8	125.6	128.1	130.0	41.7	45.4	42.0	42.7	44.5	44.9	45.6	46.4	
Nondurable goods.....	84.6	92.4	85.7	88.5	91.4	92.1	91.8	94.2	35.0	36.7	35.2	35.2	36.2	35.7	36.5	38.6	
Services.....	137.6	145.0	141.5	140.0	143.7	144.7	148.8	143.0	62.8	64.0	64.4	63.2	64.2	64.1	65.3	62.2	
Factor income ¹	84.1	91.7	89.1	88.1	90.4	91.3	96.1	89.1	39.3	41.2	41.5	40.6	41.1	41.2	42.9	39.6	
Other.....	53.5	53.3	52.5	51.9	53.3	53.4	52.7	53.8	23.5	22.8	23.0	22.6	23.1	22.9	22.4	22.6	
Capital grants received by the United States (net).....	0	0	0	0	0	0	0	0									
Payments to foreigners.....	336.2	364.3	342.0	346.1	358.9	362.4	368.6	367.2									
Imports of goods and services.....	344.4	428.5	358.4	375.9	410.4	421.1	459.3	423.2	126.9	161.1	129.7	139.1	153.2	156.2	174.4	160.5	
Merchandise.....	258.9	325.5	269.5	282.9	316.6	317.4	350.7	317.1	89.1	116.0	90.3	98.1	112.2	110.6	126.9	114.1	
Durable goods.....	139.1	186.9	140.4	155.8	181.6	179.7	204.8	181.3	58.9	80.2	59.5	66.1	77.1	76.1	88.6	78.8	
Nondurable goods.....	119.9	138.6	129.1	127.0	135.0	137.7	145.9	135.8	30.2	35.8	30.8	32.0	35.1	34.5	38.3	35.2	
Services.....	85.5	103.0	88.9	93.1	93.8	103.7	108.6	106.1	37.8	45.1	39.4	41.0	41.0	45.6	47.5	46.4	
Factor income ¹	35.8	48.1	37.6	40.5	42.8	49.2	51.6	48.9	16.7	21.6	17.5	18.6	19.5	22.2	23.0	21.7	
Other.....	49.7	54.9	51.2	52.6	51.0	54.5	57.0	57.1	21.1	23.5	21.9	22.4	21.5	23.4	24.5	24.7	
Transfer payments (net).....	8.0	9.6	7.5	11.3	7.7	7.4	8.8	14.6									
From persons (net).....	1.0	1.2	1.1	1.2	1.2	1.0	1.1	1.5									
From government (net).....	7.0	8.4	6.4	10.1	6.6	6.4	7.7	13.1									
Interest paid by government to foreigners.....	17.7	19.6	17.7	18.1	18.4	18.9	20.0	21.0									
Net foreign investment.....	-33.9	-93.4	-41.5	-59.1	-77.7	-85.0	-119.4	-91.6									

Tables 4.1-4.2.
1. Equals rest-of-the-world production as shown in tables 1.5-1.6.

Table 4.3-4.4.—Merchandise Exports and Imports by Type of Product and by End-Use Category in Current and Constant Dollars

	Billions of dollars								Billions of 1972 dollars							
	1983	1984 ^r	Seasonally adjusted at annual rates						1983	1984 ^r	Seasonally adjusted at annual rates					
			1983		1984						1983		1984			
			III	IV	I	II	III	IV ^r			III	IV	I	II	III	IV ^r
Merchandise exports.....	198.6	219.2	200.4	206.1	215.2	217.7	219.8	224.2	76.7	82.1	77.1	77.9	80.7	80.6	82.1	85.0
Foods, feeds, and beverages.....	31.1	31.5	31.1	32.9	34.5	30.5	29.5	31.5	13.7	13.5	13.5	13.5	14.2	12.5	12.8	14.4
Industrial supplies and materials.....	56.3	60.6	57.4	57.7	58.4	60.1	62.8	61.3	20.4	21.3	20.9	20.6	20.7	20.8	22.0	21.8
Durable goods.....	16.1	16.9	16.7	16.6	16.7	16.6	17.2	17.0	5.8	5.9	6.1	5.9	5.9	5.7	6.0	6.0
Nondurable goods.....	40.2	43.8	40.8	41.1	41.7	43.5	45.6	44.4	14.6	15.4	14.8	14.7	14.7	15.1	16.0	15.7
Capital goods, except autos.....	68.3	73.1	67.4	68.7	71.3	72.5	73.5	75.1	25.9	27.2	25.5	25.9	26.7	27.0	27.3	27.7
Autos.....	18.3	22.4	18.8	20.2	22.5	21.1	23.4	22.6	5.6	6.6	5.7	6.1	6.7	6.2	6.9	6.6
Consumer goods.....	13.9	13.7	14.2	14.1	13.9	13.5	13.9	13.6	7.0	6.8	7.1	7.1	6.9	6.7	6.9	6.8
Durable goods.....	5.9	5.6	6.1	5.8	6.0	5.5	5.6	5.4	2.4	2.3	2.5	2.4	2.4	2.2	2.3	2.3
Nondurable goods.....	8.0	8.1	8.1	8.3	7.9	8.0	8.3	8.2	4.6	4.5	4.6	4.7	4.5	4.5	4.6	4.6
Other.....	10.6	17.9	11.4	12.4	14.7	20.0	16.7	20.1	4.1	6.7	4.4	4.7	5.5	7.4	6.2	7.6
Durable goods.....	5.3	8.9	5.7	6.2	7.4	10.0	8.3	10.0	2.0	3.3	2.2	2.3	2.8	3.7	3.1	3.8
Nondurable goods.....	5.3	8.9	5.7	6.2	7.4	10.0	8.3	10.0	2.0	3.3	2.2	2.3	2.8	3.7	3.1	3.8
Merchandise imports.....	258.9	325.5	269.5	282.9	316.6	317.4	350.7	317.1	89.1	116.0	90.3	98.1	112.2	110.6	126.9	114.1
Foods, feeds, and beverages.....	18.2	21.2	18.4	18.4	20.9	20.3	22.9	20.7	7.6	8.7	7.7	7.7	8.7	8.2	9.3	8.6
Industrial supplies and materials, excluding petroleum.....	51.2	63.0	52.3	54.0	63.0	61.4	67.2	60.5	18.9	23.6	19.2	20.3	23.4	22.6	25.2	23.0
Durable goods.....	26.4	33.3	28.3	27.8	34.4	32.5	35.2	31.3	9.7	12.5	10.4	10.5	12.7	12.0	13.2	11.9
Nondurable goods.....	24.8	29.7	24.0	26.2	28.6	28.9	32.0	29.2	9.2	11.1	8.8	9.9	10.6	10.7	12.0	11.1
Petroleum and products.....	53.8	57.3	63.7	57.1	55.4	59.6	57.9	56.4	4.9	5.3	5.9	5.3	5.1	5.5	5.4	5.3
Capital goods, except autos.....	41.0	60.3	41.8	45.9	57.5	56.3	69.3	58.2	20.4	30.7	20.9	22.9	28.7	28.3	35.4	30.2
Autos.....	42.0	55.5	41.2	49.0	53.3	55.2	59.2	54.4	13.7	17.6	13.5	15.6	17.0	17.5	18.7	17.2
Consumer goods.....	45.3	59.7	44.4	49.9	58.7	57.0	64.6	58.5	20.5	26.6	20.0	22.7	26.2	25.3	28.9	26.1
Durable goods.....	25.9	33.5	25.3	28.9	32.5	31.9	36.3	33.1	13.6	17.7	13.2	15.3	17.0	16.8	19.3	17.7
Nondurable goods.....	19.4	26.2	19.2	21.0	26.2	25.0	28.3	25.3	6.9	8.9	6.9	7.4	9.1	8.6	9.6	8.4
Other.....	7.4	8.3	7.6	8.5	7.7	7.6	9.5	8.4	3.0	3.4	3.1	3.5	3.2	3.1	3.9	3.5
Durable goods.....	3.7	4.2	3.8	4.3	3.9	3.8	4.7	4.2	1.5	1.7	1.6	1.7	1.6	1.6	2.0	1.8
Nondurable goods.....	3.7	4.2	3.8	4.3	3.9	3.8	4.7	4.2	1.5	1.7	1.6	1.7	1.6	1.6	2.0	1.8
Addenda:																
Exports:																
Agricultural products.....	36.6	38.1	37.2	39.2	41.1	37.0	36.0	38.5	16.1	16.1	16.2	16.2	16.9	15.0	15.2	17.3
Nonagricultural products.....	161.9	181.1	163.2	166.9	174.1	180.7	183.8	185.7	60.5	66.0	61.0	61.7	63.8	65.6	66.8	67.7
Imports of nonpetroleum products.....	205.1	268.1	205.8	225.7	261.2	257.8	292.8	260.7	84.2	110.6	84.4	92.8	107.1	105.1	121.5	108.8

Table 5.1.—Gross Saving and Investment

	Billions of dollars							
	1983	1984 ^r	Seasonally adjusted at annual rates					
			1983		1984			
			III	IV	I	II	III	IV ^r
Gross saving	437.2	552.3	455.2	485.7	543.9	551.0	556.4	557.9
Gross private saving	571.7	675.1	588.6	615.0	651.3	660.2	689.4	699.4
Personal saving	118.1	156.1	119.0	128.7	152.5	144.8	164.1	163.0
Undistributed corporate profits with IVA and CCAadj	76.5	115.7	86.9	100.0	107.0	115.3	118.4	122.1
Undistributed profits	54.5	65.7	69.3	65.6	72.9	70.2	60.3	59.2
IVA	-11.2	-5.7	-19.3	-9.2	-13.5	-7.3	-2	-1.6
CCAadj	33.2	55.7	36.9	43.6	47.6	52.3	58.3	64.5
Capital consumption allowances with CCAadj:								
Corporate	231.2	246.2	233.4	236.4	239.9	244.1	248.1	252.8
Noncorporate	145.9	157.0	149.4	150.0	151.8	156.0	158.8	161.5
Wage accruals less disbursements	0	0	0	0	0	0	0	0
Government surplus or deficit (-), NIPA's	-134.5	-122.8	-133.5	-129.3	-107.4	-109.2	-133.0	-141.5
Federal	-178.6	-175.7	-180.9	-180.5	-161.3	-163.7	-180.6	-197.3
State and local	44.1	53.0	47.4	51.2	53.9	54.5	47.6	55.8
Capital grants received by the United States (net)	0	0	0	0	0	0	0	0
Gross investment	437.7	544.4	450.3	480.9	546.1	542.0	543.4	546.1
Gross private domestic investment	471.6	637.8	491.9	540.0	623.8	627.0	662.8	637.8
Net foreign investment	-33.9	-93.4	-41.5	-59.1	-77.7	-85.0	-119.4	-91.6
Statistical discrepancy .....	.5	-7.9	-4.8	-4.8	2.2	-9.0	-13.0	-11.8

Table 5.8-5.9.—Change in Business Inventories by Industry in Current and Constant Dollars

	Billions of dollars							
	1983	1984 ^r	Seasonally adjusted at annual rates					
			1983		1984			
			III	IV	I	II	III	IV ^r
Change in business inventories	-13.5	58.2	-4.3	12.7	73.8	50.6	71.8	36.6
Farm	-10.4	8.6	-15.9	-1.4	13.2	3.5	8.1	9.4
Nonfarm	-3.1	49.6	11.6	14.1	60.6	47.0	63.7	27.2
Change in book value	9.2	56.2	33.0	24.4	75.7	55.5	64.1	29.4
IVA ¹	-12.3	-6.5	-21.4	-10.4	-15.1	-8.4	-3	-2.3
Manufacturing	-9.4	22.2	-3.3	-1.5	22.6	35.5	32.4	-1.7
Durable goods	-7.3	17.1	-6.1	1.8	14.1	23.3	24.4	6.5
Nondurable goods	-2.2	5.1	2.8	-3.3	8.5	12.1	8.1	-8.3
Wholesale trade	-2.4	14.0	6.0	7.9	10.4	14.2	21.2	10.2
Durable goods	-2.1	9.4	5.2	6.6	8.1	7.0	16.4	6.3
Nondurable goods	-3	4.5	.8	1.3	2.3	7.2	4.8	3.9
Merchant wholesalers	-1.2	11.5	5.3	9.1	7.5	10.7	20.0	7.8
Durable goods	-1.8	8.2	5.5	6.1	7.0	5.6	14.7	5.6
Nondurable goods .....	.7	3.3	-2	3.0	.5	5.2	5.3	2.2
Nonmerchant wholesalers	-1.2	2.4	.7	-1.2	2.8	3.4	1.2	2.3
Durable goods	-3	1.2	-3	.5	1.1	1.4	1.7	.6
Nondurable goods	-9	1.2	1.0	-1.6	1.7	2.0	-5	1.7
Retail trade	7.6	12.9	5.6	12.7	25.1	2.5	5.8	18.2
Durable goods	4.7	6.2	3.7	10.4	12.7	-3.8	1.3	14.7
Nondurable goods	2.9	6.7	2.0	2.3	12.4	6.3	4.6	3.5
Other	1.1	.6	3.2	-5.1	2.5	-5.1	4.3	.5
Durable goods	2.5	-2.3	9.7	-4.3	0	-8.2	-4	-8
Nondurable goods	-1.4	2.9	-6.5	-7	2.5	3.1	4.6	1.3
Change in business inventories	-3.6	24.8	.9	7.2	31.6	20.3	30.6	16.8
Farm	-4.2	4.0	-6.6	.2	5.4	1.6	4.1	4.8
Nonfarm .....	.6	20.9	7.4	7.0	26.2	18.7	26.5	12.0
Manufacturing	-3.5	9.0	-1.1	.1	9.1	13.8	13.0	-.1
Durable goods	-2.9	7.2	-2.5	1.1	5.8	9.7	10.3	3.1
Nondurable goods	-6	1.7	1.4	-1.0	3.3	4.2	2.7	-3.2
Wholesale trade	-5	5.9	3.1	3.4	4.8	5.3	9.5	3.9
Durable goods	-8	4.1	2.3	2.8	3.5	3.1	7.2	2.8
Nondurable goods .....	.3	1.7	.8	.6	1.2	2.2	2.3	1.1
Merchant wholesalers	-2	5.1	3.0	3.4	3.9	4.1	8.8	3.5
Durable goods	-7	3.6	2.4	2.6	3.1	2.5	6.5	2.5
Nondurable goods	-4	1.4	.6	.8	.8	1.7	2.3	1.0
Nonmerchant wholesalers	-3	.8	-1	-1	.9	1.2	.7	.4
Durable goods	-1	.5	-1	.2	.5	.6	.7	.3
Nondurable goods	-2	.3	.2	-.3	.4	.6	0	.1
Retail trade	3.4	5.9	2.7	5.4	11.4	1.7	2.5	8.1
Durable goods	2.1	2.8	1.6	4.6	5.4	-1.3	.5	6.5
Nondurable goods	1.3	-3.2	1.0	.8	6.1	3.0	2.0	1.6
Other	1.2	.1	2.8	-1.8	.9	-2.1	1.5	.1
Durable goods	1.1	-1.0	4.1	-1.8	0	-3.4	-1	-3
Nondurable goods .....	.1	1.1	-1.3	0	.9	1.3	1.7	.5

Table 5.10-5.11.—Inventories and Final Sales of Business in Current and Constant Dollars

	Billions of dollars					
	Seasonally adjusted quarterly totals					
	1983		1984			
	III	IV	I	II	III	IV ^r
Inventories ¹	809.3	818.4	845.2	856.4	870.7	877.6
Farm	76.5	80.6	85.3	85.0	84.2	84.3
Nonfarm	732.8	737.8	759.9	771.4	786.5	793.3
Durable goods	413.1	418.1	430.4	435.1	445.2	452.2
Nondurable goods	319.7	319.7	329.5	336.3	341.3	340.2
Manufacturing	339.3	339.5	348.3	356.6	364.4	369.9
Durable goods	217.1	218.1	223.1	228.9	234.6	236.7
Nondurable goods	122.2	121.4	125.2	127.7	129.8	127.2
Wholesale trade	161.5	163.6	167.6	171.0	175.6	178.0
Durable goods	100.9	102.9	105.7	107.8	111.9	113.8
Nondurable goods	60.6	60.8	61.9	63.2	63.7	64.2
Merchant wholesalers	133.1	135.6	138.7	141.4	145.9	147.8
Durable goods	85.8	87.7	90.1	91.9	95.6	97.3
Nondurable goods	47.3	48.0	48.6	49.5	50.3	50.5
Nonmerchant wholesalers	28.4	28.0	28.9	29.6	29.7	30.2
Durable goods	15.0	15.2	15.6	15.9	16.3	16.5
Nondurable goods	13.4	12.8	13.3	13.7	13.5	13.7
Retail trade	147.2	151.0	159.2	159.7	160.8	166.2
Durable goods	65.9	68.8	73.0	71.9	72.0	76.1
Nondurable goods	81.3	82.3	86.3	87.7	88.8	90.0
Other	84.8	83.6	84.8	84.1	85.7	85.3
Final sales ²	235.9	241.2	245.3	254.7	256.4	264.4
Final sales of goods and structures	141.4	144.8	147.2	154.3	153.3	159.0
Ratio: Inventories to final sales	3.43	3.39	3.45	3.36	3.40	3.32
Nonfarm inventories to final sales	3.11	3.06	3.10	3.03	3.07	3.00
Nonfarm inventories to final sales of goods and structures	5.18	5.09	5.16	5.00	5.13	4.99
Inventories ¹	334.6	336.5	344.3	349.4	357.1	361.3
Farm	38.8	38.9	40.2	40.6	41.7	42.9
Nonfarm	295.8	297.6	304.1	308.8	315.4	318.4
Durable goods	174.6	176.3	180.0	182.0	186.4	189.4
Nondurable goods	121.2	121.3	124.1	126.8	129.0	129.0
Manufacturing	135.9	135.9	138.2	141.6	144.9	144.9
Durable goods	91.2	91.4	92.9	95.3	97.9	98.6
Nondurable goods	44.8	44.5	45.3	46.4	47.0	46.2
Wholesale trade	64.6	65.4	66.6	67.9	70.3	71.3
Durable goods	41.7	42.4	43.3	44.0	45.8	46.5
Nondurable goods	22.9	23.0	23.3	23.9	24.5	24.7
Merchant wholesalers	54.4	55.2	56.2	57.2	59.4	60.3
Durable goods	35.3	36.0	36.7	37.3	39.0	39.6
Nondurable goods	19.1	19.3	19.5	19.9	20.5	20.7
Nonmerchant wholesalers	10.2	10.2	10.4	10.7	10.9	11.0
Durable goods	6.4	6.4	6.5	6.7	6.9	7.0
Nondurable goods	3.8	3.8	3.9	4.0	4.0	4.0
Retail trade	66.5	67.9	70.7	71.1	71.8	73.8
Durable goods	29.5	30.6	32.0	31.6	31.8	33.4
Nondurable goods	37.0	37.2	38.8	39.5	40.0	40.4
Other	28.8	28	28.6	28.1	28.4	28.5
Final sales ²	110.1	111.5	112.7	116.2	115.7	118.4
Final sales of goods and structures	68.7	69.7	70.7	73.8	73.0	75.2
Ratio: Inventories to final sales	3.04	3.02	3.06	3.01	3.09	3.05
Nonfarm inventories to final sales	2.69	2.67	2.70	2.66	2.73	2.69
Nonfarm inventories to final sales of goods and structures	4.31	4.27	4.30	4.18	4.32	4.24

Table 5.10-5.11:

1. Inventories are as of the end of the quarter. The quarter-to-quarter change in inventories calculated from current-dollar inventories in this table is not the current-dollar change in business inventories (CBI) component of GNP. The former is the difference between two inventory stocks, each valued at their respective end-of-quarter prices. The latter is the change in the physical volume of inventories valued at average prices of the quarter. In addition, changes calculated from this table are at quarter rates, whereas CBI is stated at annual rates. Quarter-to-quarter changes calculated from the constant-dollar inventories shown in this table are at quarterly rates, whereas the constant-dollar change in business inventories component of GNP is stated at annual rates.

2. Quarterly totals at monthly rates. Business final sales equals final sales less gross product of households and institutions, government, and rest-of-the-world and includes a small amount of final sales by farms.

Table 5.8-5.9:

1. The IVA shown in this table differs from that which adjusts business income. The IVA in this table reflects the mix of methods (first-in-first-out, last-in-first-out, etc.) underlying book value inventories derived primarily from Census Bureau Statistics. The mix differs from that underlying business income derived primarily from Internal Revenue Service statistics.

Table 6.4.—National Income Without Capital Consumption Adjustment by Industry

	Billions of dollars							
	1983	1984 ¹	Seasonally adjusted at annual rates					
			1983		1984			
			III	IV	I	II	III	IV ¹
National income without CCAdj.....	2,651.9	2,941.3	2,686.7	2,760.3	2,861.8	2,929.6	2,963.6	3,010.2
Domestic industries.....	2,603.6	2,897.7	2,635.3	2,712.6	2,814.2	2,887.5	2,919.0	2,970.0
Private industries.....	2,212.0	2,477.3	2,240.4	2,311.7	2,402.7	2,470.2	2,496.1	2,540.4
Agriculture, forestry, and fisheries.....	60.9	76.2	58.2	64.1	79.9	70.9	75.6	.....
Mining.....	40.0	45.5	39.6	40.8	42.4	46.2	46.7	.....
Construction.....	112.3	126.8	114.2	115.5	122.0	127.2	128.3	.....
Manufacturing.....	579.9	656.1	594.3	619.8	646.7	660.4	653.3	.....
Durable goods.....	329.5	388.3	336.1	356.7	378.4	383.8	388.1	.....
Nondurable goods.....	250.4	267.9	258.2	263.2	268.3	276.6	265.1	.....
Transportation and public utilities.....	212.0	234.7	212.9	219.2	226.3	234.1	238.0	.....
Transportation.....	87.7	99.4	90.6	90.7	95.0	99.1	101.3	.....
Communication.....	60.1	64.7	56.6	60.8	62.8	65.0	65.7	.....
Electric, gas, and sanitary services.....	64.3	70.6	65.8	67.6	68.5	70.0	71.0	.....
Wholesale trade.....	161.2	187.4	164.1	170.8	177.3	184.4	190.8	.....
Retail trade.....	225.2	244.7	228.3	233.7	236.2	246.6	245.1	.....
Finance, insurance, and real estate.....	394.0	433.8	398.1	404.8	415.6	432.4	441.5	.....
Services.....	426.6	472.2	430.6	443.0	456.3	468.0	476.9	.....
Government and government enterprises.....	391.7	420.4	394.9	400.9	411.6	417.3	422.9	429.7
Rest of the world.....	48.3	43.6	51.5	47.7	47.6	42.1	44.5	40.2

Table 6.20.—Corporate Profits by Industry

	Billions of dollars							
	1983	1984 ¹	Seasonally adjusted at annual rates					
			1983		1984			
			III	IV	I	II	III	IV ¹
Corporate profits with IVA and CCAdj.....	225.2	286.2	245.0	260.0	277.4	291.1	282.8	293.5
Domestic industries.....	200.4	263.2	217.5	234.4	251.7	269.8	258.5	272.8
Financial.....	29.4	28.0	29.5	28.6	28.7	29.1	26.9	27.1
Nonfinancial.....	171.0	235.3	188.0	205.8	223.0	240.8	231.6	245.7
Rest of the world.....	24.8	23.0	27.5	25.6	25.7	21.3	24.3	20.7
Corporate profits with IVA.....	192.0	230.5	208.1	216.3	229.8	238.7	224.5	229.0
Domestic industries.....	167.2	207.5	180.6	190.8	204.1	217.5	200.2	208.3
Financial.....	29.6	27.7	29.5	28.5	28.7	28.9	26.6	26.7
Federal Reserve banks.....	14.8	16.7	14.9	15.5	16.0	16.4	17.1	17.5
Other.....	14.8	11.0	14.6	13.1	12.7	12.5	9.5	9.2
Nonfinancial.....	137.6	179.8	151.1	162.3	175.4	188.6	173.6	181.7
Manufacturing.....	65.2	85.4	73.8	82.9	89.8	92.3	78.3	.....
Durable goods.....	11.9	29.8	14.3	22.7	30.3	27.6	26.4	.....
Primary metal industries.....	-2.3	.4	-2.3	-1.4	.1	.6	.3	.....
Fabricated metal products.....	3.5	6.0	3.7	5.3	5.2	6.0	5.7	.....
Machinery, except electrical.....	2.0	5.3	2.0	2.9	4.0	6.2	4.8	.....
Electric and electronic equipment.....	.9	3.0	.2	1.9	2.8	1.9	3.1	.....
Motor vehicles and equipment.....	7.4	9.9	10.1	11.7	14.6	7.9	7.6	.....
Other.....	.4	5.2	.7	2.3	3.6	5.2	4.9	.....
Nondurable goods.....	53.4	55.5	59.4	60.2	59.4	64.7	51.9	.....
Food and kindred products.....	6.6	6.7	6.1	7.1	7.7	7.8	6.7	.....
Chemicals and allied products.....	6.8	8.4	7.8	8.1	9.0	9.5	7.8	.....
Petroleum and coal products.....	23.5	21.4	28.0	27.6	23.6	27.9	19.3	.....
Other.....	16.5	19.1	17.5	17.3	19.1	19.5	18.2	.....
Transportation and public utilities.....	22.5	27.8	25.0	23.5	27.3	28.3	27.1	.....
Wholesale and retail trade.....	33.4	46.5	35.9	39.5	40.6	47.0	46.8	.....
Other.....	16.4	20.2	16.5	16.4	17.9	21.0	21.5	.....
Rest of the world.....	24.8	23.0	27.5	25.6	25.7	21.3	24.3	20.7

Table 7.1.—Implicit Price Deflators for Gross National Product

	Index numbers, 1972=100							
	1983	1984 ¹	Seasonally adjusted					
			1983		1984			
			III	IV	I	II	III	IV ¹
Gross national product.....	215.34	223.43	215.89	218.21	220.58	222.40	224.57	226.10
Personal consumption expenditures.....	213.6	220.4	214.8	216.0	218.0	219.2	221.5	222.8
Durable goods.....	177.7	179.0	178.0	179.3	179.0	179.5	179.2	178.4
Nondurable goods.....	213.0	217.7	214.5	214.8	217.4	216.4	217.8	219.4
Services.....	226.0	237.6	227.3	229.7	232.6	236.0	239.7	242.0
Gross private domestic investment.....	216.0	218.7	216.0	217.7	216.6	218.6	219.2	220.1
Fixed investment.....	206.4	207.8	205.1	208.1	206.3	207.4	208.0	209.4
Nonresidential.....	263.7	264.5	261.4	265.9	262.6	264.1	265.2	265.9
Structures.....	183.3	186.0	183.2	185.8	184.4	185.4	186.5	187.6
Producers' durable equipment.....	246.4	255.7	248.7	248.3	249.4	255.9	258.6	259.1
Residential.....	249.4	259.0	251.7	251.2	252.3	259.2	262.1	262.7
Nonfarm structures.....	247.3	261.5	245.7	248.0	258.5	261.7	261.1	266.5
Farm structures.....	172.6	173.2	172.7	174.7	174.1	173.6	172.3	172.9
Change in business inventories.....	.....	.....	.....	.....	.....	.....	.....	.....
Net exports of goods and services.....	241.0	249.4	241.5	245.4	247.7	250.4	250.1	249.6
Exports.....	271.5	266.0	276.3	270.3	267.9	269.6	263.3	263.7
Imports.....	.....	.....	.....	.....	.....	.....	.....	.....
Government purchases of goods and services.....	234.9	247.4	236.2	239.4	243.3	246.2	248.6	251.4
Federal.....	232.1	241.2	232.8	235.6	238.5	240.6	241.5	243.7
National defense.....	236.6	247.2	237.9	240.0	245.1	246.4	247.4	249.8
Nondefense.....	220.0	224.7	219.1	221.4	215.5	225.1	227.1	228.2
State and local.....	236.7	251.7	238.4	241.8	246.4	250.0	253.5	256.9

Table 7.2.—Fixed-Weighted Price Indexes for Gross National Product, 1972 Weights

	Index numbers, 1972=100							
	1983	1984 ¹	Seasonally adjusted					
			1983		1984			
			III	IV	I	II	III	IV ¹
Gross national product.....	223.8	233.2	225.5	227.6	230.4	232.8	235.1	237.2
Personal consumption expenditures.....	222.4	231.1	223.6	225.5	228.2	230.0	232.2	234.5
Durable goods.....	185.0	188.9	185.5	187.4	187.7	188.8	189.1	189.8
Nondurable goods.....	223.2	229.7	224.3	225.6	228.8	228.8	229.6	231.7
Services.....	234.3	246.9	236.1	238.5	241.5	245.2	249.4	252.3
Gross private domestic investment.....	234.5	240.6	237.1	237.5	238.6	242.2	244.0	244.9
Fixed investment.....	230.4	234.8	231.0	231.7	232.9	234.7	236.1	237.1
Nonresidential.....	249.8	255.4	250.0	250.8	252.3	255.3	256.2	257.6
Structures.....	219.3	223.1	220.0	220.7	221.8	222.8	224.5	225.4
Producers' durable equipment.....	242.3	251.5	248.7	248.4	249.4	256.4	259.0	259.7
Residential.....	.....	.....	.....	.....	.....	.....	.....	.....
Change in business inventories.....	.....	.....	.....	.....	.....	.....	.....	.....
Net exports of goods and services.....	248.0	250.5	249.0	252.7	254.4	257.2	256.3	255.3
Exports.....	299.9	299.3	299.4	298.7	300.3	302.1	299.3	297.0
Imports.....	.....	.....	.....	.....	.....	.....	.....	.....
Government purchases of goods and services.....	236.5	249.2	237.8	240.7	245.0	248.2	250.6	252.9
Federal.....	236.7	246.5	237.2	239.9	244.1	246.4	247.3	247.9
National defense.....	242.3	252.6	242.5	246.1	250.2	252.9	253.4	258.8
Nondefense.....	222.3	230.8	223.7	224.0	228.5	230.0	231.6	232.7
State and local.....	236.4	251.0	238.2	241.2	245.5	249.4	252.8	256.2
Addenda:	227.2	236.3	228.7	230.6	233.4	235.7	237.9	239.9
Gross domestic purchases ¹	223.8	233.2	225.5	227.7	230.5	232.9	235.2	237.3
Final sales.....	227.3	236.4	228.8	230.7	233.5	235.8	238.0	240.1
Final sales to domestic purchasers ¹.....	.....	.....	.....	.....	.....	.....	.....	.....
Personal consumption expenditures, food.....	221.8	230.9	221.5	223.9	230.5	229.5	230.9	232.7
Personal consumption expenditures, energy.....	365.0	368.2	370.3	368.6	366.7	369.1	367.9	369.4
Other personal consumption expenditures.....	209.4	218.5	210.7	212.8	214.8	217.3	220.1	222.5
Gross domestic product.....	224.3	233.7	225.7	227.8	230.6	233.0	235.3	237.4
Business.....	223.5	232.0	225.0	226.9	229.3	231.6	233.9	236.0
Nonfarm.....	224.6	.....	.....	.....	.....	.....	.....	.....

Table 7.1-7.2:

1. Gross domestic purchases equals GNP less exports plus imports; final sales to domestic purchasers equals final sales less exports plus imports.

Table 7.3.—Implicit Price Deflators for Gross National Product by Major Type of Product

	Index numbers, 1972=100							
	1983	1984	Seasonally adjusted					
			1983		1984			
			III	IV	I	II	III	IV
Gross national product	215.34	223.43	215.89	218.21	220.58	222.40	224.57	226.10
Final sales.....	215.7	223.3	216.3	218.4	220.3	222.1	224.4	226.2
Change in business inventories.....								
Goods	196.9	201.8	196.7	199.0	201.1	201.3	202.0	202.8
Final sales.....	197.8	200.7	197.6	199.3	199.7	200.0	200.7	202.5
Change in business inventories.....								
Durable goods.....	187.8	192.0	189.1	190.7	191.0	190.9	192.4	193.5
Final sales.....	188.3	190.4	188.4	190.1	188.8	190.0	190.1	192.5
Change in business inventories.....								
Nondurable goods.....	203.7	209.8	202.6	205.7	209.2	209.6	209.7	210.7
Final sales.....	204.9	209.0	204.4	206.5	208.3	208.0	208.9	210.7
Change in business inventories.....								
Services	226.7	239.3	228.1	230.7	234.3	237.8	241.3	243.9
Structures	252.0	258.1	251.9	254.1	253.8	257.9	259.7	260.9
Addenda:								
Gross domestic purchases ¹	217.7	225.3	218.6	220.4	222.6	224.4	226.4	227.6
Final sales to domestic purchasers ¹	218.0	225.1	219.0	220.6	222.4	224.1	226.2	227.7

Table 7.4.—Implicit Price Deflators for Gross National Product by Sector

	1983	1984	1983	1984	1983	1984	1983	1984
Gross national product	215.34	223.43	215.89	218.21	220.58	222.40	224.57	226.10
Gross domestic product	215.4	223.4	215.9	218.2	220.6	222.4	224.6	226.1
Business	213.4	220.7	213.8	216.0	218.0	219.7	221.8	223.2
Nonfarm.....	214.2	221.3	214.8	216.8	218.4	220.1	222.5	224.2
Nonfarm less housing.....	215.3	221.8	215.8	217.7	219.2	220.7	222.9	224.4
Housing.....	205.4	217.2	206.8	209.6	212.0	215.3	219.1	222.3
Farm.....	182.0	198.9	177.3	181.3	201.5	205.6	199.6	190.1
Statistical discrepancy.....	213.4	220.7	213.8	216.0	218.0	219.7	221.8	223.2
Households and institutions	246.4	258.1	248.0	251.7	254.5	257.3	259.4	261.2
Private households.....	233.9	236.5	234.2	234.7	236.0	236.1	236.5	237.1
Nonprofit institutions.....	247.3	259.8	249.0	253.0	255.9	258.9	261.2	263.1
Government	222.4	237.5	224.0	227.1	233.1	236.1	238.9	242.1
Federal.....	209.9	220.6	210.2	211.8	219.6	220.3	220.7	221.8
State and local.....	228.5	245.8	230.7	234.6	239.6	243.9	247.8	252.0
Rest of the world	214.2	222.6	214.8	217.2	219.7	221.5	223.8	225.4
Addendum:								
Gross domestic business product less housing.....								

Table 7.5.—Implicit Price Deflators for the Relation of Gross National Product, Net National Product, and National Income

	1983	1984	1983	1984	1983	1984	1983	1984
Gross national product	215.34	223.43	215.89	218.21	220.58	222.40	224.57	226.10
Less: Capital consumption allowances with CCAdj.....	224.4	230.2	225.0	226.4	227.5	229.8	231.1	232.2
Equals: Net national product	214.2	222.6	214.8	217.2	219.7	221.5	223.8	225.4
Less:								
Indirect business tax and nontax liability plus business transfer payments less subsidies plus current surplus of government enterprises.....	184.7	193.2	186.4	181.9	181.0	194.3	198.5	198.7
Statistical discrepancy.....	213.4	220.7	213.8	216.0	218.0	219.7	221.8	223.2
Equals: National income	217.9	226.2	218.3	221.6	224.5	224.8	226.8	228.6

Table 7.3:

1. Gross domestic purchases equals GNP less exports plus imports; final sales to domestic purchasers equals final sales less exports plus imports.

Table 7.7:

1. Equals the deflator for gross domestic product of nonfinancial corporate business with the decimal point shifted two places to the left.

Table 7.8:

1. Consists of final sales and change in business inventories of new autos produced in the United States.

2. Consists of personal consumption expenditures, producers' durable equipment, and government purchases.

Table 7.9:

1. Includes new trucks only.

Table 7.7.—Current-Dollar Cost and Profit Per Unit of Constant-Dollar Gross Domestic Product of Nonfinancial Corporate Business

	Dollars							
	1983	1984	Seasonally adjusted					
			1983		1984			
			III	IV	I	II	III	IV
Current-dollar cost and profit per unit of constant-dollar gross domestic product¹	2.139	2.203	2.144	2.163	2.178	2.192	2.213	2.228
Capital consumption allowances with CCAdj.....	.243	.237	.241	.239	.236	.234	.238	.239
Net domestic product	1.896	1.966	1.903	1.924	1.942	1.958	1.976	1.989
Indirect business tax and nontax liability plus business transfer payments less subsidies.....	.219	.220	.220	.219	.217	.218	.221	.222
Domestic income.....	1.677	1.747	1.684	1.706	1.726	1.740	1.754	1.767
Compensation of employees.....	1.409	1.425	1.400	1.408	1.415	1.414	1.434	1.437
Corporate profits with IVA and CCAdj.....	.191	.241	.206	.221	.233	.246	.236	.247
Profits tax liability.....	.065	.073	.073	.072	.078	.079	.066	.070
Profits after tax with IVA and CCAdj.....	.126	.168	.133	.149	.155	.167	.171	.177
Net interest.....	.077	.081	.077	.077	.078	.081	.084	.083

Table 7.8.—Implicit Price Deflators for Auto Output

	Index numbers, 1972=100							
	1983	1984	Seasonally adjusted					
			1983		1984			
			III	IV	I	II	III	IV
Auto output	177.8	183.0	179.2	180.8	183.7	181.5	181.9	184.7
Final sales	178.4	182.5	178.9	180.5	181.7	181.5	181.7	185.2
Personal consumption expenditures.....	203.6	211.1	204.1	207.1	208.8	210.5	212.9	212.6
New autos.....	182.4	187.0	181.9	185.2	185.9	186.0	186.8	189.2
Net purchases of used autos.....								
Producers' durable equipment.....	139.6	147.7	141.0	141.3	147.3	145.1	148.8	149.9
New autos.....	182.7	187.7	182.2	185.4	186.7	186.8	187.9	189.6
Net purchases of used autos.....								
Net exports.....								
Exports.....	183.4	190.8	185.2	186.4	192.1	190.0	190.9	189.8
Imports.....	241.8	248.9	244.3	243.5	246.6	249.8	250.8	248.3
Government purchases.....	157.1	135.3	158.4	160.3	148.0	126.2	131.6	133.0
Change in business inventories								
Addenda:								
Domestic output of new autos ¹	182.6	187.6	182.3	185.3	186.9	186.6	187.7	189.3
Sales of imported new autos ²	182.5	186.7	182.0	185.3	185.5	185.7	186.6	188.8

Table 7.9.—Implicit Price Deflators for Truck Output

	1983	1984	1983	1984	1983	1984	1983	1984
Truck output¹	217.1	229.0	217.8	218.5	224.7	227.4	232.1	231.1
Final sales	217.1	228.3	216.9	218.3	223.3	227.6	230.7	230.9
Personal consumption expenditures.....	182.6	187.7	182.0	185.3	186.5	186.7	187.4	189.9
Producers' durable equipment.....	242.9	253.2	243.0	242.2	248.0	252.8	256.1	254.8
Net exports.....								
Exports.....	243.1	253.0	243.4	242.3	248.0	252.3	256.0	254.8
Imports.....	215.6	220.9	213.4	216.5	221.4	221.8	217.7	228.8
Government purchases.....	243.0	252.7	243.0	242.2	248.0	252.8	256.1	254.8
Change in business inventories								

Table 7.11.—Implicit Price Deflators for Personal Consumption Expenditures by Major Type of Product

	1983	1984	1983	1984	1983	1984	1983	1984
Personal consumption expenditures	213.6	220.4	214.8	216.0	218.0	219.2	221.5	222.8
Durable goods	177.7	179.0	178.0	179.3	179.0	179.2	179.2	178.4
Motor vehicles and parts.....	194.1	197.7	194.0	196.3	196.3	197.4	198.5	198.5
Furniture and household equipment.....	158.1	156.5	158.1	158.5	157.6	157.4	156.1	155.0
Other.....	185.8	188.9	187.3	187.2	188.0	189.0	189.7	189.0
Nondurable goods	213.0	217.7	214.5	214.8	217.4	216.4	217.8	219.4
Food.....	220.5	229.4	220.2	222.4	228.8	228.4	229.3	231.0
Clothing and shoes.....	143.6	145.3	144.8	145.0	144.4	143.6	145.2	147.8
Gasoline and oil.....	344.9	339.4	353.3	349.0	340.6	342.5	334.6	340.0
Other nondurable goods.....	230.8	236.8	233.1	233.7	235.4	235.6	238.2	238.1
Fuel oil and coal.....	531.2	543.3	531.5	531.6	550.0	549.6	538.1	535.0
Other.....	213.6	220.4	215.1	216.0	217.5	218.8	222.2	223.1
Services	226.0	237.6	227.3	229.7	232.6	233.0	237.7	242.0
Housing.....	212.1	223.9	213.4	216.0	218.4	221.9	225.9	229.3
Household operation.....	240.0	253.0	241.0	243.8	248.1	251.1	257.3	255.3
Electricity and gas.....	326.2	341.2	325.0	331.6	333.0	336.7	350.9	344.0
Other.....	185.2	197.1	185.4	187.1	194.4	195.6	198.2	200.3
Transportation.....	228.9	239.3	232.9	232.1	234.6	237.2	240.6	244.9
Other.....	232.7	244.0	233.7	236.3	239.3	242.8	245.6	248.0

Table 7.14B.—Implicit Price Deflators for Government Purchases of Goods and Services by Type

	Index numbers, 1972=100							
	1983	1984 ^r	Seasonally adjusted					
			1983		1984			
			III	IV	I	II	III	IV ^r
Government purchases of goods and services.....	234.9	247.4	236.2	239.4	243.3	246.2	248.6	251.4
Federal.....	232.1	241.2	232.8	235.6	238.5	240.6	241.5	243.7
National defense.....	236.6	247.2	237.9	240.0	245.1	246.4	247.4	249.8
Durable goods.....	243.7	257.7	247.1	251.8	254.5	255.0	257.5	263.6
Nondurable goods.....	426.7	417.5	421.9	404.8	421.9	425.3	411.9	410.9
Services.....	224.0	234.6	224.7	226.8	232.6	234.0	235.2	236.3
Compensation of employees.....	211.5	222.5	211.8	213.7	221.6	222.2	222.7	223.7
Military.....	215.4	227.3	215.8	218.2	226.5	227.0	227.6	228.2
Civilian.....	205.9	215.8	206.1	207.2	214.6	215.4	215.8	217.2
Other services.....	244.7	253.0	245.6	248.0	250.7	252.6	254.2	254.3
Structures.....	224.7	235.0	225.9	227.0	229.6	234.2	236.5	238.8
Nondefense.....	220.0	224.7	219.1	221.4	215.5	225.1	227.1	228.2
Durable goods.....	215.8	223.0	215.5	218.1	218.9	222.5	224.2	226.1
Nondurable goods.....								
Commodity Credit Corporation inventory change.....								
Other nondurables.....	309.1	292.3	342.1	300.5	268.1	318.7	297.3	292.4
Services.....	215.1	224.2	215.7	217.1	222.6	223.4	224.6	226.2
Compensation of employees.....	206.7	216.6	207.0	208.0	215.6	216.3	216.7	218.0
Other services.....	228.1	235.8	229.4	230.7	233.3	234.7	236.8	238.1
Structures.....	233.4	239.2	233.5	234.6	236.6	238.7	239.5	241.8
State and local.....	236.7	251.7	238.4	241.8	246.4	250.0	253.5	256.9
Durable goods.....	219.1	225.3	219.8	221.2	223.2	224.4	226.1	227.2
Nondurable goods.....	262.8	269.5	264.3	265.0	269.2	270.1	269.2	269.4
Services.....	235.5	252.6	237.6	241.5	246.5	250.6	254.8	258.5
Compensation of employees.....	228.5	245.8	230.7	234.6	239.6	243.9	247.8	252.0
Other services.....	257.5	273.0	259.0	262.8	267.4	270.8	275.7	278.1
Structures.....	233.0	241.1	233.3	234.0	236.8	239.9	242.0	245.2

Table 7.16.—Implicit Price Deflators for Exports and Imports of Goods and Services

	Index numbers, 1972=100							
	1983	1984 ^r	Seasonally adjusted					
			1983		1984			
			III	IV	I	II	III	IV ^r
Exports of goods and services.....	241.0	249.4	241.5	245.4	247.7	250.4	250.1	249.6
Merchandise.....	258.9	267.1	259.8	264.7	266.7	270.0	267.9	263.9
Durable goods.....	273.2	279.8	273.5	275.8	278.1	279.8	280.8	280.3
Nondurable goods.....	242.0	251.4	243.5	251.2	252.6	257.8	251.7	244.2
Services.....	219.2	226.8	219.6	221.6	223.7	225.7	227.9	230.0
Factor income.....	214.3	222.6	214.8	217.2	219.7	221.5	223.8	225.4
Other.....	227.3	234.4	228.4	229.6	230.9	233.1	235.7	238.0
Imports of goods and services.....	271.5	266.0	276.3	270.3	267.9	269.6	263.3	263.7
Merchandise.....	290.6	280.7	298.5	288.4	282.1	287.0	276.3	278.0
Durable goods.....	235.9	233.1	236.0	235.8	235.6	236.1	231.0	230.0
Nondurable goods.....	397.5	387.4	419.3	397.0	384.4	399.2	381.3	385.4
Services.....	226.3	228.4	225.6	227.0	228.9	227.6	228.6	228.5
Factor income.....	214.4	222.7	214.8	217.2	219.8	221.5	223.8	225.4
Other.....	235.7	233.6	234.2	235.1	237.1	233.3	233.1	231.3

Table 7.17.—Implicit Price Deflators for Merchandise Exports and Imports by Type of Product and by End-Use Category

	Index numbers, 1972=100							
	1983	1984 ^r	Seasonally adjusted					
			1983		1984			
			III	IV	I	II	III	IV ^r
Merchandise exports.....	258.9	267.1	259.8	264.7	266.7	270.0	267.9	263.9
Foods, feeds, and beverages.....	226.7	233.9	229.7	244.0	242.5	244.8	231.3	218.3
Industrial supplies and materials.....	276.1	284.7	274.9	280.0	282.6	288.9	285.3	281.9
Durable goods.....	276.2	284.6	274.9	280.0	282.7	289.0	285.2	281.9
Nondurable goods.....	276.1	284.7	274.9	280.0	282.6	288.9	285.3	281.9
Capital goods, except autos.....	263.9	269.0	264.3	265.0	266.7	268.4	269.7	271.2
Autos.....	328.1	338.9	329.2	334.0	336.4	338.9	340.2	340.2
Consumer goods.....	198.8	200.8	200.8	198.9	201.2	201.3	200.9	198.6
Durable goods.....	250.0	242.8	248.8	245.4	245.5	245.3	241.4	238.9
Nondurable goods.....	172.5	179.3	175.3	175.4	177.1	179.3	180.5	180.3
Other.....	259.0	267.1	259.8	264.7	266.8	270.1	267.8	263.8
Durable goods.....	259.0	267.1	259.8	264.7	266.8	270.1	267.8	263.8
Nondurable goods.....	259.0	267.1	259.8	264.7	266.8	270.1	267.8	263.8
Merchandise imports.....	290.6	280.7	298.5	288.4	282.1	287.0	276.3	278.0
Foods, feeds, and beverages.....	237.8	244.2	239.8	240.0	241.6	247.8	247.8	239.4
Industrial supplies and materials, excluding petroleum.....	270.9	267.5	273.0	265.4	269.8	271.2	266.2	262.8
Durable goods.....	271.0	267.5	273.3	265.4	270.1	271.0	266.1	262.7
Nondurable goods.....	270.8	267.4	272.6	265.5	269.3	271.4	266.4	262.9
Petroleum and products.....	1,093.6	1,072.3	1,081.7	1,081.3	1,078.0	1,083.9	1,068.2	1,059.2
Capital goods except autos.....	200.9	196.7	200.5	200.1	200.4	198.7	195.7	192.5
Autos.....	306.5	315.5	304.2	313.5	313.3	315.9	316.1	316.6
Consumer goods.....	221.4	224.1	221.9	219.8	224.3	224.7	223.8	223.7
Durable goods.....	191.3	189.0	191.8	189.0	190.6	190.5	183.3	186.9
Nondurable goods.....	280.4	293.7	279.7	283.3	287.3	291.5	295.2	301.1
Other.....	243.7	242.2	243.8	243.3	243.8	245.1	240.9	239.7
Durable goods.....	243.7	242.2	243.8	243.3	243.8	245.1	240.9	239.9
Nondurable goods.....	243.7	242.2	243.8	243.3	243.8	245.1	240.9	239.6
Addenda:								
Exports:								
Agricultural products.....	227.0	236.9	230.1	242.5	243.1	246.9	236.2	222.8
Nonagricultural products.....	267.5	274.4	267.7	270.5	272.9	275.3	275.1	274.4
Imports of nonpetroleum products.....	243.7	242.4	243.9	243.3	243.9	245.3	241.0	239.7

Table 7.21.—Implicit Price Deflators for Inventories and Final Sales of Business

	Index numbers, 1972=100							
	1983	1984 ^r	Seasonally adjusted					
			1983		1984			
			III	IV	I	II	III	IV ^r
Inventories¹.....			241.8	243.3	245.5	245.1	243.8	242.9
Farm.....			196.9	207.3	211.9	209.1	202.0	196.6
Nonfarm.....			247.7	248.0	249.9	249.8	249.4	249.6
Durable goods.....			236.6	237.2	239.2	239.1	238.8	239.2
Nondurable goods.....			263.8	263.6	265.4	265.2	264.6	263.7
Manufacturing.....			249.6	249.8	252.0	251.7	251.5	251.2
Durable goods.....			238.2	238.6	240.2	240.2	239.8	240.0
Nondurable goods.....			273.0	272.9	276.2	275.4	275.9	275.1
Wholesale trade.....			250.0	250.1	251.6	251.7	249.8	249.7
Durable goods.....			241.9	242.6	244.2	244.7	244.1	244.4
Nondurable goods.....			264.8	263.8	265.2	264.7	260.5	259.5
Merchant wholesalers.....			244.8	245.6	246.7	247.0	245.5	245.0
Durable goods.....			243.1	243.8	245.3	246.0	245.5	245.7
Nondurable goods.....			247.9	248.9	249.4	248.9	245.5	243.7
Nonmerchant wholesalers.....			278.0	274.4	277.8	276.6	273.4	275.2
Durable goods.....			235.4	236.1	238.2	236.9	236.3	237.3
Nondurable goods.....			349.1	340.1	344.9	343.2	337.3	340.7
Retail trade.....			221.4	222.6	225.2	224.4	224.1	225.2
Durable goods.....			223.6	224.6	228.4	227.4	226.6	228.0
Nondurable goods.....			219.6	220.8	222.5	222.1	222.0	222.8
Other.....			294.4	295.0	296.8	299.9	301.2	299.7
Final sales².....			214.3	216.2	217.6	219.3	221.5	223.2
Final sales of goods and structures.....			205.9	207.7	208.3	209.1	210.1	211.6

Table 7.21:

1. Inventories are as of the end of the quarter.
2. Business final sales equals final sales less gross product of households and institutions, government, and rest of the world.

Reconciliation and Other Special Tables

Table 1.—Relation of Net Exports of Goods and Services in the National Income and Products Accounts (NIPA's) to Balance on Goods and Services in the Balance of Payments Accounts (BPA's)

[Billions of dollars]

Line		1984	Seasonally adjusted at annual rates			
			1984			
			I	II	III	IV
1	Exports of goods and services, BPA's.....	362.4	362.6	355.5	364.2	367.1
2	Less: Gold, BPA's.....	2.2	1.5	1.6	3.2	2.4
3	Capital gains net of losses in direct investment income receipts.....	-7.3	1.3	-12.0	-13.1	-5.4
4	Statistical differences ¹	2.0	.2	2.5	3.1	2.1
5	Other items.....	1.2	.8	1.0	2.3	.8
6	Equals: Exports of goods and services, NIPA's.....	364.3	358.9	362.4	368.6	367.2
7	Imports of goods and services, BPA's.....	452.8	432.7	445.6	487.2	445.7
8	Less: Payments of income on U.S. Government liabilities.....	19.8	18.7	19.1	20.3	21.2
9	Gold, BPA's.....	3.4	2.8	3.9	3.5	3.4
10	Capital gains net of losses in direct investment income payments.....	.7	1.1	-.2	2.0	-.2
11	Statistical differences ¹.....	.4	0	1.6	2.0	-2.0
12	Other items.....					
13	Plus: Gold, NIPA's.....	0	.2	-.1	-.1	-.1
14	Equals: Imports of goods and services, NIPA's.....	428.5	410.4	421.1	459.3	423.2
15	Balance of goods and services, BPA's (1-7).....	-90.4	-70.1	-90.2	-122.9	-78.6
16	Less: Gold (2-9+13).....	-1.3	-1.2	-2.4	-.4	-1.1
17	Capital gains net of losses in direct investment income (3-10).....	-8.0	.2	-11.8	-15.1	-5.2
18	Statistical differences (4-11).....	1.6	.2	.8	1.1	4.1
19	Other items (5-12).....	1.2	.8	1.0	2.3	.8
20	Plus: Payments of income on U.S. Government liabilities (8).....	19.8	18.7	19.1	20.3	21.2
21	Equals: Net exports of goods and services (NIPA's (6-14).....	-64.2	-51.5	-58.7	-90.6	-56.0

1. Consists of statistical revisions in the BPA's that have not yet been incorporated in the NIPA's.

NOTE.—Lines from the balance of payments accounts are revised and are as shown later in the SURVEY.

Table 2.—Real Gross National Product and National Income, Command Over Goods and Services, and Related Series

[Billions of 1972 dollars]

	1984	Seasonally adjusted at annual rates				
		1983	1984			
		IV	I	II	III	IV
GNP.....	1,639.3	1,572.7	1,610.9	1,638.8	1,645.2	1,662.4
Gross domestic purchases.....	1,654.4	1,570.7	1,619.2	1,650.2	1,672.2	1,675.8
Net exports of goods and services.....	-15.0	2.0	-8.3	-11.4	-27.0	-13.4
National income.....	1,308.7	1,248.4	1,279.8	1,309.9	1,316.0	1,329.3
Command, GNP basis.....	1,630.2	1,559.7	1,599.9	1,628.5	1,637.8	1,654.5
Gross domestic purchases.....	1,654.4	1,570.7	1,619.2	1,650.2	1,672.2	1,675.8
Net exports of goods and services ¹	-24.1	-11.0	-19.2	-21.8	-34.4	-21.2
Command, national income basis.....	1,300.6	1,236.7	1,270.1	1,300.6	1,309.4	1,322.3
		Percent change from preceding period				
GNP.....	6.8	5.9	10.1	7.1	1.6	4.3
Command, GNP basis.....	7.3	7.3	10.7	7.3	2.3	4.1
National income.....	7.8	6.2	10.5	9.7	1.9	4.1
Command, national income basis.....	8.3	7.7	11.2	10.0	2.7	4.0
Addendum:						
Terms of trade ²	93.8	90.8	92.4	92.9	95.0	94.6

1. Equals current-dollar net exports of goods and services deflated by the implicit price deflator for imports of goods and services.

2. Equals the ratio of the implicit price deflator for exports of goods and services to the implicit price deflator for imports of goods and services.

Table 3.—Cyclically Adjusted Federal Receipts, Expenditures, Surplus or Deficit (-), and Debt

[Billions of dollars; quarters at seasonally adjusted annual rates]

	1981	1982	1983	1984	1981				1982				1983				1984			
					I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Based on middle-expansion trend GNP:																				
Receipts:																				
Level.....	631.9	665.0	685.6	710.4	613.0	625.4	642.3	646.8	659.7	671.1	662.5	666.7	680.3	697.9	678.2	686.0	700.9	707.3	710.6	722.6
Percentage of trend GNP.....	21.2	20.6	19.9	19.4	21.4	21.4	21.3	20.9	20.9	20.3	20.1	20.2	20.4	19.6	19.5	19.5	19.4	19.2	19.3	
Change from preceding period.....	87.2	33.1	20.6	24.8	31.5	12.4	16.9	4.5	12.9	11.4	-8.6	4.2	13.6	17.6	-19.7	7.8	14.9	6.4	3.3	
Due to automatic inflation effects.....	64.0	36.6	21.3	26.8	19.1	9.8	16.6	14.2	6.3	8.1	4.0	3.4	8.1	3.4	4.3	7.6	8.7	5.8	7.9	
Due to discretionary policy and other factors.....	23.2	-3.5	-7	-2.1	12.4	2.6	.3	-9.7	6.6	3.3	-12.6	.8	5.5	14.2	-24.0	.2	6.2	.6	-4.6	
Expenditures:																				
Level.....	689.2	757.5	814.8	884.5	662.0	671.9	701.8	720.9	725.0	731.7	765.4	807.9	796.5	810.2	817.3	835.3	850.3	872.4	890.4	
Percentage of trend GNP.....	23.2	23.4	23.6	24.1	23.1	23.0	23.3	23.3	23.0	22.8	23.5	24.4	23.6	23.7	23.6	23.7	23.7	24.0	24.1	
Change from preceding period.....	85.9	68.3	57.3	69.7	21.1	9.9	29.9	19.1	4.1	6.7	33.7	42.5	-11.4	13.7	7.1	18.0	15.0	22.1	18.0	
Due to automatic inflation effects.....	37.0	29.5	14.0	16.5	4.6	3.6	13.2	9.3	2.2	3.2	13.9	4.0	.6	2.4	.9	1.6	11.8	1.1	2.1	
Due to discretionary policy and other factors.....	49.0	38.8	43.3	53.2	16.5	6.3	11.7	9.8	1.9	3.5	19.8	38.5	-12.0	11.3	6.2	16.4	3.2	21.0	15.9	
Surplus or deficit (-):																				
Level.....	-57.3	-92.5	-129.2	-174.1	-49.0	-46.5	-59.5	-74.1	-65.2	-60.5	-102.9	-141.2	-116.2	-112.3	-139.1	-149.3	-149.4	-165.1	-179.8	
Percentage of trend GNP.....	-1.9	-2.9	-3.7	-4.7	-1.7	-1.6	-2.0	-2.4	-2.1	-1.9	-3.2	-4.3	-3.4	-3.3	-4.0	-4.2	-4.2	-4.5	-4.9	
Change from preceding period.....	1.2	-35.2	-36.7	-44.9	10.4	2.5	-13.0	-14.6	8.9	4.7	-42.4	-38.3	25.0	3.9	-26.8	-10.2	-1	-15.7	-14.7	
Due to automatic inflation effects.....	27.1	7.1	7.2	10.3	14.5	6.2	-1.6	4.9	4.1	4.9	-9.9	-6	7.5	1.0	3.3	6.0	-3.2	4.8	5.3	
Due to discretionary policy and other factors.....	-25.9	-42.3	-44.0	-55.1	-4.1	-3.7	-11.4	-19.5	4.8	-.2	-32.5	-37.7	17.5	2.9	-30.1	-16.2	3.1	-20.5	-20.5	
Debt:																				
At par value, end of period:																				
Level.....	846.8	950.9	1,086.4	1,282.5	799.5	815.1	829.0	846.8	864.6	882.7	920.9	950.9	983.4	1,044.4	1,076.6	1,086.4	1,126.5	1,190.3	1,238.2	
Percentage of trend GNP.....	28.5	29.4	31.5	34.9	27.9	27.9	27.5	27.3	27.4	27.5	28.2	28.7	29.1	30.5	31.1	30.8	31.4	32.7	33.5	
At market value, end of period:																				
Level.....	793.5	971.7	1,059.0	1,282.5																
Percentage of trend GNP.....	26.7	30.0	30.7	34.9																
Based on 6-percent unemployment rate trend GNP:																				
Receipts:																				
Level.....	655.7	694.9	722.1	755.7	634.5	648.3	667.4	672.6	687.8	700.8	692.6	698.2	714.1	734.3	715.0	725.1	743.0	751.9	756.9	
Percentage of trend GNP.....	21.4	20.7	20.1	19.7	21.6	21.5	21.5	21.0	21.1	21.1	20.5	20.3	20.4	20.6	19.8	19.7	19.8	19.7	19.5	
Expenditures:																				
Level.....	683.8	753.2	813.0	885.2	655.7	667.0	696.6	715.9	720.2	727.1	761.2	804.3	793.5	808.3	815.9	834.1	849.6	873.0	891.7	
Percentage of trend GNP.....	22.3	22.5	22.7	23.0	22.3	22.2	22.4	22.4	22.1	21.9	22.5	23.4	22.6	22.7	22.6	22.7	22.9	22.9	23.0	
Surplus or deficit (-):																				
Level.....	-28.1	-58.4	-90.8	-129.6	-21.2	-18.7	-29.3	-43.2	-32.4	-26.3	-68.6	-106.1	-79.4	-73.9	-100.9	-109.0	-106.6	-121.1	-134.8	
Percentage of trend GNP.....	-.9	-1.7	-2.5	-3.4	-.7	-.6	-.9	-1.4	-1.0	-.8	-2.0	-3.1	-2.3	-2.1	-2.8	-3.0	-2.8	-3.2	-3.5	

Pollution Abatement and Control Expenditures, 1980-83

U.S. RESIDENTS spent \$62.7 billion on pollution abatement and control (PAC) in 1983, a 6.4-percent increase over the \$58.9 billion spent in 1982 (tables 1 and 2). After adjustment for price change, the increase was 3.6 percent. The real increase was mainly in spending on motor vehicle emission abatement devices.

The spending discussed in this article is for goods and services that U.S. residents use to produce cleaner air and water and to dispose of solid waste. This spending is for regulation and monitoring, pollution abatement, and research and development. Regulation and monitoring is a government activity that stimulates and guides action to reduce pollutant emissions. Pollution abatement directly reduces pollutant emissions by preventing the generation of pollutants, recycling them, or treating them prior to discharge. Research and development not only supports abatement, but also helps increase the efficiency of regulation and monitoring. Highlights of the recently completed set of PAC estimates for 1983 are:

- In real terms, personal spending for pollution abatement increased 17.7 percent, business spending increased 3.4 percent, and government spending declined 3.2 percent from 1982.
- In real terms, spending for regulation and monitoring (all by gov-

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Table 1.—Constant-Dollar PAC Spending:
Change From 1982 to 1983

	Billions of 1972 dollars	Percent
Pollution abatement and control.....	0.88	3.6
Personal consumption.....	.66	17.7
Motor vehicle emission abatement devices.....	.57	21.1
Operation of devices.....	.09	8.9
Business.....	.49	3.4
Capital.....	-.18	-2.9
Motor vehicle emission abatement devices.....	.34	21.4
Plant and equipment.....	-.62	-17.3
Other.....	.10	12.2
Current account.....	.66	7.8
Operation of motor vehicle emission abatement devices.....	.02	1.6
Operation of plant and equipment.....	.50	11.1
Operation of public sewer systems.....	.12	5.9
Other.....	.03	3.4
Government.....	-.16	-3.2
Public sewer system construction.....	-.27	-9.5
Other.....	.12	6.1
Regulation and monitoring.....	-.11	-16.0
Research and development.....	-.01	-1.3

NOTE.—Based on table 2.

ernment) declined 16.0 percent and spending for research and development (by business and government) changed little from 1982.

- Prices of PAC goods and services, as measured by the fixed-weighted price index for PAC, increased 3.1 percent in 1983, compared with 5.0 percent in 1982 (table 3). Prices for most PAC categories increased less in 1983 than in 1982.
- Real PAC spending was 1.6 percent of GNP, and business capital spending for pollution abatement was 2.6 percent of gross private domestic investment.
- In current dollars, business PAC costs—the costs of conforming to PAC rules and regulations—were \$62.0 billion in 1983, up 16.6 percent from 1982.

Although information for 1984 is incomplete, what is available indicates another increase in real PAC spending. Spending for motor vehicles with

emission abatement devices continued to be strong. According to the BEA plant and equipment survey taken in November–December 1983, business planned to increase their capital spending for pollution abatement in 1984, and according to preliminary Census Bureau estimates, governments increased their spending on sewer systems. Spending in other components declined, but at a slower rate than in 1983.

The section that follows discusses real PAC spending and the composition of that spending in 1983. The next section discusses business PAC costs, which reflect PAC spending in previous years as well as in the current year. Technical notes on definitions relating to PAC and sources used in preparing the estimates follow.

Real PAC spending

Changes in real spending.—Real total PAC spending increased \$0.9 billion in 1983, following declines of \$1.2 billion in 1982 and \$0.8 billion in 1981. The increase was due to the recovery in general economic activity.

Personal spending for pollution abatement increased 17.7 percent in 1983 to \$4.4 billion, following a 0.3-percent decline in 1982. The increase reflects the recovery in purchases of motor vehicles, which are required to have emission abatement devices.

Business spending for PAC, excluding research and development, increased 3.4 percent in 1983 to \$14.9 billion, following a 4.8-percent decline in 1982. The recovery in general economic activity in 1983 led to higher utilization of production facilities and increased motor vehicle purchases by business. Spending for purchase and operation of motor vehicle emission abatement devices increased 13.4 percent, following a 1.7-percent decline in 1982. Spending to operate plant

and equipment for pollution abatement increased 11.1 percent, following a 10.6-percent decline in 1982. Spending for new plant and equipment for pollution abatement declined 17.3 percent, compared with a 10.0-percent decline in 1982.

Government PAC spending, excluding research and development and regulation and monitoring, declined 3.2 percent in 1983 to \$4.6 billion, compared with a 5.6-percent decline in 1982. A 9.5-percent decline in public sewer system construction outweighed an increase in other government pollution abatement spending.

Research and development spending for PAC by business and government remained at about \$0.7 billion in 1983, following a 19.2-percent decline in 1982. Although government spending increased 6.1 percent, business spending declined 6.9 percent.

Regulation and monitoring spending for PAC by government declined 16.0 percent in 1983 to \$0.6 billion, compared with a 5.7-percent decline in 1982. Federal spending declined 21.6 percent, and State and local spending declined 7.1 percent.

Composition of real spending.—Table 4 is a reorganization of items in

table 2 designed to highlight subjects emphasized by PAC legislation. Most of PAC spending in 1983 was for pollution abatement (95 percent). Regulation and monitoring by government accounted for 2 percent of PAC spending, while research and development by business and government accounted for 3 percent. Almost one-half of the PAC program in 1983 was for purchase and operation of motor vehicle (mobile sources) emission abatement devices and public sewer systems.

Chart 1 compares PAC spending in 1983 and 1972, the first year for which estimates are available. In

Table 2.—Expenditures for Pollution Abatement and Control in Current and Constant Dollars and Selected Implicit Price Deflators

Line		1980					1981 ^r				
		Total	Air	Water	Solid waste	Other and unallocated ²	Total	Air	Water	Solid waste	Other and unallocated ²
Millions of current dollars											
1	Pollution abatement and control ¹	55,368	24,890	22,436	8,796	-754	58,965	28,091	21,812	9,916	-854
2	Pollution abatement ³	52,350	23,582	21,685	8,614	-1,531	55,832	26,763	21,059	9,635	-1,625
3	Personal consumption	6,808	6,808				8,361	8,361			
4	Durable goods	3,557	3,557				4,716	4,716			
5	Nondurable goods and services	3,251	3,251				3,645	3,645			
6	Business	33,946	16,302	13,165	6,089	-1,609	36,886	17,911	13,933	6,829	-1,787
7	On capital account	12,987	7,074	5,076	836		13,886	7,810	4,665	911	
8	On current account	20,959	9,227	8,089	5,252	-1,609	23,500	10,101	9,268	5,918	-1,787
9	Private	18,490	9,079	4,159	5,252		20,586	9,966	4,702	5,918	
10	Government enterprise	4,079	148	3,930	(*)		4,701	135	4,565	(*)	
11	Costs recovered	-1,610				-1,610	-1,788				-1,788
12	Government	11,596	473	8,520	2,525	79	10,584	491	7,126	2,806	162
13	Federal	494	95	274	55	70	506	85	220	53	148
14	State and local	2,778	(*)	299	2,470	9	3,053	(*)	286	2,752	14
15	Government enterprise fixed capital	8,324	378	7,946			7,026	406	6,620		
16	Regulation and monitoring	1,296	329	525	129	313	1,378	334	516	218	311
17	Federal	793	122	326	66	280	818	108	296	143	272
18	State and local	502	207	199	63	34	560	226	220	75	39
19	Research and development	1,722	979	226	53	464	1,756	995	238	64	460
20	Private	1,067	845	109	18	96	1,083	863	108	16	95
21	Federal	591	130	95	32	335	646	131	119	44	352
22	State and local	64	5	23	3	33	28	(*)	11	4	13
Millions of constant (1972) dollars											
23	Pollution abatement and control ¹	26,353	10,917	11,014	4,627	-205	25,536	11,463	9,655	4,649	-231
24	Pollution abatement ³	24,698	10,216	10,596	4,526	-640	23,983	10,822	9,276	4,505	-621
25	Personal consumption	3,211	3,211				3,728	3,728			
26	Durable goods	2,199	2,199				2,747	2,747			
27	Nondurable goods and services	1,012	1,012				981	981			
28	Business	15,409	6,782	6,116	3,190	-678	15,188	6,878	5,815	3,185	-691
29	On capital account	6,734	3,774	2,563	398		6,453	3,906	2,152	396	
30	On current account	8,675	3,008	3,553	2,792	-678	8,734	2,972	3,664	2,790	-691
31	Private	7,526	2,968	1,766	2,792		7,533	2,938	1,805	2,790	
32	Government enterprise	1,827	39	1,787	(*)	(*)	1,893	33	1,859	(*)	(*)
33	Costs recovered	-678				-678	-691				-691
34	Government	6,078	224	4,480	1,336	38	5,067	216	3,461	1,320	70
35	Federal	241	39	139	28	34	221	31	101	25	64
36	State and local	1,430	(*)	118	1,308	4	1,419	(*)	117	1,295	6
37	Government enterprise fixed capital	4,408	185	4,223			3,428	185	3,243		
38	Regulation and monitoring	728	180	295	72	181	701	165	262	112	162
39	Federal	459	71	189	38	162	431	57	156	75	143
40	State and local	269	109	107	34	19	270	108	107	37	19
41	Research and development	927	521	123	29	254	853	477	117	31	228
42	Private	564	447	57	10	51	516	411	51	8	45
43	Federal	327	72	53	18	185	323	66	59	22	176
44	State and local	35	3	13	2	18	14	(*)	6	2	7
Selected implicit price deflators ⁴											
45	Pollution abatement and control ¹	210.1	228.0	203.7	190.1	214.1	230.9	245.1	225.9	213.3	236.4
46	Pollution abatement	212.0	230.8	204.7	190.3	235.6	232.8	247.3	227.0	213.9	256.3
47	Personal consumption	212.1	212.1				224.3	224.3			
48	Business	220.3	240.4	215.3	190.9	273.3	242.9	260.4	239.6	214.4	258.7
49	On capital account	192.8	187.5	198.1	210.4		207.4	199.9	216.8	230.3	
50	On current account	241.6	306.8	227.7	188.1	273.3	269.1	339.9	252.9	212.1	258.7
51	Government	190.8	210.8	190.2	189.1	204.7	208.9	227.0	205.9	212.6	232.3
52	Regulation and monitoring	178.0	182.9	177.8	178.0	173.5	196.5	202.6	196.5	194.5	191.8
53	Research and development	185.8	187.9	184.6	183.0	182.4	205.9	208.6	204.1	202.2	201.8
Addendum: Business capital consumption allowance (millions of dollars) ⁵											
54	Value at replacement cost in current dollars	8,303					9,715				
55	Value at replacement cost in constant (1972) dollars	4,394					4,700				

See footnotes at end of table, p. 20.

1983, about 30 percent of PAC spending was by persons and business for motor vehicle emission abatement, about twice the percentage in 1972. Spending to abate pollution from industrial facilities was 32 percent of PAC spending in 1983, down from 38 percent in 1972, and spending for public sewer systems was about 20 percent, down from 24 percent in 1972.

Business PAC costs

Business PAC costs are the costs of conforming to PAC rules and regulations.¹ They result from both current- and previous-year business spending for PAC. Most current-year spending, except for capital, is in business PAC

1. Alternatively, business PAC costs are the amount by which business costs exceed what they would have been in the absence of PAC rules and regulations.

costs. Current-year capital spending is not directly charged to business PAC costs; instead, the capital consumption allowance and net imputed return on use of capital for PAC over time are included. The former reflects the depreciation of existing pollution abatement facilities. The latter, which is measured as the return that is foregone by business when capital is used for PAC, reflects the actual cost of

Table 2.—Expenditures for Pollution Abatement and Control in Current and Constant Dollars and Selected Implicit Price Deflators—Continued

Line	1982 ^r					1983 ^p				
	Total	Air	Water	Solid waste	Other and unallocated ²	Total	Air	Water	Solid waste	Other and unallocated ²
Millions of current dollars										
1	58,889	27,451	22,098	9,871	-530	62,658	29,189	23,585	10,386	-501
2	55,967	26,287	21,373	9,564	-1,256	59,836	28,032	22,841	10,118	-1,156
3	8,521	8,521				9,951	9,951			
4	4,818	4,818				5,980	5,980			
5	3,703	3,703				3,971	3,971			
6	36,954	17,238	14,632	6,547	-1,463	39,240	17,582	16,165	6,907	-1,415
7	13,095	7,550	4,709	836		12,952	7,222	5,001	729	
8	23,859	9,688	9,923	5,711	-1,463	26,288	10,360	11,164	6,179	-1,415
9	20,004	9,547	4,745	5,711		21,917	10,217	5,522	6,178	
10	5,318	141	5,177	(*)	(*)	5,786	143	5,643	(*)	(*)
11	-1,463				-1,463	-1,415				-1,415
12	10,492	523	6,741	3,017	206	10,645	499	6,676	3,211	259
13	552	87	240	57	168	808	131	399	89	190
14	3,277	(*)	279	2,960	38	3,516	(*)	324	3,122	69
15	6,663	441	6,222			6,321	369	5,953		
16	1,397	324	497	242	335	1,255	325	498	189	243
17	820	93	272	190	265	669	86	266	106	211
18	577	230	225	52	70	586	239	232	82	33
19	1,525	841	229	64	391	1,568	831	246	79	412
20	893	713	88	13	79	868	691	87	13	77
21	604	126	131	48	300	668	136	150	61	321
22	28	2	10	4	13	32	5	9	5	14
Millions of constant (1972) dollars										
23	24,304	10,836	9,209	4,395	-136	25,182	11,499	9,350	4,469	-136
24	22,955	10,315	8,871	4,248	-478	23,947	11,004	9,026	4,349	-433
25	3,717	3,717				4,376	4,376			
26	2,702	2,702				3,271	3,271			
27	1,014	1,014				1,104	1,104			
28	14,457	6,373	5,739	2,902	-562	14,945	6,428	6,090	2,966	-539
29	5,987	3,598	2,046	344		5,811	3,466	2,057	287	
30	8,470	2,781	3,693	2,558	-562	9,134	2,961	4,033	2,679	-539
31	7,036	2,746	1,732	2,558		7,562	2,927	1,956	2,679	
32	1,985	35	1,961	(*)	(*)	2,112	34	2,077	(*)	(*)
33	-562				-562	-539				-539
34	4,781	220	3,132	1,346	84	4,626	201	2,936	1,383	107
35	225	31	106	25	68	357	45	175	38	78
36	1,464	(*)	127	1,321	16	1,507	(*)	134	1,344	28
37	3,088	189	2,899			2,782	156	2,627		
38	661	147	234	118	162	555	140	216	85	114
39	407	46	135	94	131	319	41	127	51	100
40	254	101	100	23	31	236	99	90	35	14
41	689	374	105	30	180	680	355	108	35	183
42	394	315	39	6	35	367	292	37	6	33
43	281	58	61	22	139	299	61	67	27	144
44	14	1	5	2	6	14	2	4	2	6
Selected implicit price deflators ⁴										
45	242.3	253.3	240.0	224.6	242.5	248.8	253.8	252.2	232.4	247.2
46	243.8	254.8	240.9	225.2	258.7	249.9	254.7	253.1	232.7	259.3
47	229.3	229.3				227.4	227.4			
48	255.6	270.3	255.0	225.6	260.4	252.6	273.5	265.4	232.9	262.4
49	218.7	209.9	230.2	243.2		222.9	208.3	243.1	253.6	
50	261.7	348.4	268.7	233.3		267.8	349.8	276.8	230.6	262.4
51	219.4	240.3	215.2	224.1	247.2	230.1	248.3	227.4	232.3	243.4
52	211.4	220.3	212.1	206.0	206.2	226.1	233.0	230.3	221.0	213.5
53	221.5	224.7	219.1	216.5	217.1	230.5	234.2	228.1	225.6	225.6
Addendum: Business capital consumption allowance (millions of dollars) ⁵										
54	10,836					11,638				
55	4,986					5,233				

^r Revised.

^p Preliminary.

* Less than \$500,000.

1. Includes expenditures for air and water pollution abatement and control. Includes expenditures for solid waste collection and disposal by means acceptable to Federal, State, and local authorities. Excludes agricultural production except feedlot operations.

2. "Other" includes expenditures for abatement and control of noise, radiation, and pesticide pollution; "unallocated" includes business expenditures not assigned to media.

3. Expenditures are attributed to the sector that performs the air or water pollution abatement or solid waste collection and disposal.

4. Current-dollar estimates divided by constant-dollar estimates.

5. To facilitate conversion of expenditures to a cost basis.

Technical Notes

Definitions

Pollutants are substances and other emissions that are potentially harmful and degrade the quality of air or water shared by all. Activities resulting from rules and regulations restricting the release of pollutants into common-property media (the air and water used by all) are defined as PAC activities.³ This definition of PAC activities excludes other environmental activities, such as natural resource conservation and protection of endangered species.

The PAC expenditure series in this article covers most, but not all, PAC activities; excluded are (1) PAC activities that do not use productive resources (for example, plant closings

capital ownership irrespective of the extent of its use.

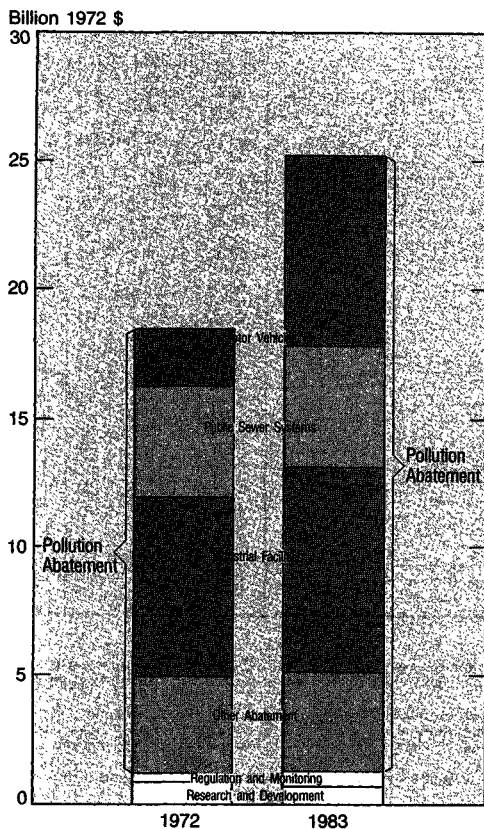
Business PAC costs amounted to \$62.0 billion in current dollars in 1983, up substantially—16.6 percent—from 1982 (table 5).² Since 1972, these costs have increased at an average annual rate of 15.1 percent, and declined in only 1 year, 1982.

Costs of PAC-induced modifications in final products amounted to \$13.3 billion. These costs are likely to be passed on from producers to purchasers in final product prices, although the extent and the timing of the pass-ons depend on the markets for the final products. Costs of business PAC for its own wastes amounted to \$48.7 billion, of which \$38.0 billion were incurred by nonfarm nonresidential business.

2. A reconciliation of spending (table 2) with costs (table 5) is available on request from the Environmental Economics Division (BE-62), Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

3. Regulations refer to legal requirements; rules—written and unwritten—refer to additional expressions of community and business concern.

CHART 1
The United States Program for PAC in 1972 and 1983



U.S. Department of Commerce, Bureau of Economic Analysis 85-31

Table 3.—Pollution Abatement and Control Expenditures in Current and Constant Dollars, Implicit Price Deflators, and Price Indexes: Percent Change From Preceding Year

	1972-80 average annual rate ¹	1980	1981 ^r	1982 ^r	1983 ^p
Total:					
Current dollars.....	14.7	10.9	6.5	-0.1	6.4
1972 dollars.....	4.6	-2.2	-3.1	-4.8	3.6
Implicit price deflator.....	9.7	13.4	9.9	4.9	2.7
Chain price index.....	13.7	10.2	4.8	2.6	
Fixed-weighted price index.....	9.9	13.7	10.5	5.0	3.1
Air:					
Current dollars.....	18.3	18.3	12.9	-2.3	6.3
1972 dollars.....	6.7	1.6	5.0	-5.5	6.1
Implicit price deflator.....	10.9	16.5	7.5	3.3	.2
Chain price index.....	17.7	10.0	3.5	1.1	
Fixed-weighted price index.....	11.7	18.6	11.2	3.8	1.1
Water:					
Current dollars.....	12.5	2.9	-2.8	1.3	6.7
1972 dollars.....	3.0	-6.9	-12.3	-4.6	1.5
Implicit price deflator.....	9.3	10.6	10.9	6.2	5.1
Chain price index.....	12.6	10.4	9.6	5.9	4.0
Fixed-weighted price index.....	9.2	10.2	9.2	5.7	4.6
Solid waste:					
Current dollars.....	12.4	14.8	12.7	-.5	5.2
1972 dollars.....	3.7	1.9	.5	-5.5	1.7
Implicit price deflator.....	8.4	12.6	12.2	5.8	3.5
Chain price index.....	12.6	12.3	5.4	3.6	
Fixed-weighted price index.....	8.4	12.6	12.3	5.4	3.6

^r Revised. ^p Preliminary.
1. Compounded annually; not calculated for chain price index because it is defined for adjacent years only.

Table 4.—Constant-Dollar Spending for the Pollution Abatement and Control Program

[Millions of constant (1972) dollars]

	1980	1981 ^r	1982 ^r	1983 ^p
Pollution abatement and control.....	26,353	25,536	24,304	25,182
Regulation and monitoring.....	728	701	661	555
Air.....	180	165	147	140
Water.....	295	262	234	216
Solid.....	72	112	118	85
Other ¹	181	162	162	114
Research and development.....	927	853	689	680
Air.....	521	477	374	355
Water.....	123	117	105	108
Solid.....	29	31	30	35
Other ¹	254	228	180	183
Pollution abatement.....	24,698	23,983	22,955	23,947
Air ²	10,216	10,822	10,315	11,004
Mobile sources ³	5,545	6,452	6,393	7,411
Devices.....	3,432	4,398	4,300	5,211
Operation of devices.....	2,113	2,054	2,093	2,200
Stationary sources.....	4,672	4,370	3,922	3,593
Facilities.....	2,726	2,440	2,189	1,682
Industrial ⁴	2,541	2,255	2,000	1,527
Other ⁵	185	185	189	156
Operation of facilities.....	1,946	1,930	1,733	1,911
Industrial.....	1,867	1,865	1,668	1,831
Other ⁶	79	64	65	80
Water ⁷	10,596	9,276	8,871	9,026
Point sources.....	9,940	8,689	8,232	8,449
Facilities.....	6,465	5,167	4,746	4,511
Industrial ⁴	1,698	1,425	1,329	1,239
Public sewer systems.....	4,178	3,211	2,866	2,595
Other ⁸	609	531	551	677
Operation of facilities.....	3,455	3,522	3,536	3,938
Industrial.....	1,530	1,564	1,472	1,687
Public sewer systems.....	1,782	1,853	1,955	2,071
Other ⁸	143	105	109	180
Nonpoint sources.....	656	587	589	577
Solid.....	4,526	4,505	4,248	4,349
Industrial.....	1,859	1,883	1,593	1,658
Other ⁹	2,667	2,622	2,655	2,691
Other ¹	-640	-621	-478	-433

^r Revised.
^p Preliminary.
1. Consists of "other and unallocated" spending from table 2.
2. The Clean Air Act classifies sources of pollutants as either mobile, such as passenger cars, or stationary, such as factories.
3. Excludes spending to reduce emissions from mobile sources other than cars and trucks; such spending was insignificant during 1972-83.
4. Consists of new plant and equipment expenditures for pollution abatement according to results from the plant and equipment expenditures survey by BEA.
5. Consists of spending for fixed capital of government enterprises such as the Tennessee Valley Authority.
6. Consists of spending to operate government enterprises and all spending by government; separate data on spending to acquire and operate government pollution abatement facilities are not available.
7. The Federal Water Pollution Control Act defines point sources as facilities that discharge to a body of water through a pipe or ditch.
8. Consists of spending for private connectors to public sewer systems, capital spending by owners of feedlots, and spending for fixed capital of government enterprises such as the Tennessee Valley Authority.
9. Consists of spending by Federal, State, and local governments for the collection and disposal of solid waste and spending by households for collection and disposal of solid waste by business.

NOTE.—Table 4 is a reorganization of table 2 designed to highlight subjects emphasized by PAC legislation.

due to PAC, delays in plant construction, or curtailments in the use of chemicals in manufacture and agriculture) and (2) PAC activities that, although resource-using, are non-market activities (for example, volunteer litter removal). The series covers pollution abatement, regulation and monitoring, and research and development—as described at the beginning of the article.

The PAC expenditure series includes all spending for the collection and disposal of solid waste by means acceptable to Federal, State, and local authorities. Some of this spending, such as that for the avoidance of the slowing of production or consumption activity due to the accumulation of solid waste, is not for PAC. The separation of the PAC part was last shown in the February 1984 SURVEY OF CURRENT BUSINESS; for further discussion of solid waste collection and disposal, see the March 1981 SURVEY.

Sources

Estimates of PAC expenditures are based directly or indirectly on surveys. Approximately three-fifths of the 1983 estimate of PAC expenditures is based directly on surveys of PAC spending. The remainder is based on more general survey information and assumptions necessary to utilize this information. BEA collects data on capital spending for pollution abatement by companies and on Federal agency funding for PAC. All other data are from surveys by other government agencies—including the Bureau of the Census and Department of Energy—and private organizations. Table 6 shows the percentage of PAC spending by type of estimate.

Table 5.—Business Pollution Abatement and Control (PAC) Costs

[Millions of dollars]

	1980	1981 ^r	1982 ^r	1983 ^p
Business PAC costs	46,283	53,918	53,166	61,980
Costs of PAC-induced modifications in final products.....	8,206	10,353	10,753	13,269
Residential systems ¹	1,790	1,622	1,732	2,103
Motor vehicles ²	6,280	8,552	8,850	10,959
Adjustment to a market price valuation ³	136	179	171	207
Costs of business PAC of its own wastes ⁴	38,077	43,564	42,414	48,711
Residential business.....	8,066	9,159	8,521	10,677
Current costs.....	360	383	436	466
Capital costs ⁵	7,256	8,221	7,615	9,625
Capital consumption allowance.....	1,308	1,441	1,560	1,713
Net imputed return ⁶	4,960	5,733	4,962	6,757
Adjustment to a market price valuation ³	449	555	470	586
Nonfarm nonresidential business.....	30,012	34,405	33,892	38,034
Current costs.....	15,252	17,034	16,754	18,504
Motor vehicles.....	3,540	3,854	3,759	3,754
Air and water pollution abatement, except motor vehicles.....	10,683	11,930	11,787	13,444
Solid waste pollution abatement.....	2,639	3,038	2,671	2,721
Costs recovered.....	-1,610	-1,788	-1,463	-1,415
Capital costs ⁵	13,411	15,724	15,638	17,894
Capital consumption allowance.....	5,835	6,966	7,841	8,891
Motor vehicles.....	751	964	1,181	1,395
Air and water pollution abatement, except motor vehicles.....	4,847	5,705	6,305	6,590
Solid waste pollution abatement.....	237	298	356	406
Net imputed return ⁶	5,860	6,923	5,913	7,623
Motor vehicles.....	359	473	449	631
Air and water pollution abatement, except motor vehicles.....	5,321	6,219	5,253	6,710
Solid waste pollution abatement.....	179	231	211	282
Research and development for pollution abatement.....	336	398	327	318
Adjustment to a market price valuation ³	1,013	1,250	1,174	1,318
Addendum:				
Net imputed return adjustment ⁷	2,336	2,213	3,629	2,508
Residential business.....	2,760	2,672	4,325	2,829
Nonfarm nonresidential business.....				

^r Revised.

^p Preliminary.

1. Consists of the construction of private septic systems and sewer connections linking household plumbing to street sewers.
2. Consists of motor vehicle emission abatement systems and the added consumer expense of purchasing unleaded rather than leaded fuel.

3. Consists of sales-associated charges: part of indirect business taxes (those contingent upon sale), business transfer payments (made out of sales revenue), and the statistical discrepancy. These charges are measured as what they would have been if resources used for pollution abatement had been used to produce final product. Business PAC costs are adjusted to market prices to make them comparable to other values at market prices.

4. Consists of the costs of a business' abatement of its own waste (self service), one business' abatement of another business' waste, and related research and development.

5. Includes items not shown separately, insurance and taxes on pollution abatement capital.

6. Consists of the pollution abatement net capital stock multiplied by the ratio of nonlabor earnings to assets for nonfarm nonresidential corporate business; measures what businesses would have earned if capital used for pollution abatement had been used to produce final product.

7. The net imputed returns included in the capital costs for residential and nonfarm nonresidential business are calculated using annual—that is, untrended—earnings-to-assets ratios. The amount shown may be added to the net imputed return when a trended rather than an untrended earnings-to-assets ratio is required.

NOTE.—Derived from table 2, detail underlying that table, related national income and product account data, and capital stocks for pollution abatement. Information on sources and methods used in these estimates will be provided upon request.

Table 6.—Pollution Abatement and Control (PAC) Expenditures, by Type of Estimate

	Percent of PAC expenditures
Surveys of PAC spending	56
Pollution Abatement Costs and Expenditures (MA-200), BOC.....	14
Governmental Finances, BOC.....	14
"Plant and Equipment Expenditures by Business for Pollution Abatement," SURVEY OF CURRENT BUSINESS, BEA.....	11
Value of New Construction Put in Place, BOC.....	9
Federal Funding for Pollution Control (data not published separately), BEA.....	4
Electric Power Quarterly, DOE.....	2
Steam-Electric Plant Air and Water Quality Control Data, DOE ¹	2
"Funds for Industrial Pollution Abatement R&D," National Patterns of Science and Technology Resources, National Science Foundation ¹	1
Other	44
Motor vehicle emission abatement.....	26
Nonmanufacturing operation and maintenance for pollution abatement.....	8
Business residential and commercial solid waste disposal.....	5
Residential systems—investment and operation and maintenance.....	4
All other.....	1

1. Estimates for 1983 are extrapolations from earlier years.

NOTES.— BOC—Bureau of Census.
BEA—Bureau of Economic Analysis.
DOE—Department of Energy.

Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies, 1985

MAJORITY-OWNED foreign affiliates of U.S. companies plan to increase capital expenditures 13 percent in 1985, to \$42.5 billion, following a planned 4-percent increase in 1984 (table 1 and chart 2).¹

Spending grew at an annual compound rate of 21 percent in 1977-80, leveled off in 1981-82, and declined sharply in 1983. The leveling-off of spending in 1981-82 resulted from sluggish economic conditions abroad and high interest rates. The decline in 1983—the sharpest since at least 1957, when this expenditure series began—reflected the same factors that depressed spending in 1981-82, as well as the cumulative effects of appreciation of the U.S. dollar. If the increases now planned for 1984 and 1985 are realized, 1985 spending would be about equal to 1980 spending.

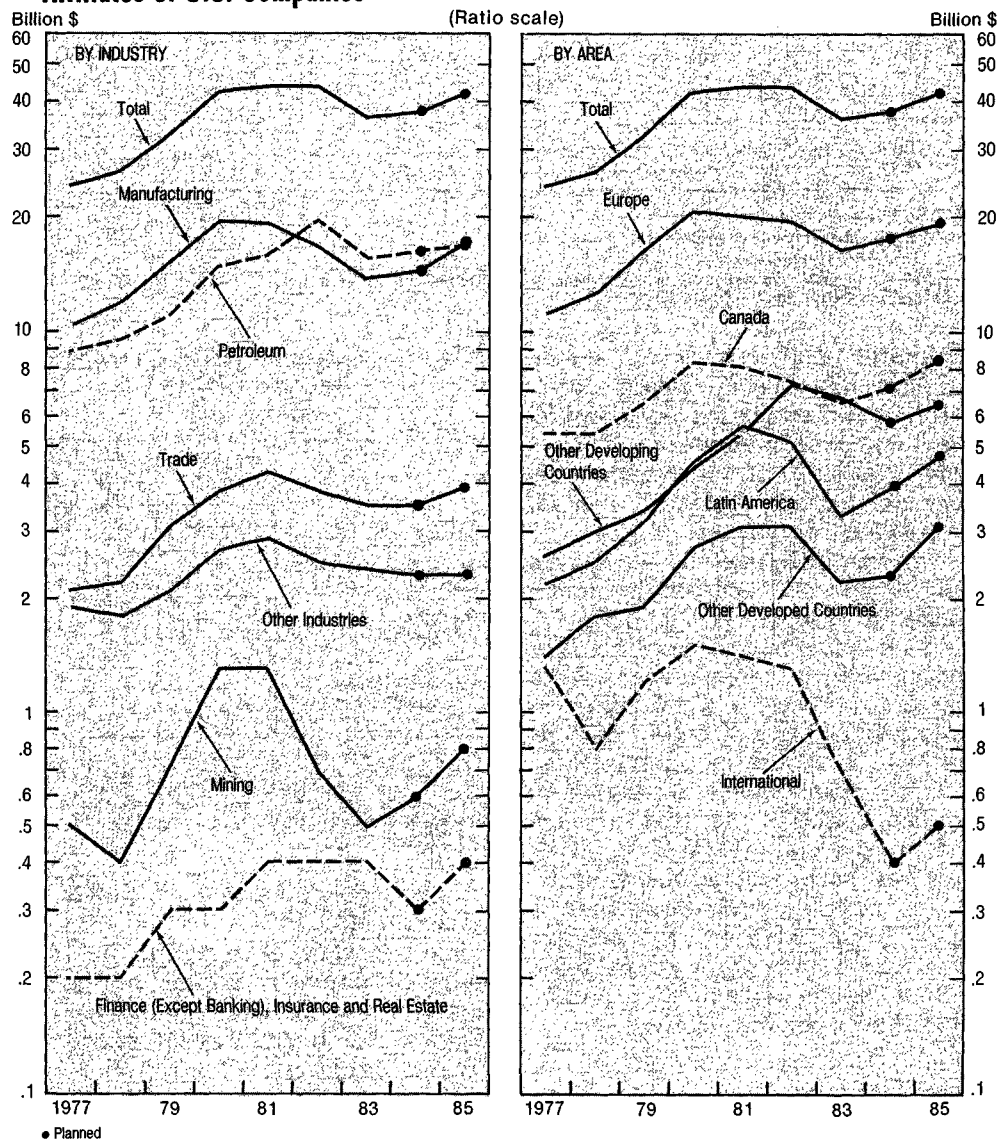
The latest estimate of spending for 1984, based on a survey taken last December, is significantly lower than the estimate based on the survey taken 6 months earlier, which indicated expenditures would increase 12

percent (table 2). The latest estimate for 1985 is also lower than the earlier one; however, the 1985 percentage increase is larger, because the down-

ward revision for 1984 was proportionally larger than for 1985. In each year, petroleum affiliates account for most of the revision.

CHART 2

Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies



NOTE.— Estimates are for nonbank foreign affiliates of nonbank U.S. parents. U.S. Department of Commerce, Bureau of Economic Analysis

NOTE.—Ellen M. Herr assisted in preparing the estimates. Smith W. Allnutt III designed the computer programs for data retrieval and analysis.

1. Capital expenditure estimates are for majority-owned nonbank foreign affiliates of nonbank U.S. parents. (An affiliate is majority owned when the combined ownership of all U.S. parents exceeds 50 percent.) For affiliates other than those engaged in natural resource exploration and development, capital expenditures include all expenditures that are charged to capital accounts and made to acquire, add to, or improve property, plant, and equipment. For affiliates engaged in natural resource exploration and development, capital expenditures include the full amount of exploration and development expenditures, whether capitalized or expensed. Capital expenditures are on a gross basis; sales and other dispositions of fixed assets are not netted against them. They are reported to BEA in current dollars; they are not adjusted for price changes in host countries or for changes in the value of foreign currencies, because the necessary data are unavailable.

Table 1.—Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies, 1977–85

	Percent change from preceding year										Billions of dollars										
	Actual expenditures					Latest plans ¹		Earlier plans ²			Actual expenditures					Latest plans ¹		Earlier plans ²			
	1978	1979	1980	1981	1982	1983	1984	1985	1984	1985	1977	1978	1979	1980	1981	1982	1983	1984	1985	1984	1985
Total	9	25	30	3	(*)	-18	4	13	12	9	24.1	26.1	32.6	42.4	43.7	43.8	36.0	37.5	42.5	40.4	44.0
By industry																					
Mining.....	-14	51	39	2	-47	-34	41	33	-8	101	.5	.4	.7	1.3	1.3	.7	.5	.6	.8	.4	.8
Petroleum.....	7	16	34	7	25	-21	4	7	15	8	8.9	9.5	11.0	14.8	15.8	19.7	15.5	16.2	17.3	17.8	19.2
Manufacturing.....	14	29	27	-2	-13	-18	6	22	14	10	10.5	12.0	15.4	19.5	19.2	16.8	13.7	14.5	17.7	15.6	17.1
Food and kindred products.....	17	25	28	(*)	-5	-10	6	21	17	9	.8	.9	1.2	1.5	1.4	1.3	1.2	1.3	1.5	1.4	1.5
Chemicals and allied products.....	-8	38	14	(*)	-6	-16	10	16	18	6	2.0	1.9	2.6	3.0	3.0	2.8	2.3	2.5	3.0	2.7	2.9
Primary and fabricated metals.....	7	11	37	-9	8	3	20	-3	37	-2	.5	.6	.6	.9	.8	.9	.9	1.1	1.0	1.2	1.2
Machinery, except electrical.....	22	31	18	-9	-4	-23	-9	19	-8	21	3.0	3.6	4.7	5.6	5.1	4.9	3.8	3.4	4.1	3.5	4.2
Electric and electronic equipment.....	23	26	24	-10	-6	3	24	18	29	9	.7	.9	1.1	1.4	1.2	1.1	1.2	1.5	1.7	1.5	1.6
Transportation equipment.....	18	54	49	18	-33	-25	3	47	10	11	1.6	1.9	2.9	4.4	5.2	3.4	2.6	2.7	3.9	2.8	3.1
Other manufacturing.....	16	3	29	-12	-8	-23	19	19	35	4	1.8	2.1	2.2	2.8	2.5	2.3	1.8	2.1	2.5	2.4	2.5
Trade.....	9	37	25	13	-11	-7	(*)	12	7	2	2.1	2.2	3.1	3.8	4.3	3.8	3.5	3.5	3.9	3.8	3.8
Finance (except banking), insurance, and real estate.....	-10	49	7	12	4	5	-18	12	6	10	.2	.2	.3	.3	.4	.4	.4	.3	.4	.4	.5
Other industries.....	-6	22	28	5	-13	-4	-3	(*)	1	2	1.9	1.8	2.1	2.7	2.9	2.5	2.4	2.3	2.3	2.4	2.5
By area																					
Developed countries.....	10	25	29	-2	-4	-16	8	12	14	9	18.0	19.8	24.8	31.9	31.3	30.0	25.3	27.2	30.5	28.9	31.5
Canada.....	1	20	29	-2	-9	-12	11	16	16	6	5.4	5.4	6.5	8.3	8.1	7.4	6.5	7.2	8.4	7.5	8.0
Europe.....	13	30	27	-4	-3	-15	7	7	14	10	11.2	12.6	16.4	20.8	20.1	19.5	16.5	17.7	19.0	18.8	20.7
European Communities (9) ³	13	28	27	-9	-4	-11	5	11	14	10	9.6	10.9	14.0	17.8	16.2	15.4	13.7	14.4	15.9	15.6	17.2
France.....	1	26	23	-13	(*)	-4	-6	15	-7	20	1.4	1.4	1.8	2.2	1.9	1.9	1.9	1.7	2.0	1.7	2.1
Germany.....	34	28	17	-15	-9	-4	-1	20	7	9	2.0	2.6	3.4	3.9	3.4	3.1	3.0	2.9	3.5	3.2	3.5
United Kingdom.....	20	27	33	-6	-5	-20	14	3	22	8	3.9	4.7	6.0	8.0	7.5	7.1	5.7	6.5	6.7	7.0	7.5
Other.....	-7	31	28	-8	-2	-4	1	-6	17	9	2.4	2.2	2.9	3.7	3.4	3.3	3.2	3.3	3.7	3.8	4.1
Other.....	9	42	26	30	3	-30	17	15	13	10	1.5	1.7	2.4	3.0	3.9	4.0	2.8	3.3	3.1	3.2	3.5
Japan.....	32	15	42	-11	17	-33	19	34	20	21	.4	.6	.6	.9	.8	.9	.6	.7	1.0	.8	.9
Australia, New Zealand, and South Africa.....	20	7	40	22	-2	-28	-2	35	9	10	1.0	1.2	1.3	1.8	2.2	2.2	1.6	1.6	2.1	1.7	1.9
Developing countries.....	16	20	38	23	13	-20	-2	17	10	7	4.8	5.5	6.6	9.0	11.1	12.5	10.1	9.8	11.5	11.1	11.9
Latin America.....	17	27	42	24	-8	-36	18	22	17	19	2.2	2.5	3.2	4.6	5.7	5.2	3.3	3.9	4.8	3.9	4.6
Other Africa.....	14	12	44	25	54	-23	-14	18	14	-5	.7	.8	.9	1.3	1.6	2.5	1.9	1.6	1.9	2.2	2.1
Middle East.....	-10	-27	-10	-24	40	3	-10	-6	7	-11	1.2	1.1	.8	.7	.5	.7	.8	.7	.6	.8	.7
Other Asia and Pacific.....	56	52	47	33	23	(*)	-12	14	4	7	.7	1.1	1.7	2.5	3.3	4.1	4.1	3.6	4.1	4.2	4.5
International.....	-38	51	22	-8	-5	-45	-37	22	-29	5	1.3	.8	1.2	1.5	1.4	1.3	.7	.4	.5	.5	.5
Addenda: European Communities (10) ⁴					-4	-11	5	10	14	10					16.2	15.5	13.7	14.4	15.9	15.7	17.2
OPEC ⁵	10	-2	13	6	46	-10	-22	14	2	7	1.7	1.9	1.9	2.1	2.2	3.5	3.1	2.4	2.8	3.2	3.4

*Less than 0.5 percent (±).

1. Based on the BEA survey taken in December 1984.

2. Based on the BEA survey taken in June 1984.

3. European Communities (9) consists of Belgium, Denmark, France, Germany, Ireland, Italy, Luxembourg, Netherlands, and the United Kingdom.

4. European Communities (10) consists of European Communities (9) and Greece.

5. OPEC consists of Algeria, Ecuador, Gabon, Indonesia, Iran, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, Venezuela, and the United Arab Emirates.

NOTE.—Estimates are for majority-owned nonbank foreign affiliates of nonbank U.S. parents.

Estimates of 1984 and 1985 spending levels have been revised downward in each successive semiannual survey of spending intentions. The revisions suggest that the business recovery abroad may be more gradual than previously expected.

By area, affiliates in developed countries plan a 12-percent spending increase in 1985, to \$30.5 billion, following an 8-percent increase in 1984 (tables 3–5). In developing countries, a 17-percent increase, to \$11.5 billion, is planned, following a 2-percent decline. Affiliates in “international”—those that have operations spanning more than one country and that are engaged in petroleum shipping, other water transportation, or operating oil and gas drilling equipment that is moved from country to country during the year—plan to increase spending 22 percent, to \$0.5 billion, following a 37-percent decline.

Petroleum

Petroleum affiliates plan to increase spending 7 percent, to \$17.3 billion, following a 4-percent increase

Table 2.—Revisions to Capital Expenditures Estimates, 1984–85

(Millions of dollars)

	Expenditure estimates for:		Percent change, 1983–84	Percent change, 1984–85
	1984	1985		
Date of BEA survey: ¹				
June 1983.....	45,716	n.a.	+6.9	n.a.
December 1983.....	42,443	n.a.	+12.5	n.a.
June 1984.....	40,448	43,958	+12.2	+8.7
December 1984.....	37,512	42,537	+4.1	+13.4
Addendum:				
Total percent change from first to most recent estimate.....	-17.9	-3.2		

n.a. Not applicable.

1. Results of the June 1983, December 1983, and June 1984 surveys were published in the September 1983, March 1984, and September 1984 issues, respectively, of the SURVEY OF CURRENT BUSINESS. Results of the December 1984 survey are presented in this article.

in 1984. Spending had declined 21 percent in 1983.

The recovery of spending in 1984 and 1985 may be restrained by the reduction in worldwide demand for oil. Despite the availability of relatively low-cost crude oil, some refining and marketing affiliates are sustaining losses. These losses, which have led to the closing or sale of some affiliates, are largely due to low rates of capac-

ity utilization—a condition exacerbated by heightened competition from newly established downstream operations of some oil-producing countries.

The small increases in petroleum spending now planned for 1984 and 1985 would result in spending remaining below the 1982 level. In developed countries, spending is expected to increase 2 percent, to \$10.9 billion, after a 20-percent increase in 1984. Spending had declined 21 percent in 1983. The 1985 increase is concentrated in Canada and the Netherlands. In the former, the new administration is seen as being more receptive to investment by foreign-owned companies; in the latter, the increased spending is largely for refinery expansion. Partly offsetting these increases is a decline in Norway, where an affiliate is planning sizable expenditures in 1984, but not in 1985, for pipelines and gas compression facilities.

In developing countries, affiliates plan a 16-percent spending increase, to \$6.0 billion, following a 16-percent

Text continues on page 28.

Table 3.—Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies in 1983 ¹

[Millions of dollars]

	All industries	Mining	Petroleum	Manufacturing								Trade	Finance (except banking, insurance and real estate)	Other industries
				Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metal	Machinery, except electrical	Electric and electronic equipment	Transportation equipment	Other manufacturing			
All countries	36,045	454	15,522	13,724	1,192	2,319	895	3,778	1,174	2,590	1,777	3,531	410	2,405
Developed countries	25,273	323	8,907	11,394	937	1,903	516	3,491	810	2,250	1,486	2,840	339	1,470
Canada	6,514	106	2,680	2,590	260	425	230	413	135	680	447	337	79	722
Europe	16,538	14	5,618	7,824	539	1,285	262	2,844	517	1,446	932	2,164	217	701
European Communities (10).....	13,741	10	4,287	7,261	495	1,212	249	2,754	426	1,247	879	1,468	(P)	(P)
Belgium.....	499	(P)	28	296	10	114	9	25	37	(P)	(P)	162	(*)	(P)
Denmark.....	337	0	(P)	30	19	1	1	(*)	7	1	1	122	(P)	(P)
France.....	1,854	0	(P)	1,241	60	122	14	798	52	68	126	369	1	(P)
Germany.....	2,953	(P)	471	2,180	77	188	111	723	145	711	225	229	4	(P)
Greece.....	44	(*)	17	4	4	(P)	(*)	(*)	(P)	(*)	5	11	1	(*)
Ireland.....	159	0	37	124	7	40	2	20	9	9	39	22	3	3
Italy.....	851	0	80	639	33	79	26	350	38	24	89	101	(*)	31
Luxembourg.....	41	0	1	40	0	(P)	0	2	(P)	0	(P)	(*)	(*)	(*)
Netherlands.....	1,238	0	530	583	84	181	16	235	14	2	52	93	2	80
United Kingdom.....	5,685	1	2,824	2,113	200	460	69	600	118	(P)	(P)	359	57	332
Other Europe	2,797	4	1,331	563	45	73	13	90	91	198	53	696	(P)	(P)
Austria.....	174	0	(P)	65	3	4	4	4	(P)	5	78	(*)	(*)	(P)
Norway.....	1,307	3	1,225	18	0	2	0	(*)	(P)	1	(P)	53	6	1
Portugal.....	79	0	5	31	4	3	2	1	(P)	7	(P)	39	0	0
Spain.....	541	0	51	296	26	52	4	6	28	(P)	(P)	181	2	12
Sweden.....	137	0	9	102	(P)	5	1	3	7	3	5	73	(P)	3
Switzerland.....	403	0	5	44	(P)	7	2	(P)	11	(*)	16	185	(P)	(P)
Turkey.....	18	(*)	(P)	2	(*)	(*)	0	0	1	0	1	9	0	0
Other.....	88	0	5	4	0	(*)	(*)	(*)	1	0	2	79	(*)	(*)
Japan	629	0	(P)	463	10	78	3	(P)	135	4	(P)	58	9	(P)
Australia, New Zealand, and South Africa	1,592	203	(P)	517	128	115	21	(P)	24	121	(P)	281	34	(P)
Australia.....	1,166	201	460	323	60	79	10	12	21	89	52	130	33	19
New Zealand.....	56	(*)	16	20	4	5	(*)	(P)	1	(P)	5	15	(*)	4
South Africa.....	370	2	(P)	174	64	31	10	14	3	(P)	(P)	136	(*)	(P)
Developing countries	10,070	130	6,114	2,330	254	417	379	286	364	339	291	691	71	734
Latin America	3,329	85	832	1,744	193	303	361	227	98	321	239	441	55	173
South America	2,580	58	685	1,418	139	249	348	220	46	242	174	322	36	63
Argentina.....	338	2	72	221	27	34	7	73	4	52	25	31	(*)	13
Brazil.....	1,279	4	78	971	65	128	(P)	143	35	173	(P)	171	27	18
Chile.....	84	41	11	12	1	2	1	0	2	(P)	(P)	15	(*)	28
Colombia.....	341	1	254	56	18	25	3	(*)	1	7	7	20	4	4
Ecuador.....	43	0	23	11	2	4	1	0	1	0	4	5	3	1
Peru.....	244	8	210	5	1	1	(*)	(*)	(*)	2	18	1	2	2
Venezuela.....	208	0	20	119	22	55	1	3	3	(P)	(P)	58	1	10
Other.....	43	1	16	22	3	1	(P)	(*)	(*)	(P)	(P)	3	(*)	(*)
Central America	489	5	16	306	47	49	13	7	47	80	63	108	6	47
Mexico.....	387	(*)	4	276	37	45	12	7	40	79	55	92	2	13
Panama.....	25	0	3	3	1	0	0	0	(*)	0	1	8	4	9
Other.....	77	4	10	28	9	3	1	0	8	(*)	7	8	(*)	26
Other Western Hemisphere	260	23	131	19	7	5	(*)	0	5	0	2	12	13	63
Bahamas.....	33	1	12	2	1	1	0	0	0	0	0	1	2	16
Bermuda.....	8	0	(*)	2	0	0	0	0	2	0	(*)	1	4	1
Netherlands Antilles.....	(P)	1	(P)	(*)	(*)	(*)	(*)	0	0	0	0	1	3	1
Trinidad and Tobago.....	73	0	65	3	1	1	0	0	(*)	0	1	4	(*)	1
Other.....	(P)	21	(P)	12	6	2	(*)	0	3	0	2	5	4	43
Other Africa	1,923	12	1,827	45	12	9	12	1	(P)	(*)	(P)	19	4	16
Saharan.....	666	2	652	6	(*)	3	1	(*)	(P)	(*)	(P)	5	0	2
Egypt.....	449	2	440	3	0	3	0	0	(P)	(*)	0	2	0	2
Libya.....	101	0	101	(*)	0	0	0	(*)	0	(*)	0	0	0	0
Other.....	116	0	111	3	(*)	1	1	0	(P)	0	(P)	2	0	(*)
Sub-Saharan	1,258	10	1,175	40	12	6	11	1	7	(*)	2	15	4	14
Liberia.....	14	(P)	(*)	1	1	0	0	0	0	0	0	2	2	(P)
Nigeria.....	261	(*)	240	7	1	5	(*)	0	(*)	0	1	8	(*)	5
Other.....	988	(P)	935	32	10	1	11	1	6	(*)	2	5	1	(P)
Middle East	763	1	590	28	4	6	0	10	(P)	0	(P)	64	7	74
Israel.....	102	0	(*)	18	3	5	0	2	(P)	0	(P)	49	6	28
OPEC.....	588	1	528	9	1	(*)	0	7	0	0	1	10	(*)	40
Other.....	74	0	62	(*)	(*)	(*)	0	(*)	0	0	0	5	(*)	6
Other Asia and Pacific	4,055	33	2,866	513	45	99	5	48	251	18	47	167	5	470
Hong Kong.....	495	0	(P)	27	1	5	4	(P)	11	0	(P)	37	3	(P)
India.....	27	0	2	25	0	8	0	3	9	0	5	(*)	0	(*)
Indonesia.....	1,948	25	1,875	16	1	3	(*)	9	0	3	8	(*)	24	(*)
Malaysia.....	493	(P)	(P)	79	(*)	2	(*)	6	61	(P)	(P)	(P)	(*)	3
Philippines.....	171	0	63	81	23	15	(*)	30	1	12	(P)	(P)	(*)	(P)
Singapore.....	224	0	67	123	2	41	1	24	48	6	1	15	3	16
South Korea.....	84	0	(P)	42	5	2	0	(P)	20	0	(P)	(P)	(*)	(*)
Taiwan.....	109	0	(*)	83	5	12	0	2	47	5	13	26	0	(*)
Thailand.....	410	(*)	(P)	27	7	4	0	0	14	(P)	(P)	(P)	(*)	2
Other.....	104	(P)	75	10	2	7	0	0	1	0	1	(*)	0	(P)
International	701		500											201
Memorandum—OPEC ²	3,155	26	2,792	163	27	67	2	11	13	(P)	(P)	89	5	81

* Less than \$500,000.

^P Suppressed to avoid disclosure of data of individual companies.

¹ Based on the BEA survey taken in December 1984.

² See footnote 5, table 1.

NOTE.—Estimates are for majority-owned nonbank foreign affiliates of nonbank U.S. parents.

Table 4.—Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies in 1984¹

[Millions of dollars]

	All industries	Mining	Petroleum	Manufacturing								Trade	Finance (except banking, insurance and real estate)	Other industries
				Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery, except electrical	Electric and electronic equipment	Transportation equipment	Other manufacturing			
All countries.....	37,512	639	16,153	14,521	1,267	2,542	1,070	3,423	1,456	2,658	2,106	3,521	337	2,340
Developed countries.....	27,225	187	10,690	11,819	1,018	2,081	768	3,057	933	2,197	1,764	2,841	280	1,407
Canada.....	7,213	72	3,168	2,753	281	412	465	358	138	505	595	403	67	750
Europe.....	17,704	3	6,967	7,931	599	1,439	282	2,412	622	1,538	1,038	2,022	169	612
European Communities (10).....	14,437	2	4,916	7,423	537	1,374	265	2,319	530	1,418	979	1,481	(^b)	(^b)
Belgium.....	506	(*)	39	338	15	100	8	29	42	75	68	112	(*)	17
Denmark.....	239	0	129	28	13	(^b)	0	(^b)	8	(*)	1	78	(*)	4
France.....	1,733	0	(^b)	1,112	71	155	19	608	50	71	138	335	(*)	(^b)
Germany.....	2,927	1	340	2,209	87	232	115	555	174	766	280	275	(^b)	(^b)
Greece.....	41	(*)	(^b)	17	5	5	(*)	(*)	(*)	(*)	(^b)	8	(^b)	(*)
Ireland.....	215	(*)	53	123	11	33	(^b)	25	18	(^b)	23	3	2	3
Italy.....	773	0	95	540	50	100	18	202	47	42	80	102	(*)	36
Luxembourg.....	44	0	1	43	0	(^b)	0	(^b)	(^b)	0	(^b)	(*)	(*)	(*)
Netherlands.....	1,461	0	592	709	85	280	27	255	17	2	44	93	3	63
United Kingdom.....	6,497	(*)	3,450	2,305	200	450	75	635	162	(^b)	(^b)	445	47	250
Other Europe.....	3,267	1	2,052	508	62	64	18	93	92	120	59	541	(^b)	(^b)
Austria.....	103	0	(^b)	45	3	6	5	2	17	(^b)	7	44	(*)	(^b)
Norway.....	1,932	1	1,865	22	0	1	0	(*)	(^b)	(^b)	(^b)	38	5	1
Portugal.....	55	0	8	25	0	1	1	2	(^b)	5	5	20	0	2
Spain.....	502	0	104	245	46	40	5	6	29	105	14	139	1	13
Sweden.....	208	0	16	111	2	12	2	80	5	3	7	77	(*)	4
Switzerland.....	368	0	8	56	(^b)	5	4	2	19	(^b)	(^b)	167	(^b)	(^b)
Turkey.....	24	(*)	(^b)	2	(*)	0	0	0	1	0	1	7	0	0
Other.....	75	0	24	3	0	(*)	1	(*)	1	0	1	48	(*)	(*)
Japan.....	747	0	72	556	11	103	(^b)	(^b)	146	4	30	108	8	3
Australia, New Zealand, and South Africa.....	1,561	112	482	579	127	128	(^b)	(^b)	26	150	101	308	36	43
Australia.....	1,208	111	412	400	72	92	7	23	21	118	67	214	36	35
New Zealand.....	75	(*)	(^b)	28	4	7	(^b)	(*)	1	(^b)	(^b)	27	(*)	(^b)
South Africa.....	278	1	(^b)	151	51	29	8	(^b)	4	(^b)	(^b)	67	(*)	(^b)
Developing countries.....	9,842	452	5,153	2,703	249	460	301	366	523	461	342	680	57	798
Latin America.....	3,944	385	795	1,961	192	347	278	289	125	440	290	433	45	325
South America.....	2,843	(^b)	630	1,484	140	258	263	267	57	260	238	291	29	(^b)
Argentina.....	268	1	52	192	34	35	(^b)	50	5	(^b)	31	19	(*)	4
Brazil.....	1,452	3	113	1,114	56	180	237	213	47	216	165	178	19	24
Chile.....	113	56	15	6	1	1	(*)	0	1	(*)	2	30	(*)	5
Colombia.....	615	(^b)	260	54	19	18	4	1	2	2	11	(^b)	2	(^b)
Ecuador.....	49	0	27	11	4	1	0	0	1	3	4	3	(^b)	(^b)
Peru.....	178	10	17	4	1	(*)	(*)	(*)	1	2	22	(*)	(*)	(*)
Venezuela.....	139	0	141	83	23	20	1	3	1	(^b)	(^b)	23	(*)	16
Other.....	30	2	4	20	3	1	(^b)	(*)	1	(^b)	(^b)	(^b)	(^b)	(*)
Central America.....	817	5	31	455	41	85	14	23	63	179	51	133	4	189
Mexico.....	550	(*)	2	417	27	80	14	23	54	179	41	110	1	19
Panama.....	98	0	11	5	3	1	0	0	0	0	1	0	3	(^b)
Other.....	169	4	18	34	11	4	1	0	9	(*)	9	(^b)	(*)	(^b)
Other Western Hemisphere.....	284	(^b)	134	22	10	4	1	0	6	0	1	8	13	(^b)
Bahamas.....	27	(*)	(^b)	2	1	1	0	0	0	0	(^b)	(^b)	2	(^b)
Bermuda.....	12	(*)	1	3	0	0	0	0	3	0	(*)	(*)	5	3
Netherlands Antilles.....	19	(^b)	(^b)	(*)	(*)	(*)	(*)	0	0	0	0	1	1	1
Trinidad and Tobago.....	98	0	(^b)	3	1	1	0	0	0	0	(^b)	(^b)	(^b)	(^b)
Other.....	127	23	22	14	8	2	1	0	3	0	1	3	5	60
Other Africa.....	1,645	19	1,549	45	14	19	12	1	3	(*)	5	19	3	11
Saharan.....	758	(^b)	738	8	(*)	5	1	(*)	(*)	(*)	2	5	0	(^b)
Egypt.....	510	0	495	5	0	5	0	0	(*)	(*)	(*)	3	0	(^b)
Libya.....	151	0	150	(*)	0	0	0	(*)	0	0	0	0	0	0
Other.....	98	0	98	3	(*)	(*)	1	0	(*)	0	2	2	0	(*)
Sub-Saharan.....	887	(^b)	811	36	14	5	11	1	3	(*)	3	13	3	(^b)
Liberia.....	9	1	(*)	1	0	0	0	0	0	0	0	2	2	4
Nigeria.....	234	(*)	223	4	1	2	0	0	(*)	0	1	6	(*)	(*)
Other.....	644	(*)	588	31	12	3	11	1	3	(*)	2	6	1	(^b)
Middle East.....	685	(*)	572	27	4	6	0	7	9	0	1	41	4	41
Israel.....	71	0	(*)	19	2	6	0	2	9	0	(*)	28	3	20
OPEC.....	493	(*)	462	8	2	(*)	0	5	0	0	1	7	(*)	15
Other.....	122	0	110	(*)	(*)	(*)	0	(*)	0	0	0	5	(*)	6
Other Asia and Pacific.....	3,568	48	2,238	671	40	97	11	68	386	21	47	187	5	420
Hong Kong.....	469	0	(^b)	39	2	3	2	15	15	0	2	51	2	(^b)
India.....	33	0	2	32	0	9	0	5	9	0	9	(*)	0	0
Indonesia.....	1,380	21	1,300	23	1	3	(^b)	2	2	0	(^b)	10	(*)	25
Malaysia.....	470	(^b)	(^b)	144	1	5	(*)	7	122	5	5	(^b)	(*)	3
Philippines.....	139	0	24	98	18	29	(*)	(*)	40	(*)	11	(^b)	(*)	(^b)
Singapore.....	200	0	38	123	3	15	(^b)	24	72	(^b)	1	17	3	19
South Korea.....	91	0	2	53	5	2	0	14	28	0	4	(^b)	(*)	(^b)
Taiwan.....	137	0	1	97	4	5	0	2	73	(^b)	(^b)	38	0	2
Thailand.....	413	(*)	349	52	3	21	0	0	25	(*)	3	11	(*)	1
Other.....	236	(^b)	199	9	2	5	0	0	0	0	1	(*)	0	(^b)
International.....	445		310											135
Memorandum—OPEC ²	2,451	22	2,186	128	30	28	(^b)	11	4	(^b)	34	51	(^b)	(^b)

*Less than \$500,000.

^bSuppressed to avoid disclosure of data of individual companies.

1. Based on the BEA survey taken in December 1984.

2. See footnote 5, table 1.

NOTE.—Estimates are for majority-owned nonbank foreign affiliates of nonbank U.S. parents.

Table 5.—Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies in 1985¹

[Millions of dollars]

	All industries	Mining	Petroleum	Manufacturing								Trade	Finance (except banking, insurance and real estate)	Other industries
				Total	Food and kindred products	Chemicals and allied products	Primary and fabricated metals	Machinery, except electrical	Electric and electronic equipment	Transportation equipment	Other manufacturing			
All countries	42,537	847	17,316	17,730	1,538	2,953	1,033	4,077	1,719	3,912	2,498	3,933	376	2,335
Developed countries	30,525	436	10,935	14,268	1,194	2,420	715	3,653	1,078	3,106	2,102	3,151	320	1,415
Canada	8,387	(P)	3,367	3,600	293	560	366	540	172	934	735	480	65	(P)
Europe	19,027	5	6,890	9,129	736	1,597	314	2,672	713	1,943	1,153	2,210	225	569
European Communities (10).....	15,946	4	5,189	8,527	654	1,515	287	2,557	619	1,801	1,094	1,649	(P)	(P)
Belgium.....	529	2	(P)	360	21	126	13	23	45	74	59	97	(*)	(P)
Denmark.....	241	0	129	25	12	3	1	(*)	7	1	2	82	(*)	5
France.....	1,986	0	(P)	1,245	79	173	23	693	63	64	150	364	(*)	(P)
Germany.....	3,498	1	321	2,748	83	345	115	642	194	1,043	325	325	(P)	(P)
Greece.....	37	(*)	8	20	5	(P)	(*)	(*)	3	(*)	(P)	7	(*)	(P)
Ireland.....	279	(*)	36	151	16	33	(P)	35	(P)	(P)	37	87	(*)	4
Italy.....	872	0	129	603	52	129	16	223	61	37	84	104	(*)	37
Luxembourg.....	45	0	1	44	0	(P)	0	6	(P)	0	(P)	(*)	(*)	(*)
Netherlands.....	1,744	0	847	753	105	289	27	260	19	2	51	98	(*)	37
United Kingdom.....	6,716	1	3,403	2,578	280	396	(P)	675	200	(P)	367	487	37	210
Other Europe.....	3,081	1	1,701	602	82	82	27	115	94	142	59	561	(P)	(P)
Austria.....	112	0	(P)	47	(P)	3	5	3	10	(P)	10	53	(*)	(P)
Norway.....	1,572	1	1,480	25	0	2	0	(*)	(P)	(*)	(P)	60	4	2
Portugal.....	51	0	8	24	3	1	1	3	9	4	2	17	0	2
Spain.....	570	0	139	305	61	55	11	6	33	124	15	111	(*)	15
Sweden.....	235	0	15	136	3	12	2	99	7	5	9	78	(*)	6
Switzerland.....	441	0	12	58	(P)	7	7	3	19	(P)	14	186	(P)	(P)
Turkey.....	15	(*)	(P)	3	(*)	1	0	0	2	0	(*)	2	0	(P)
Other.....	86	0	28	3	0	(*)	(*)	(*)	(P)	0	(P)	54	(*)	(*)
Japan	1,001	0	79	795	14	110	(P)	407	160	(P)	88	118	7	3
Australia, New Zealand, and South Africa	2,109	(P)	600	745	152	153	(P)	34	32	(P)	125	343	23	(P)
Australia.....	1,726	(P)	526	551	102	102	17	22	27	184	84	234	23	(P)
New Zealand.....	79	(*)	(P)	33	3	7	(P)	(P)	1	(P)	10	26	(*)	(P)
South Africa.....	304	1	(P)	160	42	44	10	11	4	29	31	82	(*)	(P)
Developing countries	11,467	411	5,991	3,462	343	533	319	424	641	806	397	782	55	765
Latin America	4,831	360	1,078	2,535	263	402	285	344	137	767	337	527	44	288
South America	3,361	(P)	845	1,733	181	296	261	319	77	336	262	359	25	(P)
Argentina.....	419	2	96	291	50	76	9	79	8	30	38	23	(*)	7
Brazil.....	1,601	3	114	1,219	75	166	228	236	60	279	175	215	15	34
Chile.....	94	34	13	10	3	2	2	0	1	(*)	2	35	(*)	3
Colombia.....	828	(P)	471	52	16	20	(P)	0	2	(P)	9	(P)	3	(P)
Ecuador.....	47	0	22	12	2	5	1	0	2	0	2	8	(P)	(P)
Peru.....	164	13	118	5	2	1	(*)	(*)	1	0	2	25	(*)	1
Venezuela.....	181	0	8	122	31	25	1	5	3	(P)	(P)	33	(*)	16
Other.....	26	1	2	21	2	1	(P)	(*)	(*)	(P)	(P)	(P)	(P)	(*)
Central America	1,108	7	23	778	71	101	23	25	54	430	73	162	5	133
Mexico.....	890	(*)	2	729	51	95	23	25	47	430	59	140	(*)	18
Panama.....	28	0	6	3	1	1	0	0	(*)	0	1	6	4	9
Other.....	190	7	15	45	20	4	(*)	0	8	(*)	13	16	1	107
Other Western Hemisphere	363	(P)	211	24	10	6	1	0	6	0	2	6	13	(P)
Bahamas.....	20	1	3	2	1	1	0	0	0	0	(*)	1	2	11
Bermuda.....	10	0	0	0	0	0	0	0	4	0	(*)	(*)	1	1
Netherlands Antilles.....	20	1	15	(*)	(*)	(*)	(*)	0	0	0	0	1	1	1
Trinidad and Tobago.....	(P)	0	(P)	4	1	2	0	0	(*)	0	1	2	(*)	(P)
Other.....	(P)	(P)	(P)	14	8	2	1	0	2	0	1	2	8	73
Other Africa	1,939	24	1,825	54	(P)	14	11	1	(P)	(*)	7	22	4	10
Saharan.....	927	(P)	898	13	(*)	8	1	1	1	(*)	2	11	0	(P)
Egypt.....	704	0	680	0	0	0	0	0	0	(*)	0	9	0	(P)
Libya.....	172	0	171	(*)	0	0	0	0	0	(*)	0	0	0	0
Other.....	52	0	47	3	(*)	(*)	1	0	(*)	0	0	1	0	0
Sub-Saharan.....	1,012	(P)	927	42	(P)	6	11	1	(P)	(*)	0	11	4	(P)
Liberia.....	10	1	(*)	1	1	0	0	0	0	0	0	2	2	4
Nigeria.....	237	(*)	222	8	3	0	0	0	(P)	0	2	6	(*)	(*)
Other.....	764	(P)	704	33	13	2	11	1	3	(*)	2	4	2	(P)
Middle East	644	1	527	31	(P)	8	0	8	(P)	0	(*)	38	3	44
Israel.....	72	0	(*)	24	(P)	8	0	1	(P)	0	(*)	24	3	20
OPEC.....	395	1	363	7	(*)	(*)	0	6	0	0	(*)	9	(*)	17
Other.....	176	0	165	(*)	(*)	(*)	0	0	0	0	0	5	(*)	6
Other Asia and Pacific	4,053	27	2,561	842	62	108	23	71	486	39	52	196	4	423
Hong Kong.....	494	0	(P)	52	3	5	3	14	23	0	4	60	2	(P)
India.....	37	0	(*)	36	0	13	0	8	9	0	6	(*)	0	(*)
Indonesia.....	1,768	24	1,675	30	3	6	(P)	1	2	0	(P)	10	(*)	28
Malaysia.....	496	1	(P)	188	1	7	(*)	5	165	5	5	(P)	(*)	3
Philippines.....	156	0	23	110	24	29	(*)	(*)	48	(*)	9	(P)	(*)	(P)
Singapore.....	206	0	26	141	5	17	(P)	30	80	(P)	1	25	3	12
South Korea.....	122	0	(P)	65	16	(P)	0	12	26	0	(P)	(P)	(*)	3
Taiwan.....	189	0	(*)	154	7	6	0	2	105	(P)	(P)	35	0	(*)
Thailand.....	318	(*)	(P)	49	3	17	0	0	27	(*)	2	(P)	(*)	1
Other.....	269	2	245	18	2	(P)	0	0	(*)	0	(P)	(*)	0	4
International	545		390											155
Memorandum—OPEC ²	2,805	25	2,466	179	(P)	39	(P)	12	(P)	(P)	41	65	(P)	(P)

¹Less than \$500,000.

²Suppressed to avoid disclosure of data of individual companies.

1. Based on the BEA survey taken in December 1984.

2. See footnote 5, table 1.

NOTE.—Estimates are for majority-owned nonbank foreign affiliates of nonbank U.S. parents.

decline in 1984. Much of the increase is in Indonesia, largely for crude oil extraction and for development of alternative energy sources, such as coal and geothermal energy.

Affiliates in "international" plan a 26-percent increase in spending in 1985, following a 38-percent decline in 1984. In both years, the changes are concentrated in spending on mobile offshore drilling rigs.

Manufacturing

Manufacturing affiliates plan to increase spending 22 percent, to \$17.7 billion, in 1985, following a 6-percent increase. In 1985, the largest increase is in transportation equipment, although affiliates in every industry within manufacturing, except primary and fabricated metals, also plan increases.

In developed countries, a 21-percent increase, to \$14.3 billion, is planned, after a 4-percent increase. Canadian affiliates plan a 31-percent increase,

to \$3.6 billion, after a 6-percent increase. About one-half of the 1985 increase is in transportation equipment, mostly for production of a new automobile model; increases are also expected in most other manufacturing industries.

In Europe, German affiliates plan a 24-percent increase, to \$2.7 billion, after a 1-percent increase. The 1985 increase is centered in transportation equipment, for production of a new automobile model, and in chemicals, for plant modernization.

In developing countries, affiliates plan a 28-percent increase, to \$3.5 billion, after a 16-percent increase in 1984. In each year, the largest increase is in Mexico. Spending by Mexican affiliates had fallen sharply in 1982 and 1983 because of adverse economic conditions, including exchange controls and devaluation of the peso. If the increases now planned for 1984 and 1985 are realized, spending in 1985 will still be below the 1981 level.

Other industries

Affiliates in all other industries combined plan to increase spending 10 percent, to \$7.5 billion, after almost no change in 1984. Affiliates in trade account for much of the increase; their expenditures are to increase 12 percent, to \$3.9 billion, after no change. The increase is spread across many areas, and reflects expectations that the economic recovery will continue.

Mining affiliates plan a 33-percent spending increase, to \$0.8 billion, from a relatively low base. The increase is centered in Australia, where a bauxite-mining affiliate is planning to resume smelter construction. In finance (except banking), insurance, and real estate, affiliates plan to increase spending 12 percent, to \$0.4 billion, after an 18-percent reduction. Affiliates in "other industries"—agriculture, construction, public utilities, and other services—plan small reductions in spending in both years.

U.S. International Transactions, Fourth Quarter and Year 1984

Fourth Quarter 1984

THE U.S. current-account deficit decreased to \$23.7 billion in the fourth quarter from \$33.6 billion in the third. The decrease was accounted for by a narrowing of the merchandise trade deficit to \$22.9 billion from \$32.9 billion. An increase in the services surplus to \$3.2 billion from \$2.2 billion was offset by an increase in unilateral transfers to \$4.0 billion from \$2.9 billion.

Merchandise imports decreased \$9.4 billion, or 11 percent, to \$79.1 billion. Volume decreased 12 percent; prices increased 1 percent. Most of the decrease—\$9.0 billion, all in volume—was in nonpetroleum imports. Imports of all major commodity categories decreased from very high third-quarter levels. (Despite these decreases, import levels for all major categories were substantially higher in the second half of the year than in the first half.) The largest fourth-

quarter decreases were in capital goods, down \$3.0 billion, partly reflecting a decrease in office and business machines and equipment (including computers); in nonfuel industrial supplies, particularly iron and steel products and metals, down \$2.0 billion; in consumer goods, down \$1.8 billion; and in automotive products, down \$1.4 billion. Petroleum imports decreased \$0.4 billion, or 2 percent, to \$14.1 billion. The average number of barrels imported daily decreased to 5.59 million from 5.66 million. The average price per barrel decreased to \$27.59 from \$27.91. Price declines accelerated after October 15, when Norway reduced the prices of its crude oils.

Merchandise exports increased \$0.6 billion, or 1 percent, to \$56.3 billion; volume increased 2 percent. Agricultural exports increased \$0.6 billion, or 7 percent, to \$9.7 billion; volume increased 13 percent. The volume of U.S. grain shipments to the U.S.S.R. doubled in the fourth quarter. The increase in the value of exports oc-

curred despite of a large drop in their prices, which was a consequence of record harvests in many parts of the world. Average prices of corn and soybeans decreased about 15 percent each. Average prices of wheat increased 1 percent. Nonagricultural exports were unchanged at \$46.6 billion; volume was also unchanged. Substantial decreases in industrial supplies and automotive products were partly offset by a \$0.3 billion increase in capital goods, largely electronic computers and parts, civilian aircraft and parts, and construction machinery.

Net service receipts increased to \$3.2 billion from \$2.2 billion. Among major components, receipts of income on U.S. direct investment abroad were \$6.0 billion compared with \$4.6 billion; capital losses (largely exchange-rate related) continued to limit the rise in income. Decreases in receipts and payments of other private income were offsetting. U.S. Government interest payments rose to \$5.3 billion from \$5.1 billion. Net travel and passenger fare payments

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 ()	1983	1984 ^P	Change: 1983-84	1983				1984				Change: 1984 III-IV
					I	II	III	IV	I ^r	II ^r	III ^r	IV ^P	
1	Exports of goods and services (1).....	332,201	362,353	30,152	81,111	81,355	84,826	84,910	90,653	88,863	91,054	91,783	729
2	Merchandise, excluding military (2).....	200,257	220,343	20,086	49,246	48,745	50,437	51,829	53,920	54,548	55,616	56,259	643
3	Other goods and services (3-13).....	131,944	142,010	10,066	31,865	32,610	34,389	33,081	36,733	34,315	35,438	35,524	86
4	Imports of goods and services (15).....	-365,113	-452,802	-87,688	-82,481	-89,067	-94,529	-99,037	-108,175	-111,410	-121,791	-111,428	10,363
5	Merchandise, excluding military (16).....	-261,312	-327,778	-66,466	-58,523	-63,615	-67,938	-71,236	-79,733	-80,350	-88,557	-79,138	9,419
6	Other goods and services (17-27).....	-103,801	-125,024	-21,222	-23,958	-25,452	-26,591	-27,801	-28,442	-31,060	-33,234	-32,290	944
7	U.S. Government grants (excluding military grants of goods and services) (30).....	-6,060	-8,253	-2,193	-974	-1,210	-1,478	-2,398	-1,430	-1,431	-2,169	-3,223	-1,054
8	Remittances, pensions, and other transfers (31, 32).....	-2,590	-2,946	-356	-599	-638	-665	-688	-717	-726	-693	-811	-118
9	U.S. assets abroad, net (increase/capital outflow (-)) (33).....	-49,490	-21,166	28,324	-24,364	-1,060	-9,223	-14,843	-1,952	-19,000	17,006	-17,219	-34,225
10	U.S. official reserve assets, net (34).....	-1,196	-3,131	-1,935	-787	16	529	-953	-657	-566	-799	-1,110	-311
11	U.S. Government assets, other than official reserve assets, net (39).....	-5,013	-5,460	-447	-1,130	-1,251	-1,204	-1,429	-2,037	-1,235	-1,440	-748	692
12	U.S. private assets, net (43).....	-43,281	-12,575	30,706	-22,447	175	-8,548	-12,461	742	-17,200	19,245	-15,362	-34,607
13	Foreign assets in the United States, net (increase/capital inflow (+)) (48).....	81,722	92,798	11,077	15,888	12,452	19,578	33,804	15,660	40,405	2,832	33,902	31,070
14	Foreign official assets, net (49).....	5,339	2,998	-2,341	-252	1,739	-2,703	6,555	-2,784	-345	-830	6,956	7,786
15	Other foreign assets, net (56).....	76,383	89,801	13,418	16,139	10,714	22,281	27,249	18,444	40,750	3,662	26,945	23,284
16	Allocations of special drawing rights (62).....												
17	Statistical discrepancy (63).....	9,331	30,015	20,684	11,420	-1,833	1,491	-1,748	5,961	3,299	13,761	6,997	-6,764

^r Revised.

^P Preliminary.

Table B.—Selected Transactions With Official Agencies

[Millions of dollars]

Line		1983	1984 ^p	Change: 1983-84	1983				1984				Change: 1984 III- IV
					I	II	III	IV	I	II	III ^r	IV ^p	
1	Changes in foreign official assets in the U.S., net (decrease -) (line 49, table 1).	5,339	2,998	-2,341	-252	1,739	-2,703	6,555	-2,784	-345	-830	6,956	7,786
2	Industrial countries ¹	10,172	181	-9,991	139	3,550	461	6,022	-850	938	-2,616	2,709	5,325
3	Members of OPEC ²	-8,639	-4,198	4,441	-1,466	-3,482	-2,051	-1,640	-2,447	-2,170	-494	913	1,407
4	Other countries	3,806	7,015	3,209	1,075	1,671	-1,113	2,173	513	887	2,280	3,334	1,054
5	Changes in U.S. official reserve assets (increase -) (line 34, table 1).	-1,196	-3,131	-1,935	-787	16	529	-953	-657	-566	-799	-1,110	-311
	Activity under U.S. official reciprocal currency arrangements with foreign monetary authorities: ³												
6	Foreign drawings, or repayments (-), net	-2,083	490	2,573	-1,168	-160	-765	10	-10			500	500
6a	Drawings	600	545	-55	590			10				545	545
6b	Repayments	-2,683	-55	2,628	-1,758	-160	-765		-10			-45	-45

^r Revised.^p Preliminary.¹ Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.² Based on data for Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries.³ Consists of transactions of the Federal Reserve System and the U.S. Treasury Department's Exchange Stabilization Fund.

were virtually unchanged. The deficit on military transactions increased to \$0.5 billion from \$0.3 billion.

Net unilateral transfers were \$4.0 billion. The \$1.1 billion increase occurred as Israel was paid the full amount of grant funds from fiscal year 1985 economic support appropriations.

U.S. assets abroad increased \$17.2 billion, in contrast to a \$17.0 billion decrease in the third quarter. U.S. official reserve assets increased \$1.1 billion compared with \$0.8 billion. Much of the \$0.8 billion increase in foreign currency holdings was special credit extended to Argentina until proceeds of an International Monetary Fund (IMF) loan became available. A small amount of credit was provided to the Central Bank of the Philippines and was repaid before the quarter's end. Limited intervention purchases of German marks occurred in October.

Claims on foreigners reported by U.S. banks increased \$5.6 billion compared with a decrease of \$16.9 billion.

The low level of outflows reflected the continuation of trends that have been evident over the past 2½ years—reduced external financing requirements in industrial and in some developing countries, more cautious borrowing policies in some developing countries, and a reluctance by U.S. banks to increase their exposure in a number of debtor countries. An increase in claims on public borrowers—mainly in October, as part of IMF-sponsored adjustment programs—accounted for most of the capital outflows. Volatile monthly interbank transactions resulted in substantial yearend outflows to own foreign offices that more than offset large reductions in claims on these offices in October.

Net U.S. purchases of foreign securities were \$3.3 billion compared with \$1.3 billion. Bonds newly issued in the United States increased to \$1.5 billion from \$0.9 billion, but remained at a low level because interest rates abroad remained considerably lower

than in the United States. U.S. residents were net sellers of outstanding bonds in almost all countries, except the United Kingdom, where they purchased \$2.5 billion following \$1.2 billion in third-quarter purchases. U.S. residents were net purchasers of \$0.7 billion of foreign stocks in the fourth quarter—the same amount as in the third quarter—as markets in many foreign countries continued to rise.

Net capital outflows for U.S. direct investment abroad were \$6.5 billion compared with inflows of \$1.9 billion, as the issue of bonds through finance affiliates in the Netherlands Antilles ceased and outstanding debt to these affiliates continued to be repaid. Removal of U.S. withholding taxes on interest payments to foreigners made it possible for U.S. companies to issue Eurobonds directly at the same cost as through these finance affiliates; consequently, U.S. corporations' borrowings shifted to Europe and to the portfolio capital accounts (net foreign purchases of U.S. securities) from the

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

(1977=100)

	1983					1984												
	IV	I	II	III	IV	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Trade-weighted average against 22 OECD currencies ¹	133.8	137.2	142.6	150.1	155.9	135.8	139.4	135.8	136.4	139.9	142.2	145.7	149.1	148.3	153.0	153.6	155.9	158.3
Trade-weighted average against 10 currencies ²	125.8	127.2	128.3	137.0	142.3	128.4	130.5	127.3	123.8	125.7	129.5	129.8	134.6	135.5	140.8	142.6	140.1	144.2
Selected currencies: ³																		
Canada	116.6	118.2	121.7	123.8	124.2	117.4	117.6	117.5	119.6	120.5	121.9	122.8	124.7	122.8	123.8	124.2	124.0	124.3
United Kingdom	118.7	121.5	124.9	134.5	143.5	121.6	123.8	120.8	119.7	122.7	125.5	126.6	132.1	132.7	138.7	142.9	140.7	147.0
European Monetary System currencies:																		
Belgium	151.8	153.9	154.1	164.5	171.8	156.0	159.8	154.1	148.1	150.7	155.9	155.6	160.8	162.4	170.4	172.9	168.5	173.9
France	166.0	168.6	169.5	182.3	190.6	170.4	174.8	168.9	162.7	165.6	171.7	171.2	177.7	180.1	189.1	191.3	187.1	193.3
Germany	115.2	116.1	116.6	125.7	131.5	118.3	120.9	116.1	111.7	113.9	118.2	117.9	122.6	124.2	130.4	132.0	129.0	133.6
Italy	183.5	187.6	189.3	203.1	213.3	188.4	192.9	188.1	182.3	185.0	191.6	191.2	197.6	200.8	210.9	214.1	210.1	215.7
Netherlands	122.3	123.9	124.4	134.2	140.4	125.6	128.7	124.0	119.4	121.6	125.9	125.7	130.9	132.5	139.2	140.9	137.7	142.6
Switzerland	89.9	91.5	93.5	101.7	104.8	91.5	93.2	91.8	89.5	91.2	94.4	95.0	100.4	100.5	104.3	105.1	102.8	106.6
Japan	87.2	86.0	85.5	90.7	91.6	87.2	87.0	87.0	84.0	83.8	85.8	87.0	90.5	90.2	91.4	91.8	90.7	92.3

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

² Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Sweden, Switzerland, United Kingdom. Data: Federal Reserve Board. Monthly average rates. Index rebased by BEA.

³ Data: Federal Reserve Board. Monthly average rates. Indexes rebased by BEA.

direct investment intercompany accounts, where Netherlands Antilles borrowings were included.

Foreign assets in the United States increased \$33.9 billion compared with a \$2.8 billion increase. Foreign official assets in the United States increased \$7.0 billion compared with a \$0.8 billion decrease (table B). In the third quarter, substantial dollar outflows to industrial countries occurred as the dollar appreciated. These outflows were reversed during the fourth quarter, when the dollar temporarily depreciated; assets of industrial countries increased \$2.7 billion. Assets of OPEC members increased \$0.9 billion, as continued outflows to Middle East and Asian members were more than offset by inflows from Latin American members. Assets of other countries increased \$3.3 billion, largely from several newly industrialized countries in the Far East.

Liabilities to private foreigners and international financial institutions reported by U.S. banks, excluding U.S. Treasury securities, increased \$3.4 billion compared with a \$5.4 billion decrease. Large inflows from own foreign offices and unaffiliated banks in November and December more than offset outflows in October, resulting in only a small net inflow of funds for the quarter. Low demand for funds by U.S. banks and rapidly declining U.S. interest rates were major contributing factors. Some capital inflows shifted to purchases of U.S. Treasury securities, which were \$9.5 billion compared with \$5.1 billion; Treasury bonds, at 11.75 percent, were nearly 3 percentage points above yields on bills and nearly 2.5 percentage points above rates on 90-day bank certificates of deposit (CD's). Also, new Treasury issues were marketed solely to foreigners. The World Bank purchased large amounts of U.S. bonds.

Net foreign purchases of U.S. securities other than U.S. Treasury securities were \$9.3 billion compared with \$1.6 billion. Most purchases were attributable to \$8.6 billion in Eurobonds newly issued abroad by U.S. corporations. Removal of U.S. withholding taxes on interest paid to foreigners on investments in the United States and clarification of registration and certification requirements on new issues abroad in the third quarter paved the way for the surge in new issues. Borrowing in the Eurobond market was significantly cheaper than in the U.S.

market, as Eurobond rates declined sharply. Foreigners were net sellers of U.S. stocks in the fourth quarter, \$0.8 billion compared with \$1.0 billion, as the U.S. stock market continued lackluster. Purchases of outstanding bonds by foreigners were \$1.5 billion compared with \$0.7 billion. High yields and dollar appreciation made these holdings attractive compared with bonds in most foreign markets.

Net inflows on foreign direct investment in the United States were \$4.7 billion compared with \$5.3 billion. Equity inflows dropped to \$1.6 billion from \$2.5 billion, and intercompany account debt inflows increased to \$1.6 billion from \$1.4 billion.

The dollar's appreciation was temporarily interrupted from early October to mid-November, when it declined 2 percent against European Monetary System (EMS) currencies and sterling, partly reflecting heavy intervention in exchange markets by foreign monetary authorities (table C). However, the decline was more than reversed by yearend, and the dollar rose 2.4 percent from the end

of September to the end of December against the trade-weighted average of 10 major currencies (chart 3, table C). (The dollar rose further to new highs in the first 2 months of 1985.)

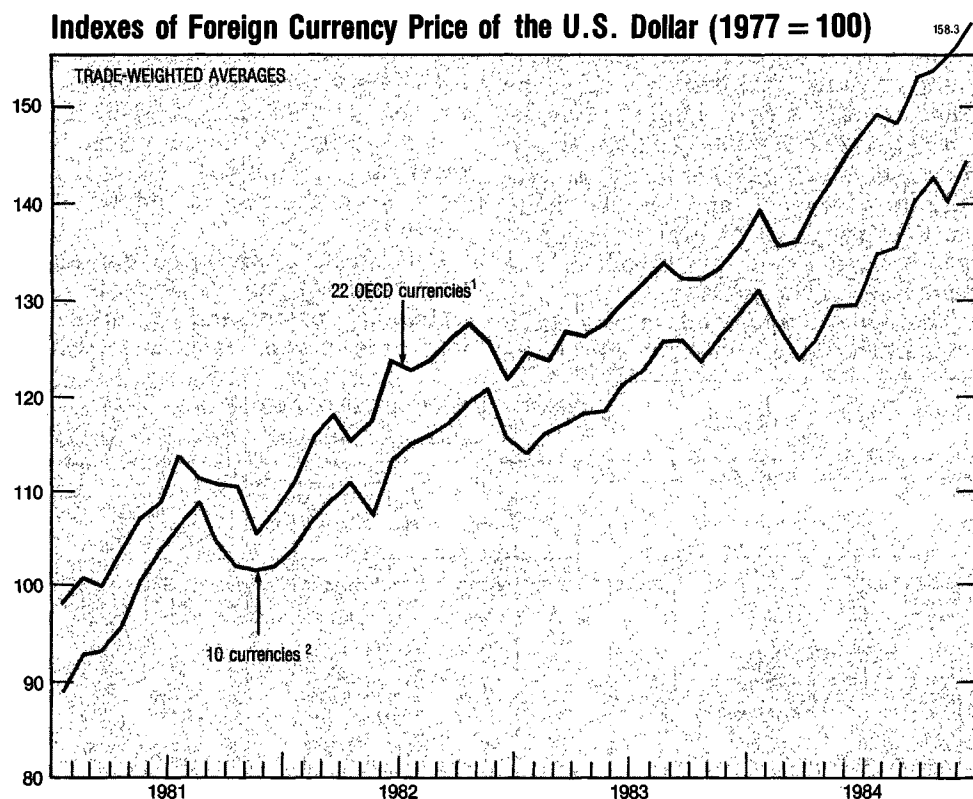
The Year 1984

U.S. dollar in exchange markets

From December 1983 to December 1984, the dollar appreciated 12 percent on a trade-weighted average basis against 10 major currencies. Relatively high U.S. interest rates for most of the year, the strength of the U.S. expansion and success in maintaining low inflation, and U.S. economic and political stability all contributed to the appreciation. Economic and political uncertainties abroad also played a part.

The dollar's appreciation was temporarily interrupted by an 8-percent decline against most EMS currencies and sterling from mid-January through mid-March, when concern arose about the strength of the U.S. economic expansion and about the

CHART 3



1. Australia, Austria, Belgium-Luxembourg, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, and United Kingdom.
 Data: U.S. Department of the Treasury. End-of-month rates, index rebased by BEA.
 2. Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Sweden, Switzerland, and United Kingdom.
 Data: Federal Reserve Board. Monthly average rates, index rebased by BEA.
 U.S. Department of Commerce, Bureau of Economic Analysis.

Table D.—Selected Balances on U.S. International Transactions

[Billions of dollars; seasonally adjusted]

	1982	1983	1984 ^P	1984			
				I ^r	II ^r	III ^r	IV ^P
Merchandise trade balance.....	-36.5	-61.1	-107.4	-25.8	-25.8	-32.9	-22.9
Investment income, net.....	27.7	29.5	18.1	7.8	3.4	2.8	4.0
Direct, net.....	18.1	14.0	12.4	5.9	1.9	1.6	3.0
Other private, net.....	23.6	22.3	20.4	5.4	4.9	5.0	5.0
U.S. Government, net.....	-14.0	-12.8	-14.7	-3.5	-3.4	-3.8	-4.0
Other services, net.....	7.5	4.6	-1.1	.5	-.2	-.7	-.8
Unilateral transfers, net.....	-8.1	-8.7	-11.2	-2.1	-2.2	-2.9	-4.0
Current account balance.....	-9.2	-41.6	-101.6	-19.7	-24.7	-33.6	-23.7

^r Revised.^P Preliminary.

future course of nominal and real interest rates. Simultaneously, the investment climate abroad appeared to improve as industrial activity strengthened, especially in Germany. Capital flowed out of dollars, mainly into marks, both from other EMS countries and the United States.

When the U.S. expansion continued and was accompanied by large private and public demands on the credit markets, U.S. interest rates rose strongly while foreign interest remained virtually unchanged. By the end of June, the interest differential in favor of dollar-denominated assets was the largest since 1982. Capital inflows helped finance U.S. banks' domestic loan expansion, large-scale mergers and acquisitions, and the trade and Federal budget deficits. Foreign investors also participated in the brief stock market rally in late July and August and in the bond market rally that began about a month earlier and continued for the remainder of the year.

The dollar's appreciation was again temporarily interrupted when it de-

clined 2 percent against most EMS currencies and sterling from early October to mid-November. There was substantial intervention in exchange markets by German and, to lesser extent, other foreign monetary authorities, from mid-September through early October, combined with limited U.S. intervention. Despite further declines in U.S. interest rates that virtually eliminated the favorable differential against a weighted average of key foreign rates, the dollar's decline was reversed, and by yearend, it reached all-time highs against most European currencies.

The dollar appreciated 21 percent against the British pound in 1984. In the first half of the year, large interest differentials favored capital flows to the United States. During the second half, petroleum prices weakened rapidly, and the long coal strike held down the rise in industrial production.

The dollar appreciated less against the Japanese yen—6 percent—as anticipated output and inflation performance in Japan was better than in

many other countries. Relatively high interest rates on U.S. short- and long-term investments and the U.S. Treasury's foreign-targeted issues attracted a large part of record capital outflows from Japan. In addition, large-scale diversification of asset holdings by Japanese insurance companies and other institutions followed recent easing of restrictions on capital outflows and deregulations of capital markets.

The dollar appreciated 6 percent against the Canadian dollar. Increases in Canadian interest rates in line with U.S. rates failed to stop the especially rapid decline of the Canadian dollar from March through mid-July. Canadian monetary authorities borrowed heavily from Canadian and U.S. banks, from other foreign banks, and in the Eurobond market to prevent further decreases in Canada's international reserves. The Canadian dollar stabilized from August through December, and, with the pickup in capital inflows toward yearend, the Canadian authorities repaid borrowings from banks on its standby credit facilities. Also at yearend, the new Canadian Government was considering removal of some restrictions on inflows of foreign capital to finance direct investment.

Merchandise trade

The U.S. merchandise trade deficit increased to \$107.4 billion in 1984 from \$61.1 billion in 1983 (tables D, E). Imports increased \$66.5 billion, or 25 percent, to \$327.8 billion; volume increased 26 percent. Nonpetroleum imports accounted for most of the in-

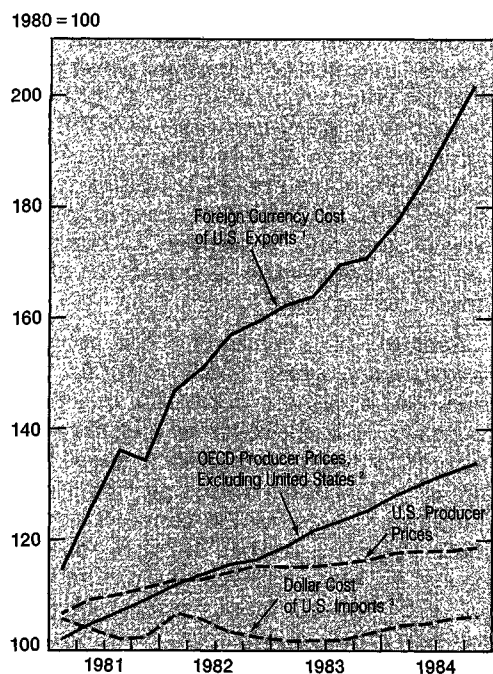
Table E.—U.S. Merchandise Trade, Current and Constant (1972) Dollars

[Balance of payments basis, seasonally adjusted, millions of dollars]

	Current dollars								Constant (1972) dollars							
	1982	1983	1984 ^P	1984 ^P				1982	1983	1984 ^P	1984					
				I ^r	II ^r	III ^r	IV ^P				I ^r	II ^r	III ^r	IV ^P		
Exports	211,198	200,257	220,343	53,920	54,548	55,615	56,258	76,972	72,520	78,560	19,201	19,163	19,851	20,318		
Agricultural.....	37,230	36,638	38,415	10,341	9,312	9,074	9,687	17,165	16,262	16,312	4,275	3,790	3,861	4,369		
Nonagricultural.....	173,968	163,619	181,928	43,579	45,236	46,541	46,571	59,807	56,258	62,248	14,926	15,373	15,990	15,949		
Foods, feeds, and beverages.....	31,620	31,134	31,662	8,655	7,666	7,421	7,920	14,620	13,837	13,577	3,584	3,146	3,222	3,643		
Industrial supplies and materials.....	63,620	58,023	63,297	15,059	15,530	16,631	16,078	21,728	20,182	21,370	5,112	5,159	5,619	5,487		
Capital goods, except automotive.....	73,675	68,279	73,254	17,898	18,167	18,462	18,727	26,597	24,059	25,821	6,273	6,431	6,528	6,587		
Automotive vehicles, parts, and engines.....	17,393	18,327	22,326	5,616	5,264	5,890	5,555	5,612	5,749	6,676	1,726	1,592	1,753	1,607		
Consumer goods (nonfood), except automotive.....	14,723	13,934	13,830	3,483	3,400	3,510	3,436	7,164	6,820	6,763	1,711	1,667	1,716	1,669		
Imports	247,667	261,312	327,778	79,733	80,350	88,557	79,138	76,461	86,427	108,504	26,675	26,300	29,476	26,053		
Petroleum and products.....	61,270	53,804	57,310	13,851	14,902	14,461	14,096	5,045	4,891	5,311	1,277	1,367	1,345	1,322		
Nonpetroleum products.....	186,397	207,508	270,468	65,882	65,448	74,096	65,042	71,416	81,536	103,193	25,398	24,933	28,131	24,731		
Foods, feeds, and beverages.....	17,108	18,186	21,029	5,202	5,039	5,703	5,084	7,137	7,638	8,615	2,152	2,033	2,301	2,123		
Industrial supplies and materials.....	111,311	107,392	123,522	30,250	31,249	32,144	29,880	20,462	21,346	24,929	6,067	6,226	6,512	6,119		
Capital goods, except automotive.....	38,338	41,013	60,247	14,362	14,135	17,391	14,359	19,471	21,586	29,914	7,110	7,018	8,687	7,098		
Automotive vehicles, parts, and engines.....	34,083	42,028	55,107	13,283	13,751	14,759	13,314	10,928	12,802	15,620	3,848	3,898	4,124	3,741		
Consumer goods (nonfood), except automotive.....	39,660	45,313	59,596	14,706	14,280	16,202	14,408	16,261	19,616	25,479	6,478	6,220	6,802	5,996		

^r Revised.^P Preliminary.

CHART 4
Comparative Cost Indexes of Manufactured Goods



1. Manufactured goods export unit-value index multiplied by trade-weighted exchange rate index of 22 OECD currencies.
2. Weighted by gross domestic product originating in manufacturing at 1980 exchange rates.
3. Manufactured goods import unit-value index.
Data: U.S. Department of the Treasury, trade-weighted exchange rate index of 22 OECD currencies. Bureau of the Census, export and import unit-value indexes. OECD, producer prices.

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

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crease. Exports increased \$20.1 billion, or 10 percent, to \$220.3 billion; volume increased 8 percent. Nonagricultural exports accounted for most of the increase.

Cumulative dollar appreciation since late 1980 was a major factor increasing the deficit in 1984. Appreciation substantially decreased the competitiveness of U.S. goods in export markets, especially for the large capital goods and industrial supply categories, as the foreign currency cost of U.S. manufactured goods exports rose much faster than producer prices in major industrial countries abroad. In contrast, the relative costs of imports and U.S.-produced goods changed little, as the dollar cost of U.S. manufactured goods imports rose only slightly faster than U.S. producer prices (chart X).

Relative growth rates also had an important influence on trade patterns in 1984. Since 1981, real growth in the United States had exceeded that of its industrialized trading partners by about two-thirds of a percentage point on average. In 1984, the gap in

growth rates was more than four times as large. As the U.S. expansion substantially outpaced the recovery abroad, U.S. imports increased by record amounts from industrial countries (especially Japan and Canada) and from non-OPEC developing countries. Export growth was mostly restricted to selected industrial countries—Canada, where there was a record increase, and Japan and some countries in Western Europe, where there were limited increases. Exports to Mexico were also up strongly.

Financing constraints in most debt-burdened developing countries—and currency devaluations in some—continued to limit U.S. export expansion, particularly to Latin America (which has been an important market for U.S. machinery and capital goods). Some developing countries in Latin America experienced strong real output expansion and export growth to the United States. Exports to the United States from the newly industrialized countries in the Far East (Hong Kong, Korea, Singapore, Taiwan) increased by record amounts.

Reflecting the strength of U.S. import demand and limited export expansion, the trade balance with Western Europe shifted to a deficit of \$13.9 billion in 1983, from a surplus of \$1.0 billion in 1982, and the deficit with Japan increased to \$34.0 billion from \$19.6 billion in 1982. The deficit with Canada increased much less, to \$15.5 billion from \$10.5 billion, because a record \$9.3 billion increase in exports offset much of the record \$14.3 billion increase in imports. Among the developing countries, the surge in imports from the newly industrialized countries in the Far East increased the deficit to \$19.1 billion from \$11.4 billion. In contrast, the rise in imports from Latin America, including several major debtor countries, increased the deficit only to \$16.0 billion from \$13.4 billion. The exception within this group was Mexico, where the deficit decreased to \$6.0 billion with \$7.7 billion (table F).

Nonpetroleum imports increased \$63.0 billion, or 30 percent, to \$270.5 billion; volume increased 27 percent. Imports of all major nonpetroleum commodity categories increased by substantial amounts; many exceeded record annual increases that occurred in 1976–80, the last period of strong import growth. The largest increase was in capital goods, which increased

Table F.—U.S. Merchandise Trade Balances by Area

(Balance of payments basis, millions of dollars)

	1981	1982	1983	1984 ^p
Total	-28,001	-34,469	-61,055	-107,435
Canada.....	-2,242	-9,323	-10,546	-15,534
Western Europe.....	12,235	6,793	981	-13,943
United Kingdom.....	-263	-2,352	-2,008	-2,297
Germany.....	-887	-2,689	-4,284	-7,945
Other.....	13,885	11,834	7,273	-3,701
Japan.....	-15,802	-16,991	-19,630	-34,024
Australia, New Zealand, and South Africa.....	3,388	2,623	1,267	2,281
Latin America.....	7,481	-3,399	-13,355	-16,036
Brazil.....	-691	-1,362	-2,403	-4,851
Mexico.....	4,440	-3,820	-7,693	-6,002
Venezuela.....	-122	431	-2,237	-3,148
Other.....	3,854	1,852	-1,022	-2,035
Other Western Hemisphere.....	-3,776	-2,008	-2,931	-2,162
OPEC (non-Latin America).....	-28,546	-10,977	-6,962	-8,623
Asia (non-OPEC).....	-4,096	-5,293	-11,460	-20,959
Hong Kong, Korea, Singapore, Taiwan.....	-6,095	-7,317	-11,438	-19,051
Other.....	1,999	2,024	-22	-1,908
Eastern Europe.....	2,887	2,682	1,547	2,132

^p Preliminary.

\$19.2 billion, or 47 percent. As in 1983, growth was paced by electrical machinery, business and office machines (including computers), and scientific, professional, and service industry equipment. Consumer goods increased \$14.9 billion, or 32 percent; both manufactured durable and non-durable goods—including textiles, radio and TV equipment and components—increased. Nonfuel industrial supplies and materials increased \$12.7 billion, or 27 percent, in spite of several voluntary agreements with Brazil, Western European countries, and Japan to limit shipments of certain types of steel products. Automotive products from areas other than Canada (mainly Japan) increased \$7.0 billion, or 28 percent. Much of the increase in passenger cars was due to higher average prices, which increased 10 percent following an 8-percent increase in 1983; the number of units imported increased 8 percent. The share of Japanese autos in U.S. sales slipped to 19 percent from 21 percent. Automotive products from Canada increased \$6.1 billion, or 36 percent, reflecting a substantial increase in the number of domestic (U.S.) units sold.

Petroleum imports increased \$3.5 billion, or 6 percent, to \$57.3 billion. The average price per barrel decreased to \$27.95 from \$28.37 in 1983.

Table G.—U.S. International Service Transactions

[Millions of dollars]

	1978	1979	1980	1981	1982	1983	1984 ^p	Change: 1983-84
Service transactions, net.....	23,625	32,241	34,487	41,129	35,327	28,143	16,986	-11,157
Receipts.....	77,940	102,323	118,216	138,636	138,250	131,944	142,010	10,066
Payments.....	-54,315	-70,082	-83,729	-97,507	-102,923	-103,801	-125,024	-21,223
Military transactions, net ¹	621	-1,778	-2,237	-1,115	195	515	-1,635	-2,150
Travel and passenger fares, net.....	-2,585	-2,000	-325	58	-1,599	-5,064	-7,830	-2,766
Other transportation, net.....	-988	-935	-172	36	591	480	-976	-1,456
Fees and royalties, net.....	5,215	5,352	6,360	6,560	6,938	7,402	7,577	175
Investment income, net.....	20,565	31,218	30,443	34,052	27,303	23,508	18,115	-5,393
Direct, net.....	21,247	31,826	28,438	25,496	18,140	14,023	12,351	-1,672
Other private, net.....	6,149	8,173	11,905	21,629	23,641	22,310	20,425	-1,885
U.S. Government, net.....	-6,831	-8,781	-9,950	-13,073	-13,978	-12,825	-14,661	-1,836
Contractor operations, net.....	798	333	917	1,488	1,401	1,302	1,734	432
Other private and U.S. Government, net.....	1,348	1,054	1,591	2,027	2,398	1,790	2,109	319
Reinsurance, net.....	-532	617	-624	-606	-590	-506	-553	-47
Communications, net.....	-65	-143	-317	-466	-758	-724	-721	3
U.S. Government, net.....	-925	-1,198	-1,332	-1,366	-1,705	-1,563	-1,528	35
Other, net.....	972	1,287	1,599	1,900	2,057	2,306	2,427	121

^p Preliminary.

1. Consists of goods and services transferred under military sales contracts less imports of goods and services by U.S. defense agencies.

The average number of barrels imported daily increased to 5.60 million from 5.20 million, reflecting a 4-percent increase in consumption in 1984. Imports from OPEC members increased 5 percent to \$23.5 billion; combined imports from Canada, Western Europe, and Mexico increased 9 percent to \$21.7 billion. Throughout the year, but particularly in the last half, spot prices of crude were well below prices posted by OPEC members.

Nonagricultural exports increased \$18.3 billion, or 11 percent, all in volume, to \$181.9 billion. Among the largest advances, automotive exports to Canada increased \$3.3 billion, or 27 percent; electronic computers and parts, \$3.4 billion, or 25 percent; chemicals, \$2.4 billion, or 14 percent; electrical machinery, \$1.7 billion, or 13 percent, and broadcasting and communications equipment, \$1.0 billion, or 15 percent. Most increases were related to trade with Canada and Mexico, which together accounted for two-thirds of the increase in nonagricultural exports. Exports to Canada increased \$9.1 billion, or 22 percent, and exports to Mexico increased \$2.9 billion, or 40 percent.

Agricultural exports increased \$1.8 billion, or 5 percent, to \$38.4 billion; volume was unchanged. The volume of soybean shipments declined a record amount—more than 23 percent. However, the tight supplies in the wake of the 1983 drought led to sharply higher prices for soybeans through mid-1984, limiting the decline in value to slightly more than 8 percent. Prices dropped sharply in the last half of the year. In contrast, the

volume of wheat exports rose substantially in both value and volume, despite somewhat lower prices. The volume of corn exports was virtually unchanged from the previous year's low level, despite a 10-percent price decline in the last half of the year.

Service transactions

Net service receipts were \$17.0 billion compared with \$28.1 billion (table G). Declines in net income receipts, direct and portfolio, were \$1.7 billion and \$3.7 billion, respectively. Other services shifted to a deficit of \$1.1 billion from a \$4.6 billion surplus, mostly due to an increase in the deficit on travel and passenger fare transactions and a shift to a deficit on military transactions.

Receipts of income on U.S. direct investment abroad were \$23.6 billion, up from \$20.8 billion. The pickup reflected moderate expansion abroad, although, as in 1983, the rise in earnings was centered in nonpetroleum affiliates in a few European countries and Japan. Continued strength in earnings of automotive affiliates in Canada was associated with the second consecutive year of strong U.S. auto sales. Two factors limited the increase in earnings. First, capital losses, mostly reflecting dollar appreciation against both European and Latin American currencies, remained large—about \$7.3 billion—for the second consecutive year. Second, net interest payments increased, although not by as much as in 1983. Distributed earnings increased to \$15.2 billion from \$14.9 billion. Reinvested earnings were \$12.8 billion compared with \$9.1 billion.

Payments of income on foreign direct investment in the United States were \$11.2 billion, up from \$6.7 billion. Earnings of nonpetroleum affiliates accounted for most of the increase. Reinvested earnings were \$4.5 billion compared with \$1.4 billion. Distributed earnings were \$3.6 billion compared with \$3.0 billion. Net interest payments were \$3.1 billion compared with \$2.3 billion; the increase was largely due to stepped-up borrowing to finance the acquisition of a large U.S. company.

Receipts of income on other private investment were \$58.9 billion, up from \$51.4 billion, reflecting a small increase in bank-reported claims and higher average interest rates. Reduced external financing requirements and U.S. banks' concern about their exposure abroad limited the increase in claims. Receipts of income on U.S. Government assets abroad were \$5.2 billion, up from \$4.8 billion. Payments of income on other private investment were \$38.4 billion compared with \$29.1 billion. Higher average interest rates more than offset a smaller increase in bank-reported liabilities. Payments of income on U.S. Government liabilities increased to \$19.8 billion from \$17.7 billion.

Net international travel and passenger fare payments increased to \$7.8 billion from \$5.1 billion. As in 1983, the large increase in payments relative to receipts was attributable to substantial dollar appreciation and expansion of the U.S. economy in 1984. Travel payments to overseas areas were \$9.8 billion, up 18 percent, following a 16-percent increase in 1983. The 1984 increase was largely due to an increase in the number of U.S. travelers, particularly to Western Europe; departures were up 14 percent. Travel receipts from overseas areas were \$6.4 billion, up 2 percent, as dollar appreciation contributed to a 5-percent drop in the number of visitors. Most of the drop was in visitors from Latin America, the Caribbean, and the United Kingdom, partly offset by an increase from the Far East. Receipts from Mexico fell 4 percent to \$1.9 billion; payments to Mexico increased 3 percent. Travel receipts from Canada fell 2 percent to \$3.1 billion; expenditures in Canada increased 9 percent to \$2.4 billion, as average expenditures of travelers to Canada increased strongly.

U.S. military transactions with foreigners resulted in net payments of \$1.6 billion, a shift from net receipts of \$0.5 billion. Transfers under U.S. military agency sales contracts decreased \$2.5 billion to \$10.2 billion, mainly due to large delivery reductions to Saudi Arabia and Egypt. Reduced construction activity and the absence of aircraft deliveries led to a \$2.2 billion reduction in transfers to Saudi Arabia. No aircraft deliveries and lower armored vehicle deliveries were reflected in a \$0.5 billion reduction in transfers to Egypt. U.S. direct defense expenditures abroad were \$11.9 billion, down \$0.4 billion—the first decrease since 1975. Pay to U.S. military personnel abroad increased \$0.9 billion, mostly in Germany. Petroleum purchases declined \$0.6 billion to \$1.1 billion, the lowest level since 1978. Construction in Saudi Arabia by the U.S. Army Corps of Engineers under military sales contracts declined \$0.5 billion to \$1.4 billion, as current projects neared completion and projects in the planning stage were postponed.

Other net transportation payments were \$1.0 billion, a shift from net receipts of \$0.5 billion in 1983. Receipts were \$13.7 billion, an increase of 7 percent. Payments were \$14.7 billion, an increase of 19 percent. Both increases reflected the strength of U.S. imports—on the receipts side in ocean port service receipts from foreign flag vessels in U.S. ports, and on the payments side from import charges for cargoes carried on foreign flag vessels.

Net unilateral transfers were \$11.2 billion, up from \$8.7 billion. Some of the rise reflected revisions in U.S. Government procedures under which appropriated grant funds remaining from earlier fiscal years (1982 and 1983) were made available to foreign military sales customers. Thus, grants financing military purchases more than doubled, and other grants increased strongly.

U.S. assets abroad

U.S. assets abroad increased \$21.2 billion in 1984 compared with a \$49.5 billion increase in 1983.

U.S. official reserve assets increased \$3.1 billion compared with \$1.2 billion. U.S. authorities acquired small amounts of German marks in intervention operations in the first, third, and fourth quarters. In the fourth

quarter, a small amount of short-term financing was provided to the Central Bank of the Philippines until IMF financing could be arranged; it was repaid in the same quarter. About one-half of the increase in U.S. holdings of foreign currencies was special credit to Argentina, created by purchases of \$0.5 billion equivalent in pesos, until proceeds of an IMF loan, approved in September, became available. IMF disbursement was contingent upon commercial banks in the United States and abroad providing new credits. Agreement with commercial banks was reached at the end of December. (Argentina's borrowing from the United States was repaid in mid-January.)

Claims on foreigners reported by U.S. banks increased \$7.3 billion compared with \$25.4 billion (tables H, I).

Despite moderate expansion in industrial countries abroad, international demand for U.S. bank credit was weak, because credit demands were largely met from other sources—especially the Eurobond markets where interest rates declined sharply in the second half of the year. In addition, improved external payments positions, as well as more cautious borrowing policies, in some developing countries somewhat lessened credit needs. On the supply side, U.S. banks were generally hesitant to increase their foreign exposure in the face of continuing financial difficulties in a number of developing countries. Also, U.S. supervisory authorities continued to pressure banks, especially in the second half of the year, to improve the quality of their loan portfolios, to tighten accounting standards

Table H.—Private Capital Flows, Net

[Billions of dollars]

Claims (increase/capital outflow (-)); liabilities (increase/capital inflow (+))	1982	1983	1984 ^p	1984			
				I	II	III ^r	IV ^p
Private capital flows, net	-15.9	33.1	77.2	18.0	23.1	23.1	13.0
Bank-reported capital, net ¹	-45.2	23.7	20.2	10.8	.2	11.5	-2.1
U.S. claims.....	-111.1	-25.4	-7.3	2.0	-20.6	16.9	-5.6
U.S. liabilities.....	65.9	49.1	27.6	8.8	20.8	-5.4	3.4
Securities, net.....	5.4	9.6	30.8	3.5	6.3	5.4	15.6
Net U.S. purchases of foreign securities.....	-8.1	-7.7	-4.8	.6	-8	-1.3	-3.3
Net foreign purchases of U.S. securities.....	13.5	17.3	35.5	2.9	7.1	6.7	18.8
U.S. Treasury securities.....	7.1	8.7	22.5	1.4	6.5	5.1	9.5
Other than U.S. Treasury securities.....	6.4	8.6	13.0	1.5	.6	1.6	9.3
Direct investment, net.....	19.7	6.4	15.1	-2.3	10.5	7.4	-.5
U.S. direct investment abroad.....	4.8	-4.9	-6.0	-4.7	1.6	2.1	-5.1
Foreign direct investment in the United States.....	14.9	11.3	21.2	2.4	8.8	5.3	4.7
Nonbank-reported capital, net.....	4.2	-6.6	n.a.	6.1	6.2	-1.1	n.a.
U.S. claims.....	6.6	-5.3	n.a.	1.7	2.1	1.8	n.a.
U.S. liabilities.....	-2.4	-1.3	n.a.	4.4	4.1	-2.9	n.a.

n.a. Not available.

^rRevised.

^pPreliminary.

1. Excludes from liabilities U.S. Treasury securities.

Table I.—U.S. Bank-Reported Claims and Liabilities by Type

[Billions of dollars]

Claims on foreigners reported by U.S. banks (increase/capital outflow (-))	1982	1983	1984 ^p	1984			
				I	II	III ^r	IV ^p
Claims on foreigners reported by U.S. banks (increase/capital outflow (-)).....	-111.1	-25.4	-7.3	2.0	-20.6	16.9	-5.6
Of which: IBF claims.....	-78.5	-27.6	-15.1	-5.2	-11.9	3.8	-1.9
Banks' claims for own accounts, in dollars:							
Own foreign offices.....	-30.6	-16.7	-9.3	-1.5	-9.6	6.2	-4.4
Unaffiliated banks.....	-46.7	-1.4	.8	3.8	-8.6	6.9	-1.3
Public borrowers and other foreigners.....	-27.0	-13.7	1.2	2.0	-2.5	.6	1.1
Banks' claims for domestic customers' accounts and all foreign currency claims.....	-6.8	6.4	(*)	-2.3	(*)	3.2	-.9
Liabilities to foreigners reported by U.S. banks (including U.S. Treasury securities) (increase/capital inflow (+))¹	73.0	57.8	50.1	10.1	27.3	-.3	12.9
Of which: IBF liabilities.....	73.6	32.9	14.6	9.3	7.6	-3.4	1.1
Banks' liabilities for own accounts, in dollars:							
Own foreign offices.....	21.7	25.6	2.1	1.5	10.8	-10.8	.6
Unaffiliated banks.....	23.4	9.9	14.4	4.2	5.1	3.0	2.2
Other private foreigners and international financial institutions.....	18.6	13.4	7.9	2.5	3.1	2.3	(*)
Banks' custody liabilities and all foreign currency liabilities.....	2.2	.2	3.1	.5	1.8	.1	.6
U.S. Treasury securities.....	7.1	8.7	22.5	1.4	6.5	5.1	9.5

^pPreliminary.

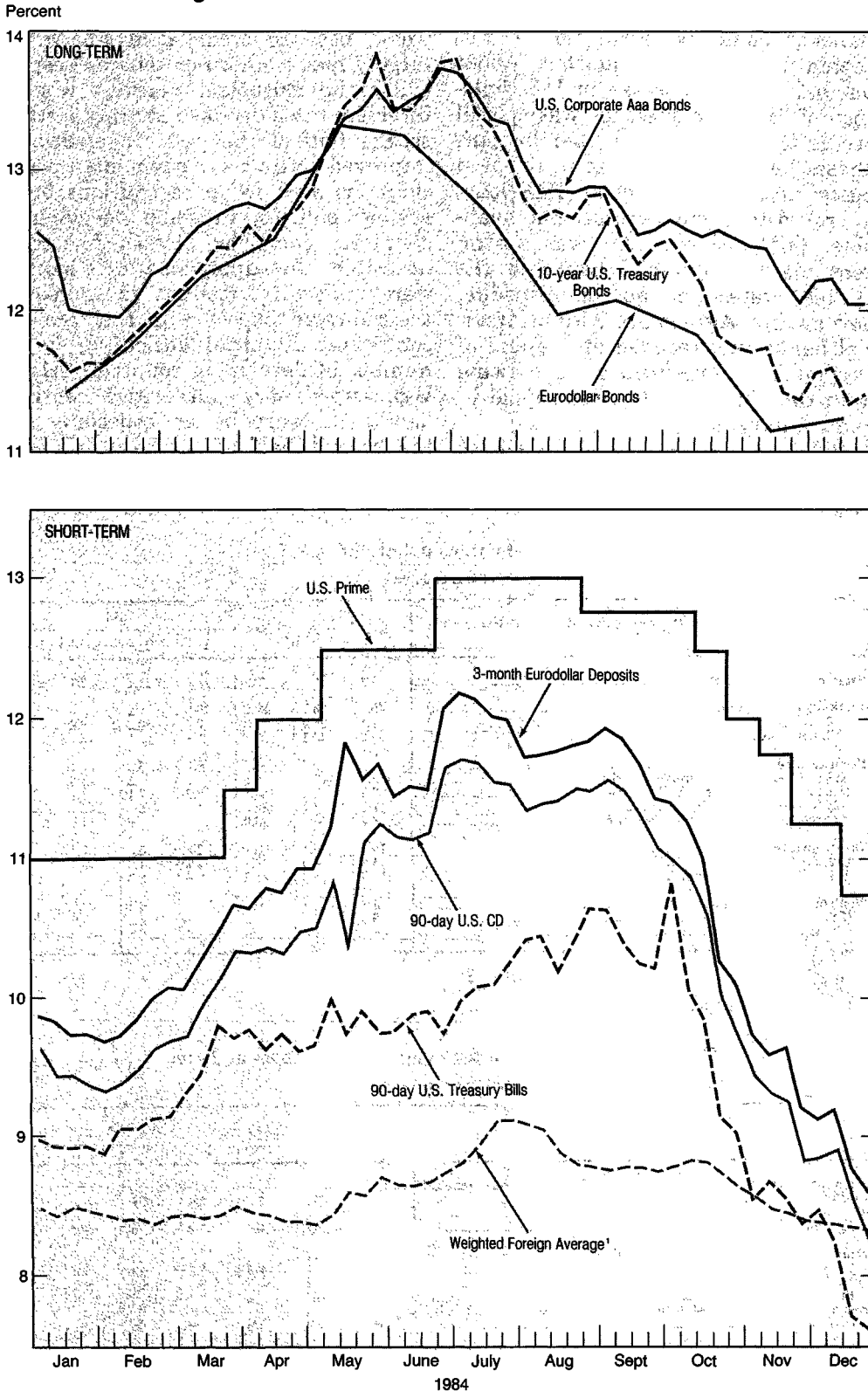
^rRevised.

*Less than \$500,000 (±).

1. Excludes liabilities to foreign official agencies.

CHART 5

U.S. and Foreign Interest Rates



1. Interest rates for 3-month interbank loans or short-term paper for other Group of 10 countries and Switzerland weighted by average total trade shares in 1972-76.

Data: Federal Reserve Board; Morgan Guaranty Trust Company.

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

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applied to substandard loans, and to increase capital-asset ratios.

Much of the second-quarter increase in claims was related to the financing of mergers in the United States. U.S. companies borrowed large amounts from foreign banks, who in turn satisfied some of the demand for funds through interbank borrowing from U.S. banks. Much of the merger-related borrowing began to be repaid by the end of the quarter, as borrowers substituted funds from the U.S. commercial paper and the Eurobond markets for relatively costly bank funds.

Also in the second quarter, large withdrawals from banks abroad—particularly from foreign offices of U.S. banks—temporarily reflected concerns over actual and potential losses from substandard loans at a few large banks in the United States. To offset these withdrawals, unaffiliated foreign banks borrowed heavily from U.S. banks, and U.S. parent banks deposited funds in their foreign offices. In the third quarter, as those concerns abated, the process was reversed. In addition, large credits to foreign banks dropped sharply, as merger-related corporate borrowing subsided.

Banks' own claims on their own foreign offices increased \$9.3 billion, compared with \$16.7 billion; in particular, branches in the Caribbean, United Kingdom, and the Far East required less funding as their loan demand dropped sharply. Claims on foreign public borrowers increased \$3.5 billion compared with \$11.8 billion; the increase mainly reflected credits established by agreements between private banks, the IMF, and several debtor countries in Latin America to refinance portions of overdue public debt principal and interest.

Banks' claims for domestic customers' accounts decreased \$3.4 billion, compared with a \$6.0 billion decrease. Money market mutual funds sold off a smaller amount of Eurodollar CD's than in the preceding year.

Although funds supplied by U.S. banks to foreigners decreased sharply in 1984, funds raised by U.S. banks from abroad decreased by about the same amount. Thus, the net funds (inflows) raised from abroad were \$20.2

billion, down only slightly from the \$23.7 billion raised in 1983 (chart 6).

Net U.S. purchases of foreign securities were \$4.8 billion compared with \$7.7 billion. The decrease was mainly attributable to purchases of foreign stocks, which declined to \$1.1 billion from \$4.0 billion. Major foreign stock markets rose little in the first half of 1984 (in contrast to their strong rise throughout 1983), and U.S. residents were net sellers on balance. However, when stock prices resumed their rise in the second half—especially in markets in the Netherlands, Germany, and Hong Kong—net purchases were moderately strong. (The U.S. market, by comparison, was only slightly higher in the second half than in the first half of the year.) Despite the strong rise in the Japanese market throughout the year, U.S. residents were net sellers of Japanese stocks, as they were of Canadian stocks, which declined in price.

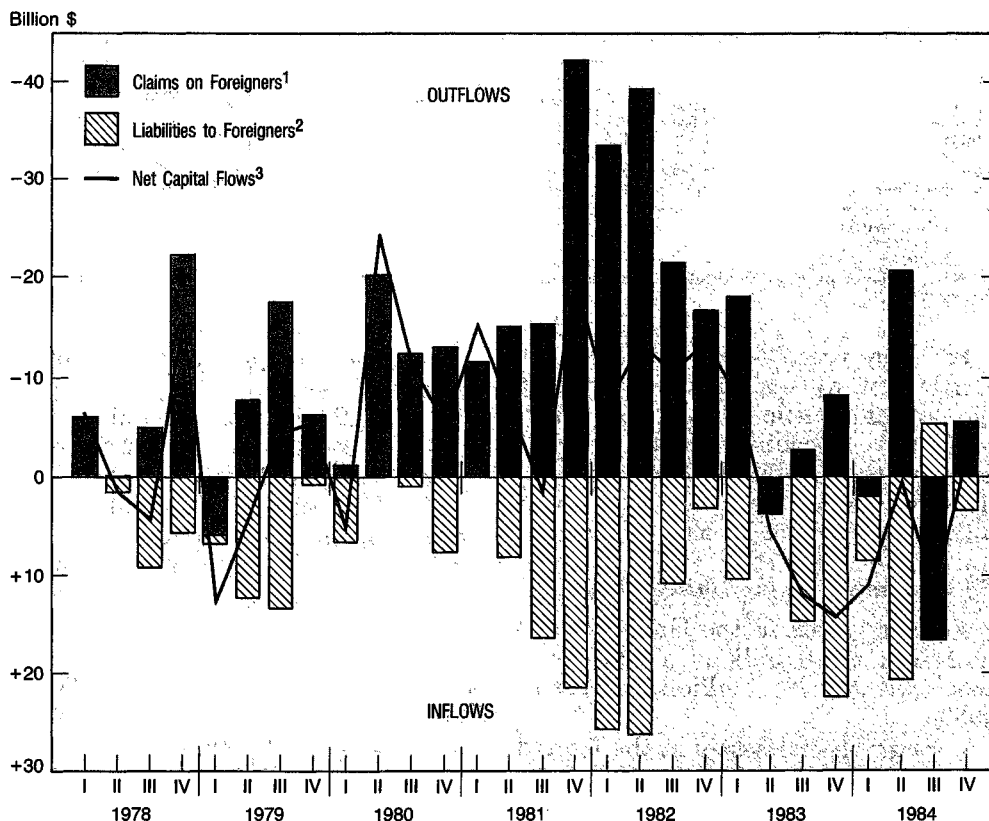
Foreign new bond issues in the United States were \$5.4 billion, compared with \$5.1 billion. Of the 1984 amount, \$1.5 billion was in long-term floating rate issues by the Swedish Government to refinance its bank borrowings. High U.S. interest rates relative to Eurobond rates and limited demand by Canadian borrowers restrained new issues. Canadian new issues dipped from \$2.3 billion in 1983 to \$1.1 billion in 1984. In both years, Canadians relied heavily on borrowings from the Eurobond market, partly because U.S. rates were not much lower than Canadian rates and partly because the Canadian dollar declined against the U.S. dollar.

Trading in outstanding bonds, up sharply to \$1.3 billion, was marked by a substantial increase in purchases from the United Kingdom to \$4.7 billion. Purchases of British Treasury gilt securities, guaranteed against foreign exchange risk by U.S. investment and brokerage houses, and purchases of outstanding (seasoned) Eurobonds, probably accounted for much of the increase. Net sales were registered against nearly all other areas. Redemptions increased to \$3.0 billion from \$2.1 billion.

Net outflows of capital for U.S. direct investment abroad were \$6.0 billion compared with \$4.9 billion. An

Private Bank-Reported Capital Flows

CHART 6



1. Increase/outflow (-); decrease/inflow (+).
2. Increase/inflow (+); decrease/outflow (-). Excludes U.S. Treasury securities and liabilities to foreign official agencies.
3. Sum of flow in claims and flow in liabilities.

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increase in reinvested earnings, which resulted from the pickup in economic activity abroad, was partly offset by a decrease in equity investments abroad and a small decrease in intercompany debt inflows.

Several large-scale mergers and acquisitions dominated intercompany account debt and related equity capital transactions, especially in the second quarter. There were large borrowings through Netherlands Antilles finance affiliates, with over one-half of the \$3.5 billion total associated with a single large merger-related transaction. In another large transaction, a U.S. company borrowed to purchase a petroleum company's European mining and marketing operations. A third transaction resulted in an equity inflow from a U.S. company's sale of most of its interests in Australian mining properties to an Australian company and a partly offsetting

outflow from the U.S. company's subsequent purchase of a share in the Australian company. (Related transactions appear in the capital account for foreign direct investment in the United States.)

Another factor affecting intercompany debt flows in the fourth quarter was the cessation of inflows through finance affiliates in the Netherlands Antilles. The cessation occurred because removal of U.S. withholding taxes on interest payments to foreigners made it possible for U.S. companies to borrow directly from foreign sources at the same cost as through these finance affiliates. In the first three quarters, intercompany debt inflows from these finance affiliates had been substantial, averaging over \$2.0 billion per quarter (table J). (U.S. corporations' direct borrowing is recorded in the portfolio capital accounts.)

Table J.—Selected Direct Investment Transactions With Netherlands Antilles Finance Affiliates

(Credits +; debits -)	1982	1983	1984 ^p	1983				1984			
				I	II	III	IV	I	II	III ^r	IV ^p
				Capital.....	9,019	3,920	n.a.	966	1,453	625	877	699	2,318	873	n.a.
Equity capital.....	-4,052	-1,227	-997	-222	-225	-209	-572	-281	-885	-180	349
Reinvested earnings.....	-538	-1,041	n.a.	-163	-265	-310	-302	-278	-275	-294	n.a.
Intercompany debt.....	13,908	6,188	4,953	1,351	1,943	1,144	1,751	1,258	3,477	1,347	-1,129
Income.....	-1,986	-2,918	n.a.	-603	-660	-731	-924	-733	-870	-920	n.a.
Of which interest.....	-2,991	-4,246	-5,201	-867	-986	-1,081	-1,312	-1,109	-1,300	-1,365	-1,427

n.a. Not available.

^p Preliminary.^r Revised.

NOTE.—Table shows only transactions with affiliates established primarily to borrow funds abroad and relend them to their U.S. parents.

For the year, equity outflows, at \$1.1 billion, were about one-quarter of the annual outflows in 1983. Intercompany account debt inflows dropped to \$7.9 billion from \$9.0 billion. Reinvested earnings were \$12.8 billion compared with \$9.1 billion.

Foreign assets in the United States

Foreign assets in the United States increased \$92.8 billion in 1984 compared with an \$81.7 billion increase in 1983.

Foreign official assets in the United States increased \$3.0 billion, following an increase of \$5.3 billion. Dollar assets of industrial countries increased only \$0.2 billion compared with \$10.2 billion. Small reductions in assets (outflows) of most Western European countries in the first quarter were reversed early in the second, when the dollar's appreciation resumed. Outflows in the third quarter were more than offset by inflows in the fourth, reflecting substantial exchange market intervention by foreign monetary authorities. There was a net decrease in dollar assets of other leading countries.

Dollar assets of OPEC members decreased \$4.2 billion compared with \$8.6 billion, although there was virtually no net decrease in the last half of the year.

Dollar assets of other countries increased \$7.0 billion compared with \$3.8 billion. The increase was mainly concentrated in the assets of several newly industrialized countries in the Far East. The dollar assets of a few countries in Latin America increased much less, mainly reflecting deposits of proceeds of IMF- and commercial bank-sponsored financial packages in the United States.

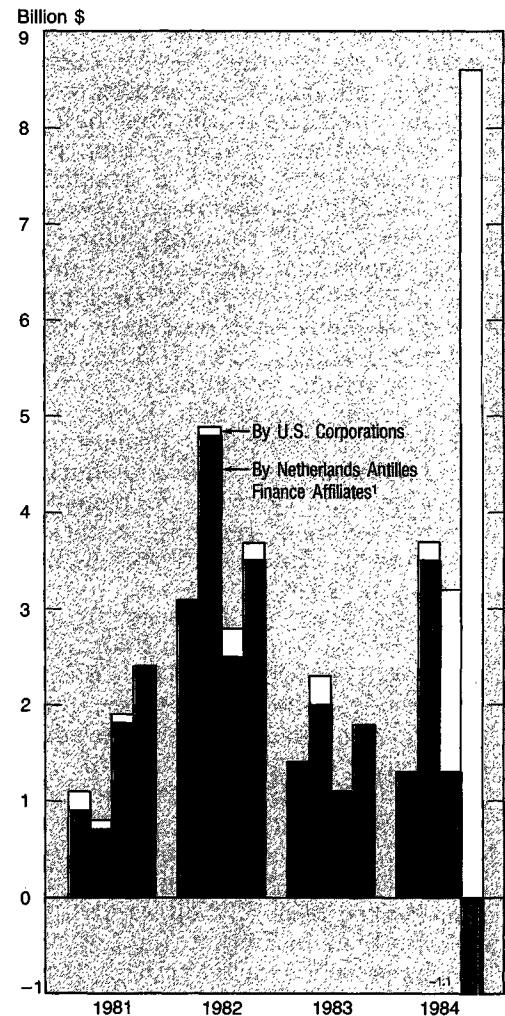
Liabilities to foreigners and international financial institutions reported by U.S. banks, excluding U.S. Treasury securities, increased \$27.6 billion, compared with \$49.1 billion. In the first half of the year, strong demand for funds from abroad was related to the U.S. economic expansion and U.S. Treasury financing needs, and resulted in a sharp rise in interest rates and further dollar appreciation. A substantial part of these inflows represented proceeds of earlier commercial paper borrowing by U.S. bank holding companies that were deposited abroad and subsequently drawn upon by the U.S. parent bank. Another factor contributing to the strong rise in liabilities was the previously mentioned large-scale merger financing.

With the flattening of domestic loan demand at midyear, a large decline in U.S. interest rates, and rapidly diminishing financing needs for mergers, dollar inflows dropped rapidly in the second half of the year. Also, asset preferences of foreign investors shifted when attractive investment opportunities in U.S. Treasury securities became available as a result of U.S. tax law changes and as long-term rates on Treasury securities fell less rapidly than short-term rates on bank CD's.

Reflecting the flattening U.S. loan demand after midyear, banks' own liabilities to their own foreign offices increased \$2.0 billion in 1984, compared with a \$25.6 billion increase in 1983. Partly offsetting was a pickup in liabilities to unaffiliated foreign banks (mainly foreign-owned banks) to an increase of \$14.4 billion, compared with an increase of \$9.9 billion. These inflows remained relatively

CHART 7

New Bond Issues Sold Abroad by U.S. Corporations and Their Netherlands Antilles Finance Affiliates



1. Net proceeds of bond issues repatriated by Netherlands Antilles finance affiliates to U.S. parent corporations.

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strong, even toward yearend, despite the decline in U.S. interest rates.

Purchases of U.S. Treasury securities by private foreigners and international financial institutions were a record \$22.5 billion in 1984, nearly triple 1983 purchases. With interest rates on bonds averaging more than 2.5 to 3.0 percentage points above yields on bills and bank CD's, purchases of bonds rose substantially in the first three quarters. In the fourth quarter, purchases increased more, following the previously mentioned changes in the U.S. tax law and the clarification of registration and certification requirements. Some U.S. in-

After being net purchasers of stocks in the first quarter, foreigners became net sellers by midsummer. In the second half of the year, when the stock market was essentially flat—in contrast to its record breaking advance from mid-1982 to mid-1983—foreigners sold \$1.8 billion in stocks. Western Europeans, who had been net purchasers of \$4.0 billion in 1983, were net sellers of \$2.8 billion in 1984. Canadians continued as net purchasers of stocks; including record purchases in the first quarter, the total for the year was \$1.7 billion, up from \$1.2 billion.

Net foreign purchases of outstanding bonds were \$2.9 billion, compared with \$1.9 billion; most purchases were concentrated in the last half of the

year. Yields on U.S. bonds exceeded those available in national markets in Germany, Japan, and United Kingdom by considerable amounts. In addition, the dollar appreciated against all three currencies.

Net inflows of capital for foreign direct investment in the United States increased to \$21.2 billion from \$11.3 billion. Equity and intercompany account debt inflows were substantially higher than a year ago. Record quarterly inflows occurred in the second quarter when intercompany account debt inflows increased \$3.6 billion to \$4.4 billion. That quarter's increase largely reflected a loan from a British affiliate to a U.S. subsidiary to purchase by a tender offer the remaining shares of a petroleum

company. Also, equity capital inflows increased \$2.6 billion to \$3.3 billion, largely because a foreign company established a new U.S. holding company to acquire the U.S. and foreign properties of a U.S. company (referred to in the section on U.S. direct investment capital flows). For the year, intercompany account debt inflows were \$8.4 billion compared with \$4.0 billion, and equity inflows were \$8.2 billion compared with \$5.9 billion. Reinvested earnings increased to \$4.5 billion from \$1.4 billion.

The statistical discrepancy (errors and omissions in reported transactions) increased to an unrecorded net inflow of \$30.0 billion from \$9.3 billion.

Table 4.—Selected U.S. Government Transactions

(Millions of dollars)

Line		1983	1984 ^a	1983				1984			
				I	II	III	IV	I	II	III ^c	IV ^c
A1	U.S. Government grants (excluding military) and transactions increasing Government assets, total.....	16,043	18,147	3,429	3,668	4,194	4,752	4,453	4,016	4,584	5,094
	By category										
2	Grants, net (table 1, line 30, with sign reversed).....	6,060	8,253	974	1,210	1,478	2,398	1,430	1,431	2,169	3,223
3	Financing military purchases ¹	934	2,022	71	113	375	375	350	354	807	512
4	Other grants.....	5,126	6,230	903	1,097	1,103	2,024	1,080	1,077	1,363	2,711
5	Loans and other long-term assets (table 1, line 40, with sign reversed).....	9,931	9,491	2,378	2,422	2,756	2,376	2,765	2,585	2,285	1,856
6	Capital subscriptions and contributions to international financial institutions, excluding IMF.....	1,369	1,427	415	225	349	380	325	311	376	415
7	Credits repayable in U.S. dollars.....	7,999	7,542	1,824	2,066	2,239	1,870	2,310	2,144	1,781	1,308
8	Credits repayable in other than U.S. dollars.....	142	129	15	28	68	31	39	32	22	36
9	Other long-term assets.....	422	393	124	102	100	95	93	98	105	97
10	Foreign currency holdings and short-term assets, net (table 1, line 42, with sign reversed).....	52	403	77	37	-40	-22	257	(*)	130	16
11	Foreign currency holdings (excluding administrative cash holdings), net.....	-76	-78	-24	-20	-25	-7	-24	-27	-16	-10
12	Receipts from—										
	Sales of agricultural commodities.....	3	(*)	3	(*)	(*)	(*)	(*)	(*)	(*)	(*)
13	Interest.....	56	41	15	14	8	20	13	11	9	9
14	Repayments of principal.....	111	102	18	26	20	48	16	29	18	39
15	Reverse grants.....										
16	Other sources.....	21	42	7	2	8	5	18	6	15	3
	Less disbursements for—										
17	Grants and credits in the recipient's currency.....	25	11	18	1	2	4	4	1	(*)	6
18	Other grants and credits.....	4		(*)		3	1				
19	Other U.S. Government expenditures.....	240	252	50	60	56	74	68	72	57	55
20	Other assets held under Commodity Credit Corporation Charter Act, net.....	-42	-5	-9	-15	-16	-3	-1	-1	-2	(*)
21	Assets financing military sales contracts, net ²										
22	Other short-term assets (including changes in administrative cash holdings), net.....	170	485	110	71	2	-13	283	29	148	26
	By program										
23	Capital subscriptions and contributions to international financial institutions, excluding IMF.....	1,369	1,427	415	225	349	380	325	311	376	415
24	Under farm product disposal programs.....	1,419	1,578	286	376	557	200	261	532	506	279
25	Under Foreign Assistance Act and related programs.....	9,469	11,016	1,837	2,173	2,132	3,328	2,612	2,095	2,728	3,582
26	Under Export-Import Bank Act.....	2,541	2,413	547	543	867	584	638	762	541	472
27	Other assistance programs.....	726	924	131	208	205	181	267	220	203	233
28	Other foreign currency assets acquired (lines A13, A14, and A16).....	189	185	41	41	35	72	48	46	42	50
29	Less foreign currencies used by U.S. Government other than for grants or credits (line A19).....	240	252	50	60	56	74	68	72	57	55
30	Other (including changes in administrative cash holdings), net.....	571	857	223	162	105	80	370	122	246	118
	By disposition ³										
31	Estimated transactions involving no direct dollar outflow from the United States.....	10,397	12,865	2,199	2,457	3,002	2,739	3,634	3,181	3,585	2,465
32	Expenditures on U.S. merchandise.....	5,338	6,043	1,102	1,247	1,597	1,392	1,643	1,370	1,669	1,361
33	Expenditures on U.S. services ⁴	1,747	2,218	431	390	494	432	577	653	548	439
34	Financing of military sales contracts by U.S. Government ⁵ (line C6).....	2,785	2,888	474	689	758	864	885	631	894	477
35	By long-term credits.....	2,119	1,829	431	617	478	593	712	420	358	339
36	By short-term credits ¹										
37	By grants ¹	666	1,059	43	72	280	271	174	211	536	138
38	U.S. Government grants and credits to repay prior U.S. Government credits ^{1,4}	272	703	51	120	31	71	95	446	95	67
39	U.S. Government long- and short-term credits to repay prior U.S. private credits ⁶	557	1,313	212	90	196	59	508	151	463	190
40	Increase in liabilities associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) ⁷ (line C11).....	4	-5	5	-1	(*)	(*)	2	4	-7	-4
41	Less receipts on short-term U.S. Government assets (a) financing military sales contracts ¹ and (b) financing repayments of private credits.....	65	41	* 26	* 18	* 18	* 4	8	3	20	11
42	Less foreign currencies used by U.S. Government other than for grants or credits (line A19).....	240	252	50	60	56	74	68	72	57	55
43	Estimated dollar payments to foreign countries and international financial institutions.....	5,645	5,282	1,230	1,211	1,192	2,012	819	835	999	2,630
B1	Repayments on U.S. Government long-term assets, total (table 1, line 41).....	4,969	4,434	1,224	1,210	1,487	1,049	884	1,351	951	1,248
2	Receipts of principal on U.S. Government credits.....	4,565	4,004	1,127	1,107	1,385	947	779	1,238	848	1,139
3	Under farm product disposal programs.....	322	396	35	65	59	164	38	106	86	166
4	Under Foreign Assistance Act and related programs.....	1,284	1,323	300	358	302	323	318	379	292	334
5	Under Export-Import Bank Act.....	1,925	2,052	447	407	712	360	408	721	408	516
6	Other assistance programs.....	1,034	233	344	277	312	101	15	32	62	123
7	Receipts on other long-term assets.....	404	430	98	103	102	102	105	113	103	109
C1	U.S. Government liabilities other than securities, total, net increase (+) (table 1, line 53).....	199	333	-533	434	137	161	242	448	-153	-205
2	Associated with military sales contracts ²	456	505	-439	453	269	173	258	560	-164	-149
3	U.S. Government cash receipts from foreign governments (including principal repayments on credits financing military sales contracts), net of refunds. ¹	10,169	8,571	1,986	2,693	3,463	2,026	2,156	1,620	2,428	2,367
4	Less U.S. Government receipts from principal repayments.....	770	641	136	158	294	182	136	186	135	183
5	Less U.S. Treasury securities issued in connection with prepayments for military purchases in the United States.....	-1,009	80	-1,034	-313	629	-291	104	-1,050	728	299
6	Plus financing of military sales contracts by U.S. Government ⁵ (line A34).....	2,785	2,888	474	689	758	864	885	631	894	477
7	By long-term credits.....	2,119	1,829	431	617	478	593	712	420	358	339
8	By short-term credits ¹										
9	By grants ¹	666	1,059	43	72	280	271	174	211	536	138
10	Less transfers of goods and services (including transfers financed by grants for military purchases, and by credits) ^{1,2} (table 1, line 3).....	12,737	10,232	3,798	3,084	3,028	2,827	2,544	2,555	2,623	2,510
11	Associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) ⁷ (line A40).....	4	-5	5	-1	(*)	(*)	2	4	-7	-4
12	Associated with other liabilities.....	-261	-167	-99	-19	-132	-12	-17	-116	18	-52
13	Sales of nuclear materials by Department of Energy.....	-271	-360	-83	-50	-114	-25	-33	-113	-131	-84
14	Other sales and miscellaneous operations.....	10	194	-16	31	-18	13	17	-3	149	32
15	German Government 10-year loan to U.S. Government.....										

See footnotes on page 58.

Table 5.—Direct Investment: Income, Capital, and Fees and Royalties

[Millions of dollars]

Line	(Credits +; debits -)	1983	1984 ^a	1983				1984			
				I	II	III	IV	I	II	III ^r	IV ^p
U.S. direct investment abroad:											
1	Income (table 1, line 11).....	20,757	23,597	4,166	5,344	5,414	5,834	8,431	4,741	3,539	6,886
2	Income before capital gains/losses.....	27,299	30,886	5,937	6,512	6,739	8,111	8,113	7,742	6,806	8,225
3	Capital gains/losses (gains +; losses -) ¹	-6,542	-7,289	-1,771	-1,168	-1,325	-2,278	318	-3,001	-3,267	-1,339
4	Earnings (net of withholding taxes).....	23,998	27,962	4,779	6,080	6,220	6,919	9,314	5,779	4,735	8,134
5	Distributed earnings.....	14,908	15,167	2,667	3,210	2,815	6,216	2,925	3,350	3,324	5,568
6	Reinvested earnings.....	9,090	12,795	2,112	2,870	3,405	703	6,389	2,429	1,411	2,566
7	Interest (net of withholding taxes).....	-3,241	-4,366	-613	-736	-806	-1,086	-883	-1,038	-1,197	-1,248
8	Capital (table 1, line 44).....	-4,881	-6,043	-296	-587	-3,713	-285	-4,656	1,647	2,114	-5,147
9	Equity capital.....	-4,760	-1,140	-790	-607	-820	-2,543	-611	-987	22	436
10	Increases in equity capital ²	-9,858	n.a.	-2,469	-1,590	-1,848	-3,950	-1,493	-3,111	-1,744	n.a.
11	Decreases in equity capital ³	5,098	n.a.	1,679	983	1,028	881	1,408	2,124	1,766	n.a.
12	Reinvested earnings.....	-9,090	-12,795	-2,112	-2,870	-3,405	-703	-6,389	-2,429	-1,411	-2,566
13	Intercompany debt.....	8,969	7,893	2,606	2,890	511	2,961	2,344	5,063	3,502	-3,017
14	U.S. parents' receivables.....	901	n.a.	19	-497	-714	2,093	-1,047	-1,102	1,358	n.a.
15	U.S. parents' payables.....	8,068	n.a.	2,588	3,387	1,225	868	3,391	6,165	2,144	n.a.
16	Fees and royalties (table 1, line 7).....	6,275	6,422	1,462	1,605	1,462	1,745	1,534	1,524	1,655	1,710
By industry of affiliate: ⁴											
17	Income (line 1).....	20,757	23,597	4,166	5,344	5,414	5,834	8,431	4,741	3,539	6,886
18	Petroleum.....	9,172	10,439	2,239	2,097	2,360	2,475	3,150	2,124	2,440	2,725
19	Manufacturing.....	5,789	7,262	617	1,853	1,609	2,710	3,199	1,705	230	2,128
20	Other.....	5,797	5,896	1,310	1,393	1,444	1,648	2,082	912	869	2,033
21	Income before capital gains/losses (line 2).....	27,299	30,886	5,937	6,512	6,739	8,111	8,113	7,742	6,806	8,225
22	Petroleum.....	10,402	11,284	2,340	2,354	2,455	3,253	3,004	2,480	2,663	3,137
23	Manufacturing.....	9,515	11,644	1,913	2,506	2,444	3,111	3,292	2,448	2,793	2,938
24	Other.....	7,382	7,958	1,684	1,652	1,840	2,205	1,998	1,969	1,695	2,296
Capital:											
25	Equity capital (line 9).....	-4,760	-1,140	-790	-607	-820	-2,543	-611	-987	22	436
26	Petroleum.....	-1,798	298	-263	77	-1,613	46	-349	293	308	308
27	Manufacturing.....	-215	-415	163	-227	-26	-125	-101	41	-227	-128
28	Other.....	-2,746	-1,022	-691	-380	-871	-805	-556	-679	-43	256
29	Reinvested earnings (line 12, or line 6 with sign reversed).....	-9,090	-12,795	-2,112	-2,870	-3,405	-703	-6,389	-2,429	-1,411	-2,566
30	Petroleum.....	-2,155	-4,933	-1,243	-482	-1,233	803	-2,154	-1,112	-1,282	-385
31	Manufacturing.....	-1,670	-2,222	276	-1,067	-719	-159	-2,046	-331	1,067	-912
32	Other.....	-5,265	-5,640	-1,145	-1,321	-1,453	-1,347	-2,190	-986	-1,195	-1,269
33	Intercompany debt (line 13).....	8,969	7,893	2,606	2,890	511	2,961	2,344	5,063	3,502	-3,017
34	Petroleum.....	1,234	3,470	808	593	-462	295	1,709	1,508	1,419	-1,166
35	Manufacturing.....	1,462	-687	113	468	-194	1,076	-243	115	-63	-496
36	Other.....	6,272	5,112	1,686	1,829	1,168	1,590	879	3,441	2,147	-1,355
Foreign direct investment in the United States:											
37	Income (table 1, line 25).....	-6,734	-11,246	-1,231	-1,700	-1,753	-2,050	-2,459	-2,766	-3,047	-2,974
38	Income before capital gains/losses.....	-6,091	-10,580	-941	-1,321	-1,791	-2,037	-2,192	-2,816	-2,547	-3,026
39	Capital gains/losses (gains -; losses +) ⁵	-643	-666	-290	-379	88	-13	-267	49	-500	51
40	Earnings (net of withholding taxes).....	-4,405	-8,185	-666	-1,131	-1,146	-1,462	-1,845	-2,029	-2,213	-2,098
41	Distributed earnings.....	-3,048	-3,639	-770	-858	-648	-772	-889	-828	-891	-1,031
42	Reinvested earnings.....	-1,357	-4,546	104	-273	-499	-689	-956	-1,201	-1,322	-1,067
43	Interest (net of withholding taxes).....	-2,329	-3,061	-564	-569	-607	-589	-614	-737	-833	-877
44	U.S. affiliates' payments.....	-2,829	-3,694	-696	-697	-725	-711	-744	-897	-1,006	-1,048
45	U.S. affiliates' receipts.....	500	633	132	128	118	122	130	160	172	172
46	Capital (table 1, line 57).....	11,299	21,177	2,305	3,327	3,322	2,345	2,391	8,842	5,272	4,672
47	Equity capital.....	5,945	8,223	1,846	1,611	1,152	1,337	708	3,279	2,540	1,696
48	Increases in equity capital ²	7,097	9,233	1,995	2,116	1,569	1,417	999	3,626	2,706	1,902
49	Decreases in equity capital ³	-1,151	-1,010	-150	-504	-417	-81	-291	-347	-166	-206
50	Reinvested earnings.....	1,357	4,546	-104	273	499	689	956	1,201	1,322	1,067
51	Intercompany debt.....	3,996	8,409	563	1,443	1,671	319	727	4,362	1,410	1,910
52	U.S. affiliates' payables.....	4,997	9,755	1,153	1,216	1,782	846	289	5,867	1,180	2,419
53	U.S. affiliates' receivables.....	-1,000	-1,346	-590	227	-111	-527	438	-1,505	230	-509
54	Fees and royalties (table 1, line 21).....	-170	-203	-44	-28	-37	-62	67	23	-173	-119
55	U.S. affiliates' payments.....	-1,462	-2,166	-335	-389	-355	-384	-484	-421	-603	-659
56	U.S. affiliates' receipts.....	1,292	1,963	290	361	318	322	551	444	430	539
By industry of affiliate: ⁴											
57	Income (line 37).....	-6,734	-11,246	-1,231	-1,700	-1,753	-2,050	-2,459	-2,766	-3,047	-2,974
58	Petroleum.....	-1,977	-2,634	-320	-367	-617	-673	-494	-724	-605	-811
59	Manufacturing.....	-1,165	-2,917	-80	-281	-231	-572	-717	-947	-661	-593
60	Other.....	-3,592	-5,694	-830	-1,052	-905	-805	-1,248	-1,095	-1,780	-1,571
61	Income before capital gains/losses (line 38).....	-6,091	-10,580	-941	-1,321	-1,791	-2,037	-2,192	-2,816	-2,547	-3,026
62	Petroleum.....	-1,900	-2,559	-307	-357	-614	-622	-496	-696	-550	-817
63	Manufacturing.....	-1,274	-2,907	-107	-275	-319	-574	-688	-936	-666	-618
64	Other.....	-2,917	-5,113	-528	-689	-858	-842	-1,008	-1,184	-1,331	-1,591
Capital:											
65	Equity capital (line 47).....	5,945	8,223	1,846	1,611	1,152	1,337	708	3,279	2,540	1,696
66	Petroleum.....	321	33	16	242	45	19	-6	-73	84	28
67	Manufacturing.....	1,531	1,750	502	285	339	405	337	228	1,072	113
68	Other.....	4,093	6,439	-1,328	1,084	769	912	377	3,124	1,384	1,554
69	Reinvested earnings (line 50, or line 42 with sign reversed).....	1,357	4,546	-104	273	499	689	956	1,201	1,322	1,067
70	Petroleum.....	920	1,344	-24	150	350	444	165	465	356	359
71	Manufacturing.....	-170	1,219	-211	-67	-122	230	314	563	255	89
72	Other.....	607	1,982	131	190	272	15	478	173	712	619
73	Intercompany debt (line 51).....	3,996	8,409	563	1,443	1,671	319	727	4,362	1,410	1,910
74	Petroleum.....	81	4,781	-233	118	152	44	-699	4,806	283	392
75	Manufacturing.....	2,010	-293	-119	1,084	718	327	-358	-84	-832	980
76	Other.....	1,906	3,921	914	241	802	-52	1,783	-360	1,960	538

See footnotes on page 58.

Table 6.—Securities Transactions

(Millions of dollars)

Line	(Credits +; debits -)	1983	1984 ^p	1983				1984			
				I	II	III	IV	I	II	III ^r	IV ^p
A1	Foreign securities, net U.S. purchases (-) (table 1, line 45 or lines 2+12 below)	-7,676	-4,761	-1,866	-3,257	-1,571	-983	637	-820	-1,322	-3,257
2	Stocks, net U.S. purchases	-3,982	-1,106	-1,016	-1,855	-847	-264	364	-7	-732	-731
3	New issues in the United States	-1,458	-455	-263	-699	-387	-109	-26	-223	-166	-40
4	Of which Canada	-633	-90	-177	-202	-215	-39	-13	-40	-37	
5	Japan										
6	Transactions in outstanding stocks, net	-2,524	-651	-753	-1,156	-460	-155	390	216	-566	-691
7	Western Europe	-1,869	-592	-581	-686	-267	-385	61	82	-223	-512
8	Of which United Kingdom	-1,068	-287	-211	-379	-184	-294	-37	76		-326
9	Canada	170	278	97	-11	-40	124	143	57	-7	85
10	Japan	-940	358	-324	-553	-210	147	220	230	50	-142
11	Other	115	-695	55	44	57	-41	-34	-153	-386	-122
12	Bonds, net U.S. purchases	-3,694	-3,656	-850	-1,401	-725	-718	273	-813	-590	-2,526
13	New issues in the United States	-5,127	-5,352	-1,387	-1,824	-1,235	-681	-680	-2,287	-864	-1,521
	By issuer:										
14	Central governments and their agencies and corporations	-1,617	-3,144	-259	-694	-492	-172	-163	-1,738	-350	-893
15	Other governments and their agencies and corporations ¹	-1,779	-992	-678	-450	-476	-175	-492	-250	-250	
16	Private corporations	-519	-418	-50	-180	-155	-134	-25	-199	-114	-80
17	International financial institutions ²	-1,212	-798	-400	-500	-112	-200		-100	-150	-548
	By area:										
18	Western Europe	-668	-2,581	-138	-415	-65	-50	-25	-1,672	-350	-534
19	Canada	-2,315	-1,114	-728	-828	-509	-250	-475	-299	-260	-80
20	Japan		-398					-100	-150	-48	-100
21	Latin America	-96	-18			-96		-18			
22	Other countries	-835	-443	-121	-81	-452	-181	-62	-66	-56	-259
23	International financial institutions ²	-1,212	-798	-400	-500	-112	-200		-100	-150	-548
24	Redemptions of U.S.-held foreign bonds ³	2,095	2,960	420	500	600	575	820	765	825	550
25	Western Europe	510	425	145	40	225	100	150	150	75	50
26	Canada	885	1,595	195	190	250	250	420	375	450	350
27	Other countries	555	590	60	270	100	125	125	165	150	150
28	International financial institutions ²	145	350	20		25	100	125	75	150	
29	Other transactions in outstanding bonds, net ³	-662	-1,264	117	-77	-90	-612	133	709	-551	-1,555
30	Western Europe	-2,648	-5,744	-562	-537	-718	-831	-840	-751	-1,425	-2,728
31	Of which United Kingdom	-2,509	-4,689	-484	-211	-848	-966	-611	-364	-1,202	-2,512
32	Canada	311	-250	172	127	117	-105	241	-122	-177	-192
33	Japan	326	1,081	73		196	57	82	239	555	205
34	Other	1,349	3,649	434	333	315	267	650	1,343	496	1,160
B1	U.S. securities, excluding Treasury securities and transactions of foreign official agencies, net foreign purchases (+), (table 1, line 59 or lines 2+10 below)	8,612	13,036	3,003	2,614	1,861	1,134	1,516	587	1,609	9,325
2	Stocks, net foreign purchases	6,415	-588	2,908	1,739	1,349	419	1,178	5	-1,018	-753
	By area:										
3	Western Europe	3,966	-2,764	2,479	1,132	787	-432	306	-388	-1,709	-973
4	Of which Germany	1,046	-48	483	278	228	57	362	-81	-227	-102
5	Switzerland	1,325	-1,489	541	736	371	-323	188	-250	-1,014	-413
6	United Kingdom	1,791	-514	1,192	349	311	-61	-138	-122	-127	-157
7	Canada	1,151	1,674	300	313	231	307	707	170	466	331
8	Japan	274	-103	-186	-86	211	335	39		-37	-105
9	Other	1,024	605	315	380	120	209	126	223	262	-6
10	Corporate and other bonds, net foreign purchases	2,197	13,625	95	875	512	715	338	582	2,627	10,078
	By type:										
11	New issues sold abroad by U.S. corporations ⁴	320	10,683		320				180	1,881	8,622
12	U.S. federally-sponsored agency bonds, net	446	1,217	-60	177	100	229	-32	18	432	799
13	Other outstanding bonds, net	1,432	1,725	155	378	413	486	370	384	314	657
	By area:										
14	Western Europe	1,161	11,052	-95	682	157	417	47	134	1,808	9,063
15	Of which Germany	287	7,701	-1	121	58	109	48	297	457	929
16	Switzerland	632	639	134	425	-27	100	-136	21	66	688
17	United Kingdom	419	8,296	-199	202	170	246	164	-208	1,150	7,190
18	Canada	123	-28	42	-5	40	46	-32	-42	22	24
19	Japan	682	1,463	108	174	170	230	230	313	380	540
20	Other countries	222	854	51	61	18	92	75	102	387	290
21	International financial institutions ²	9	284	-11	-37	127	-70	18	75	30	161
	Memoranda:										
	Other foreign transactions in marketable, long-term U.S. securities included elsewhere in international transactions accounts:										
	Foreign official assets in the United States (lines in table 9):										
1	U.S. Treasury marketable bonds (line A4)	806	460	2,553	784	-1,867	-664	1,023	-606	-427	470
2	Other U.S. Government securities (line A6)	-487	12	-371	-170	-363	417	-8	147	85	-212
3	U.S. corporate and other bonds (part of line A14)	-810	-571	-194	-341	-90	-185	27	-501	35	-132
4	U.S. stocks (part of line A14)	-985	-2,096	-188	-485	-373	61	-626	-478	-522	-470
5	Other foreign transactions in U.S. Treasury bonds and notes, net (table 9, line B4)	4,648	20,952	1,420	2,263	-68	1,033	-300	4,248	4,302	12,202
6	New issues of bonds sold abroad by U.S. corporations' finance affiliates in the Netherlands Antilles (included in table 5, line 8). ⁴	5,752	9,942	1,660	1,480	1,204	1,408	3,840	2,827	3,044	231

See footnotes on page 58.

Table 7.—Claims on and Liabilities to Unaffiliated Foreigners 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.)	1983	1983				1984				Amounts out-standing Sept. 30, 1984
			I	II	III	IV	I	II	III	IV	
A1	Claims, total (table 1, line 46)	-5,333	-3,199	-230	-233	-1,671	1,659	2,120	1,787	n.a.	29,695
2	Financial claims	-5,266	-3,187	-592	-19	-1,468	1,399	1,691	1,620	n.a.	19,254
3	<i>Denominated in U.S. dollars</i>	-4,774	-3,132	-689	227	-1,180	1,236	1,740	1,470	n.a.	17,138
4	<i>Denominated in foreign currencies</i>	-492	-55	97	-246	-288	163	-49	150	n.a.	2,116
5	By type: Deposits	-4,821	-3,072	-406	-11	-1,332	1,417	1,723	1,219	n.a.	14,543
6	Other claims ¹	-445	-115	-186	-8	-136	-18	-32	401	n.a.	4,711
7	By area: Industrial countries ²	-3,212	-1,836	-936	569	-1,009	95	398	1,517	n.a.	10,176
8	<i>Of which United Kingdom</i>	-1,786	-1,433	-626	494	-221	-14	70	735	n.a.	4,703
9	Canada	-1,472	-326	-268	-77	-801	258	391	754	n.a.	4,344
10	Caribbean banking centers ³	-1,897	-1,175	594	-769	-547	1,238	1,404	-7	n.a.	7,403
11	Other	-157	-176	-250	181	88	66	-111	110	n.a.	1,675
12	Commercial claims	-67	-12	362	-214	-203	260	429	167	n.a.	10,441
13	<i>Denominated in U.S. dollars</i>	-26	23	385	-226	-208	324	457	137	n.a.	3,732
14	<i>Denominated in foreign currencies</i>	-41	-35	-23	12	5	-64	-28	40	n.a.	659
15	By type: Trade receivables	290	179	524	-284	-129	155	435	238	n.a.	3,867
16	Advance payments and other claims	-357	-191	-162	70	-74	105	-6	-71	n.a.	1,574
17	By area: Industrial countries ²	-2	148	251	-82	-319	-234	189	-2	n.a.	6,074
18	Members of OPEC ⁴	68	5	90	-14	-13	84	19	5	n.a.	1,235
19	Other	-133	-165	21	-118	129	410	221	164	n.a.	3,132
B1	Liabilities, total (table 1, line 60)	-1,318	-2,337	-64	1,311	-228	4,404	4,055	-2,930	n.a.	32,777
2	Financial liabilities	-117	331	35	-86	-397	3,625	3,691	-2,473	n.a.	15,853
3	<i>Denominated in U.S. dollars</i>	79	370	28	-14	-305	3,391	3,731	-2,228	n.a.	14,069
4	<i>Denominated in foreign currencies</i>	-196	-39	7	-72	-92	234	-40	-245	n.a.	1,784
5	By area: Industrial countries ²	-96	207	278	-279	-302	1,401	-73	-368	n.a.	8,612
6	<i>Of which United Kingdom</i>	-227	20	-12	-126	-109	951	50	-542	n.a.	3,471
7	Caribbean banking centers ³	-338	-50	-251	140	-177	2,218	3,728	-2,202	n.a.	6,021
8	Other	317	174	8	53	82	6	36	97	n.a.	1,220
9	Commercial liabilities	-1,201	-2,668	-99	1,397	169	779	364	-457	n.a.	16,924
10	<i>Denominated in U.S. dollars</i>	-1,385	-2,591	-16	1,365	-143	807	420	-316	n.a.	15,909
11	<i>Denominated in foreign currencies</i>	184	-77	-83	32	312	-28	-56	-141	n.a.	1,015
12	By type: Trade payables	-1,191	-2,060	399	1,030	-560	143	1	-923	n.a.	7,242
13	Advance receipts and other liabilities	-10	-608	-498	367	729	636	363	466	n.a.	9,682
14	By area: Industrial countries ²	-438	-740	253	-463	512	342	-239	923	n.a.	9,010
15	Members of OPEC ⁴	-1,184	-1,872	-442	1,823	-698	-77	1,013	-1,762	n.a.	3,485
16	Other	421	-56	90	32	355	514	-410	382	n.a.	4,429

See footnotes on page 58.

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.)	1983	1984	1983				1984				Amounts out-standing December 31, 1984
				I	II	III	IV	I	II	III	IV	
1	Total (table 1, line 47)	-25,391	-7,337	-18,175	3,894	-2,871	-8,239	1,955	-20,612	16,871	-5,551	442,823
2	By type:											
3	Banks' own claims	-31,376	-10,779	-20,257	1,378	-2,445	-10,052	2,539	-21,244	14,308	-6,382	409,347
4	Payable in dollars	-31,826	-7,317	-19,854	1,130	-2,323	-10,779	4,300	-20,656	13,690	-4,651	398,611
5	By borrower:											
6	Claims on:											
7	own foreign offices	-16,724	-9,308	-16,683	3,742	2,624	-6,407	-1,503	-9,558	6,189	-4,436	156,466
8	unaffiliated foreign banks	-1,402	834	-1,387	1,341	-1,032	-324	3,848	-8,618	6,937	-1,333	123,815
9	foreign public borrowers ¹	-11,832	-3,481	-2,167	-2,739	-4,050	-2,876	-231	-1,550	-229	-1,471	61,088
10	other private foreigners	-1,868	4,638	383	-1,214	135	-1,172	2,186	-930	793	2,589	57,242
11	By bank ownership: ²											
12	U.S.-owned banks' claims on:											
13	own foreign offices	-6,588	-6,248	-7,705	545	3,866	-3,294	-3,964	-4,129	6,848	-5,003	88,630
14	unaffiliated foreign banks	3,512	7,735	2,792	1,518	5	-803	5,171	-3,280	5,248	596	64,840
15	other foreigners	-10,203	-616	-1,219	-3,627	-1,327	-4,030	2,434	-2,596	-136	-318	66,513
16	Foreign-owned banks' claims on:											
17	own foreign offices	-10,136	-3,060	-8,978	3,197	-1,242	-3,113	2,461	-5,429	-659	567	67,836
18	unaffiliated foreign banks	-4,914	-6,901	-4,179	-177	-1,037	479	-1,323	-5,338	1,689	-1,929	58,975
19	other foreigners	-3,497	1,773	-565	-326	-2,588	-18	-479	116	700	1,436	51,817
20	Payable in foreign currencies	450	-3,462	-403	248	-122	727	-1,761	-588	618	-1,731	10,736
21	Banks' domestic customers' claims	5,985	3,442	2,082	2,516	-426	1,813	-584	632	2,563	831	33,476
22	Payable in dollars	6,367	2,952	2,043	2,563	-393	2,154	-1,281	497	2,617	1,119	32,907
23	Deposits	-479	-410	364	-505	-23	-315	-690	201	-1,117	1,196	3,379
24	Negotiable and readily transferable instruments	5,661	2,215	1,503	2,323	-612	2,447	72	125	2,427	-409	23,805
25	Outstanding collections and other	1,185	1,147	176	745	242	22	-663	171	1,307	332	5,723
26	Payable in foreign currencies	-382	490	39	-47	-33	-341	697	135	-54	-288	569
27	By area:											
28	Industrial countries ²	-6,889	-5,054	-6,144	4,917	-5,358	-304	-1,035	-12,196	6,885	1,292	182,798
29	Western Europe	-656	-3,834	-1,914	4,935	-4,187	510	-1,041	-10,330	6,462	1,075	122,402
30	<i>Of which United Kingdom</i>	3,516	-6,047	-2,061	4,679	-3,037	3,935	-1,329	-6,420	2,246	-544	75,609
31	Canada	-2,965	-53	-3,349	-1,129	226	1,287	-578	1,118	275	21,531	
32	Japan	-1,936	-358	-329	887	-950	-1,544	775	-611	-271	-251	82,775
33	Other	-1,332	-809	-652	224	-447	-557	-191	-387	-424	193	6,090
34	Caribbean banking centers ³	-4,804	565	-8,762	2,623	6,767	-5,437	2,262	-4,093	6,612	-4,216	108,445
35	Other areas	-13,698	-2,848	-3,269	-3,651	-4,280	-2,498	728	-4,323	3,374	-2,627	151,580
36	<i>Of which Members of OPEC, included below⁴</i>	-3,103	371	-949	-921	-1,355	11	-403	1,323	-560	21,166	
37	Latin America	-8,952	-1,551	-1,988	-1,548	-3,250	-2,166	-696	-1,282	101	-326	104,156
38	Asia	-4,202	-1,254	-936	-1,821	-956	-489	1,444	-3,500	2,964	-2,162	39,910
39	Africa	-570	277	37	-124	-240	-243	89	208	143	-163	4,226
40	Other ⁵	26	-320	-382	166	400	-109	251	166	-628	3,288	
41	Memoranda:											
42	International banking facilities' (IBF's) own claims, payable in dollars (lines 1-13 above)	-27,638	-15,090	-10,960	-3,466	-8,911	-4,301	-5,155	-11,865	3,845	-1,915	183,615
43	By borrower:											
44	Claims on:											
45	own foreign offices	-8,841	-7,496	-5,094	-964	-1,877	-906	-3,044	-5,980	3,047	-1,519	42,621
46	unaffiliated foreign banks	-7,378	-5,111	-3,482	-1,053	-2,990	147	-523	-5,143	883	-323	68,636
47	foreign public borrowers	-8,732	-4,491	-1,540	-1,065	-3,651	-2,476	-901	-1,815	-323	-1,452	43,598
48	all other foreigners	-2,687	2,008	-844	-384	-393	-1,066	-682	1,073	238	1,379	28,760
49	By bank ownership: ²											
50	U.S.-owned IBF's	-13,936	-2,730	-3,784	-2,774	-2,758	-4,620	-738	-3,649	2,667	-1,010	73,698
51	Foreign-owned IBF's	-13,702	-12,360	-7,176	-692	-6,153	319	-4,417	-8,216	1,178	-905	109,917
52	Banks' dollar acceptances payable by foreigners	830	840	2,931	322	282	-2,705	798	-5,673	3,805	1,910	36,677

See footnotes on page 58.

Table 9.—Foreign Official Assets 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.)	1983	1984 ^a	1983				1984				Amounts out-standing December 31, 1984
				I	II	III	IV	I	II	III ^c	IV ^d	
A1	Foreign official assets in the United States (table 1, line 49)	5,339	2,998	-252	1,739	-2,703	6,555	-2,784	-345	-830	6,956	196,910
	By type:											
2	U.S. Treasury securities (table 1, line 51).....	6,989	4,644	3,012	1,985	-611	2,603	-288	-310	-577	5,819	134,330
3	Bills and certificates.....	7,683	5,634	1,259	1,201	1,256	3,967	-661	296	650	5,349	59,976
4	Bonds and notes, marketable.....	806	460	2,553	784	-1,867	-664	1,023	-606	-427	470	68,554
5	Bonds and notes, nonmarketable.....	-1,500	-1,450	-800			-700	-650		-800		5,800
6	Other U.S. Government securities (table 1, line 52).....	-487	12	-371	-170	-363	417	-8	147	85	-212	7,259
7	Other U.S. Government liabilities (table 1, line 53).....	199	333	-533	434	137	161	242	448	-153	-205	13,984
8	U.S. liabilities reported by U.S. banks, not included elsewhere (table 1, line 54).....	433	676	-1,978	316	-1,403	3,498	-2,131	349	302	2,156	26,194
9	Banks' liabilities for own account, payable in dollars ¹	2,676	-348	-165	-46	-281	3,168	-2,291	-504	-341	2,788	19,062
10	Demand deposits.....	-61	101	282	-120	-49	118	-40	71	-48	1,921	1,921
11	Time deposits ¹	1,766	1,958	-170	700	170	1,066	-622	821	329	1,430	9,307
12	Other liabilities ²	971	-2,407	-277	-626	-277	2,151	-1,787	-1,285	-741	1,406	7,834
13	Banks' custody liabilities, payable in dollars ^{1,3}	-2,243	1,024	-1,813	362	-1,122	330	160	853	643	-632	7,132
14	Other foreign official assets (table 1, line 55).....	-1,795	-2,667	-382	-826	-463	-124	-599	-979	-487	-602	15,143
	By area: (see text table B).											
B1	Other foreign assets in the United States (table 1, lines 58 and 61)	57,790	50,058	13,168	4,837	15,787	23,998	10,133	27,266	-289	12,948	367,145
	By type:											
2	U.S. Treasury securities (line 58).....	8,731	22,487	2,924	3,139	995	1,673	1,358	6,477	5,121	9,531	56,428
	By security:											
3	Bills and certificates.....	5,357	1,535	1,883	1,366	1,468	640	1,658	2,229	319	-2,671	15,862
4	Marketable bonds and notes.....	4,643	20,952	1,420	2,263	-68	1,033	-300	4,248	4,802	12,202	40,566
5	Nonmarketable bonds and notes ⁴	-1,274		-379	-490	-405						
	By holder:											
6	Foreign banks.....	4,368	749	1,312	1,281	1,038	737	582	2,011	-537	-1,307	10,927
7	Other private foreigners.....	4,983	16,318	701	1,252	313	2,717	-142	3,541	5,347	7,572	34,603
8	International financial institutions ⁵	-620	5,420	911	606	-356	-1,781	918	925	311	3,266	10,898
9	U.S. liabilities reported by U.S. banks (line 61).....	49,059	27,571	10,244	1,698	14,792	22,325	8,775	20,789	-5,410	3,417	310,717
10	Banks' own liabilities ¹	49,240	26,234	10,412	2,117	14,000	22,711	8,268	19,701	-5,991	4,256	293,614
11	Payable in dollars.....	48,879	24,501	10,168	1,325	13,904	23,482	8,240	18,972	-5,490	2,779	286,236
	By account:											
12	Liabilities to own foreign offices.....	25,631	2,109	6,292	-4,250	8,125	15,464	1,521	10,810	-10,805	583	149,128
	Liabilities to unaffiliated foreigners											
13	demand deposits.....	1,766	1,996	198	928	-676	1,316	-254	254	-490	2,486	17,715
14	time deposits ¹	20,298	17,569	3,004	4,123	5,763	7,408	7,107	7,244	6,381	-3,113	100,911
15	other liabilities ²	1,184	2,827	674	524	692	-706	-134	664	-526	2,823	18,482
	By holder:											
16	Liabilities to own foreign offices.....	25,631	2,109	6,292	-4,250	8,125	15,464	1,521	10,810	-10,805	583	149,128
17	unaffiliated foreign banks.....	9,864	14,443	175	2,215	3,656	4,168	4,173	5,067	3,012	2,191	74,830
18	other private foreigners.....	10,660	10,936	3,526	2,515	2,377	2,242	3,181	4,221	1,918	1,666	60,634
19	international financial institutions ⁵	2,724	-2,987	525	845	-254	1,608	-585	-1,126	385	-1,661	1,644
	By bank ownership: ⁶											
20	U.S.-owned banks' liabilities to own foreign offices.....	15,812	-10	628	-2,056	4,931	12,309	4,570	7,280	-9,755	-2,105	75,852
21	unaffiliated foreign banks.....	-410	2,391	-1,328	-462	-363	1,743	-1,373	2,532	685	547	19,404
22	other private foreigners and international financial institutions ⁵	5,868	2,911	781	1,654	575	2,858	87	1,561	1,761	-498	36,635
	Foreign-owned banks' liabilities to own foreign offices.....	9,819	2,119	5,664	-2,194	3,194	3,155	-3,049	3,530	-1,050	2,688	73,276
23	unaffiliated foreign banks.....	10,274	12,052	1,553	2,677	4,019	2,425	5,546	2,535	2,327	1,644	55,426
24	other private foreigners and international financial institutions ⁵	7,516	5,038	3,270	1,706	1,548	992	2,459	1,534	542	503	25,643
25	Payable in foreign currencies.....	361	1,733	244	792	96	-771	28	729	-501	1,477	7,378
26	Banks' custody liabilities, payable in dollars ^{1,3}	-181	1,337	-168	-419	792	-386	507	1,088	581	-839	17,103
27	Of which negotiable and readily transferable instruments.....	-868	329	-56	-527	-175	-110	379	662	638	-1,350	11,737
	By area:											
29	Industrial countries ⁷	26,347	32,074	3,843	4,433	7,507	10,564	8,675	16,103	-688	7,984	178,827
30	Western Europe.....	19,227	21,734	876	2,071	6,682	9,598	5,684	13,517	-3,324	5,857	139,001
31	Canada.....	4,001	3,238	2,150	1,822	77	-48	1,418	1,980	356	-516	18,530
32	Other.....	3,119	7,102	817	540	748	1,014	1,573	606	2,280	2,643	21,296
33	Caribbean banking centers ⁸	20,717	3,566	6,484	-2,629	4,439	12,423	657	5,992	-3,682	599	106,491
34	Other areas.....	10,726	14,418	2,841	3,033	3,841	1,011	801	5,171	4,081	4,365	81,827
35	Of which Members of OPEC, included below ⁹	473	2,117	-534	24	323	660	-74	2,054	-436	573	15,144
36	Latin America.....	5,020	6,622	571	1,634	2,632	183	1,371	1,919	2,358	974	41,853
37	Asia.....	4,096	4,306	1,125	385	1,556	1,030	-1,218	2,367	1,180	1,477	23,309
38	Africa.....	-84	358	-51	-226	276	-83	190	281	-180	67	1,961
39	Other ¹⁰	1,694	3,132	1,196	1,240	-623	-119	458	104	723	1,847	14,704
	Memoranda:											
1	International banking facilities' (IBF's) own liabilities, payable in dollars (in lines A9, and B11 above).....	32,867	14,611	5,571	5,435	13,157	8,704	9,307	7,550	-3,389	1,143	169,165
	By holder:											
2	Liabilities to own foreign offices.....	14,512	75	4,243	89	7,163	3,017	4,447	1,126	-7,926	2,428	75,010
3	unaffiliated foreign banks.....	9,727	11,484	-199	2,196	4,026	3,704	4,356	4,641	3,537	-1,050	59,311
4	foreign official agencies.....	1,250	1,214	-328	558	726	294	-443	586	-231	1,302	7,618
5	other private foreigners and international financial institutions ⁵	7,378	1,838	1,855	2,592	1,242	1,689	947	1,197	1,231	-1,537	27,406
	By bank ownership: ⁶											
6	U.S.-owned IBF's.....	13,112	-1,222	2,862	359	3,948	5,943	2,537	2,825	-5,657	-927	66,535
7	Foreign-owned IBF's.....	19,755	15,833	2,709	5,076	9,209	2,761	6,770	4,725	2,268	2,070	102,630
8	Negotiable certificates of deposit held for foreigners ¹ (in lines A13 and B27 above).....	-3,899	93	-2,985	148	-1,124	62	-719	1,298	102	-588	10,461

See footnotes on page 58.

Table 10.—U.S. International

[Millions

Line	(Credits +; debits -) ¹	Western Europe						European Communities (10) ¹¹	
		1983	1984 ^p	1984				1983	1984 ^p
				I	II	III ^r	IV ^p		
1	Exports of goods and services ²	92,524	98,722	26,252	23,846	22,582	26,041	73,135	78,585
2	Merchandise, adjusted, excluding military ³	54,877	57,078	14,853	14,063	13,279	14,883	43,382	46,595
3	Transfers under U.S. military agency sales contracts.....	3,004	2,913	758	654	759	744	1,989	1,696
4	Travel.....	2,157	2,387	463	648	752	474	1,666	1,814
5	Passenger fares.....	1,139	1,195	258	338	374	225	927	969
6	Other transportation.....	3,875	4,210	996	1,052	1,109	1,054	3,050	3,113
7	Fees and royalties from affiliated foreigners.....	3,315	3,390	773	807	867	944	2,936	2,979
8	Fees and royalties from unaffiliated foreigners.....	616	638	157	158	160	163	523	543
9	Other private services.....	1,270	1,390	326	345	354	364	1,023	1,090
10	U.S. Government miscellaneous services.....	158	147	24	23	52	48	135	105
	Receipts of income on U.S. assets abroad:								
11	Direct investment.....	7,929	8,834	3,907	1,625	368	2,984	5,895	6,213
12	Other private receipts.....	13,140	15,673	3,545	3,928	4,271	3,929	11,086	13,015
13	U.S. Government receipts.....	1,045	917	193	205	298	281	564	453
14	Transfers of goods and services under U.S. military grant programs, net.....	60	113	23	27	38	26	13	2
15	Imports of goods and services.....	-98,634	-126,150	-29,588	-31,933	-34,220	-30,410	-79,080	-100,473
16	Merchandise, adjusted, excluding military ³	-53,896	-71,021	-17,673	-17,092	-19,133	-17,123	-43,739	-57,028
17	Direct defense expenditures.....	-7,012	-7,296	-1,740	-1,801	-1,851	-1,904	-6,396	-6,732
18	Travel.....	-3,991	-4,839	-440	-1,561	-1,996	-842	-3,133	-3,674
19	Passenger fares.....	-4,096	-4,900	-957	-1,686	-1,304	-953	-3,013	-3,643
20	Other transportation.....	-3,857	-4,860	-1,134	-1,224	-1,314	-1,187	-2,851	-3,475
21	Fees and royalties to affiliated foreigners.....	-276	-343	-71	-66	-114	-91	-171	-232
22	Fees and royalties to unaffiliated foreigners.....	-212	-217	-53	-54	-54	-55	-178	-187
23	Private payments for other services.....	-886	-961	-230	-219	-224	-228	-703	-734
24	U.S. Government payments for miscellaneous services.....	-513	-535	-127	-109	-138	-161	-349	-361
	Payments of income on foreign assets in the United States:								
25	Direct investment.....	-5,069	-7,534	-1,798	-2,131	-1,718	-1,887	-4,589	-6,740
26	Other private payments.....	-11,361	-14,646	-3,235	-3,802	-4,001	-3,609	-8,331	-11,250
27	U.S. Government payments.....	-7,466	-9,000	-2,070	-2,189	-2,373	-2,369	-5,626	-6,418
28	U.S. military grants of goods and services, net.....	-60	-113	-23	-27	-38	-26	-13	-2
29	Unilateral transfers (excluding military grants of goods and services), net.....	-280	-476	-49	-75	-160	-192	246	185
30	U.S. Government grants (excluding military grants of goods and services).....	-288	-415	-31	-64	-161	-159	-17	-25
31	U.S. Government pensions and other transfers.....	-672	-677	-178	-170	-160	-169	-517	-527
32	Private remittances and other transfers.....	680	616	159	159	161	136	779	737
33	U.S. assets abroad, net (increase/capital outflow (-)).....	-9,414	-13,868	-4,600	-12,779	7,643	-4,133	-7,724	-11,343
34	U.S. official reserve assets, net ⁴	1,123	-533	-208	77	-163	-239	675	-527
35	Gold.....								
36	Special drawing rights.....								
37	Reserve position in the International Monetary Fund.....								
38	Foreign currencies.....	1,123	-533	-208	77	-163	-239	675	-527
39	U.S. Government assets, other than official reserve assets, net.....	-104	13	-188	129	71	2	252	313
40	U.S. loans and other long-term assets.....	-1,170	-1,051	-376	-111	-177	-388	-239	-152
41	Repayments on U.S. loans ⁵	1,081	988	209	194	238	347	451	410
42	U.S. foreign currency holdings and U.S. short-term assets, net.....	35	77	-22	45	10	43	39	55
43	U.S. private assets, net.....	-10,433	-13,349	-4,204	-12,985	7,735	-3,895	-8,650	-11,128
44	Direct investment.....	-3,224	-1,461	-2,492	-324	2,466	-1,110	-1,459	-277
45	Foreign securities.....	-5,059	-8,325	-666	-2,368	-2,041	-3,750	-5,513	-7,029
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	-1,483	n.a.	-5	45	840	n.a.	-1,724	n.a.
47	U.S. claims reported by U.S. banks, not included elsewhere.....	-667	-3,943	-1,041	-10,337	6,470	965	50	-4,637
48	Foreign assets in the United States, net (increase/capital inflow (+)).....	38,277	46,359	9,104	21,567	-2,710	18,398	30,819	43,771
49	Foreign official assets in the United States, net.....	6,509	2,331	168	2,342	-2,070	1,891		
50	U.S. Government securities.....								
51	U.S. Treasury securities ⁶	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁵)	(¹⁵)
52	Other ⁷								
53	Other U.S. Government liabilities ⁸	107	-193	104	-109	-45	-143	30	-104
54	U.S. liabilities reported by U.S. banks, not included elsewhere.....	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁵)	(¹⁵)
55	Other foreign official assets ⁹								
56	Other foreign assets in the United States, net.....	31,768	44,028	8,936	19,225	-640	16,507		
57	Direct investment.....	8,719	12,781	1,266	6,323	2,646	2,546	7,733	11,654
58	U.S. Treasury securities.....	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁵)	(¹⁵)
59	U.S. securities other than U.S. Treasury securities.....	5,127	8,288	354	-255	99	8,090	3,094	3,987
60	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	-1,345	n.a.	1,587	-238	-65	n.a.	-992	n.a.
61	U.S. liabilities reported by U.S. banks, not included elsewhere.....	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	(¹⁴)	¹⁵ 20,955	¹⁵ 22,067
62	Allocations of special drawing rights.....								
63	Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed).....	-22,472	-4,587	-1,120	-626	6,864	-9,704	-17,397	-10,725
	Memoranda:								
64	Balance on merchandise trade (lines 2 and 16).....	981	-13,943	-2,820	-3,029	-5,854	-2,240	-407	-10,433
65	Balance on goods and services (lines 1 and 15) ¹⁰	-6,111	-27,428	-3,335	-8,087	-11,638	-4,368	-5,945	-21,888
66	Balance on goods, services, and remittances (lines 65, 31, and 32).....	-6,103	-27,490	-3,354	-8,098	-11,636	-4,401	-5,682	-21,678
67	Balance on current account (lines 65 and 29) ¹⁰	-6,391	-27,904	-3,385	-8,162	-11,797	-4,561	-5,699	-21,703

See footnotes on page 58.

Transactions, by Area

of dollars]

European Communities (10) ¹¹				United Kingdom						European Communities (6) ¹²				Line		
1984				1983	1984 ^P	1984				1983	1984 ^P	1984				
I	II	III ^r	IV ^P			I	II	III ^r	IV ^P			I	II		III ^r	IV ^P
20,924	19,025	18,097	20,539	24,027	27,256	6,757	6,567	6,844	7,089	44,389	46,372	12,968	11,214	10,039	12,151	1
11,920	11,592	11,027	12,056	10,384	12,098	2,929	2,921	3,084	3,164	30,732	32,167	8,430	8,088	7,352	8,297	2
458	412	531	295	532	455	132	110	145	67	1,151	1,096	288	260	353	195	3
357	499	600	358	466	442	97	126	128	91	1,106	1,268	237	343	448	240	4
214	282	296	177	431	408	89	134	112	73	437	497	114	133	172	78	5
743	758	823	789	701	761	177	167	200	219	1,797	1,770	412	447	462	448	6
682	702	767	829	768	818	205	177	215	222	1,980	1,975	428	477	504	566	7
134	135	136	138	124	126	31	31	32	32	382	390	97	97	98	99	8
257	270	277	287	417	458	105	109	118	126	539	565	136	144	142	143	9
17	18	38	33	51	51	7	14	13	18	76	49	8	4	23	13	10
3,082	990	-82	2,224	2,628	2,925	1,050	616	384	875	2,397	2,315	1,806	133	-659	1,035	11
2,956	3,273	3,585	3,201	7,435	8,627	1,928	2,154	2,405	2,140	3,391	3,993	936	1,017	1,072	969	12
104	97	100	152	90	87	8	8	9	63	401	288	77	71	73	68	13
1	1	-1	1	(^c)	([*])				([*])	-1	-1	(^c)		-1		14
-23,510	-25,349	-27,087	-24,527	-26,266	-31,712	-7,191	-8,117	-8,612	-7,791	-48,770	-64,036	-15,273	-16,028	-17,146	-15,590	15
-14,232	-13,666	-15,307	-13,823	-12,392	-14,395	-3,493	-3,448	-3,775	-3,679	-29,486	-40,000	-10,139	-9,575	-10,839	-9,447	16
-1,611	-1,683	-1,691	-1,746	-904	-924	-255	-252	-202	-216	-4,901	-5,512	-1,270	-1,335	-1,436	-1,471	17
-315	-1,159	-1,504	-696	-1,061	-1,208	-107	-349	-457	-295	-1,690	-2,098	-188	-699	-873	-338	18
-684	-1,220	-946	-793	-1,072	-1,353	-253	-468	-354	-278	-1,664	-1,989	-356	-688	-510	-435	19
-812	-864	-944	-855	-735	-822	-214	-168	-215	-225	-1,529	-1,907	-424	-502	-507	-474	20
-50	-41	-92	-49	-36	-157	-33	-24	-63	-37	-148	-83	-17	-20	-31	-15	21
-46	-46	-47	-48	-90	-94	-23	-23	-24	-24	-86	-91	-22	-23	-23	-23	22
-178	-182	-186	-189	-313	-346	-80	-85	-89	-91	-342	-342	-86	-85	-85	-86	23
-90	-72	-104	-95	-68	-47	-10	-15	-12	-11	-237	-269	-71	-48	-78	-72	24
-1,530	-1,933	-1,547	-1,730	-2,456	-2,683	-559	-847	-757	-520	-2,102	-4,010	-968	-1,072	-775	-1,195	25
-2,467	-2,935	-3,088	-2,760	-5,904	-8,031	-1,805	-2,082	-2,232	-1,911	-2,349	-3,122	-640	-829	-828	-826	26
-1,496	-1,548	-1,630	-1,744	-1,235	-1,652	-359	-356	-432	-505	-4,236	-4,614	-1,093	-1,152	-1,160	-1,208	27
-1	-1	1	-1	(^c)	([*])				([*])	1	1	(^c)		1		28
39	49	61	36	246	220	63	58	65	34	176	150	23	39	42	47	29
-6	-8	-7	-6							-17	-25	-6	-8	-7	-6	30
-139	-133	-125	-130	-73	-78	-20	-20	-19	-19	-339	-345	-93	-86	-81	-85	31
184	189	192	172	320	298	82	78	84	53	532	520	121	132	129	138	32
-3,921	-8,664	5,149	-3,906	-2,630	-11,218	-2,936	-7,074	1,810	-3,017	-3,354	-70	-687	-1,349	3,393	-1,427	33
-205	78	-160	-240							675	-527	-205	78	-160	-240	34
																35
																36
																37
-205	78	-160	-240							675	-527	-205	78	-160	-240	38
-9	72	91	159	125	136	15	13	25	113	96	138	-5	60	38	45	39
-63	-17	-14	-59	-84	-28	-28	-28			-22	-33				-33	40
81	61	88	179	203	164	18	14	21	111	104	122	17	30	29	47	41
-28	28	17	39	6	([*])	-4	-2	4	1	14	50	-21	30	10	31	42
-3,706	-8,814	5,218	-3,825	-2,754	-11,354	-2,922	-7,087	1,785	-3,130	-4,125	319	-477	-1,487	3,515	-1,232	43
-1,838	495	1,711	-797	-772	-942	-263	-942	182	252	71	1,117	-770	865	1,703	-680	44
-990	-624	-1,992	-3,424	-3,676	-5,249	-660	-447	-1,304	-2,838	-1,561	-1,992	-354	-235	-706	-698	45
37	-134	912	n.a.	-1,797	n.a.	9	44	660	n.a.	160	14	-221	222	n.a.	n.a.	46
-916	-8,551	4,586	244	3,516	-6,047	-1,329	-6,420	2,246	-544	-2,795	1,179	633	-1,896	2,296	146	47
10,634	15,202	-922	18,856	19,950	27,257	5,964	10,199	-404	11,497	9,786	16,371	4,760	4,990	-602	7,222	48
(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	49
30	-115	-97	78	-36	20	-6	-4	-18	47	62	-126	15	-104	-78	41	50
(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	51
1,486	5,558	2,304	2,307	3,988	5,823	216	4,925	437	246	3,636	5,714	1,219	635	1,823	2,038	52
(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	(¹⁵)	53
253	-159	1,058	7,335	2,211	7,754	26	-329	1,024	7,033	834	1,210	236	163	18	795	54
1,447	24	-304	n.a.	-654	n.a.	1,154	14	-208	n.a.	-347	n.a.	257	16	-101	n.a.	55
¹⁵ 7,419	¹⁵ 9,894	¹⁵ -3,883	¹⁵ 8,636	¹⁵ 14,441	¹⁵ 12,700	¹⁵ 4,574	¹⁵ 5,593	¹⁵ -1,639	¹⁵ 4,172	¹⁵ 5,602	¹⁵ 9,401	¹⁵ 3,034	¹⁵ 4,281	¹⁵ -2,263	¹⁵ 4,349	56
																57
																58
																59
																60
																61
																62
-4,166	-263	4,702	-10,998	-15,327	-11,803	-2,656	-1,633	297	-7,811	-2,227	1,213	-1,791	1,133	4,274	-2,403	63
-2,312	-2,074	-4,280	-1,767	-2,008	-2,297	-564	-527	-691	-515	1,246	-7,833	-1,709	-1,487	-3,487	-1,150	64
-2,586	-6,324	-8,990	-3,988	-2,239	-4,456	-434	-1,551	-1,769	-702	-4,382	-17,664	-2,305	-4,813	-7,107	-3,439	65
-2,542	-6,268	-8,923	-3,946	-1,993	-4,236	-372	-1,492	-1,703	-669	-4,189	-17,488	-2,276	-4,767	-7,059	-3,386	66
-2,547	-6,275	-8,929	-3,951	-1,993	-4,236	-372	-1,492	-1,703	-669	-4,205	-17,514	-2,282	-4,775	-7,066	-3,391	67

Table 10.—U.S. International

[Millions]

Line	(Credits +; debits -) ¹	Eastern Europe						Canada	
		1983	1984 ^p	1984				1983	1984 ^p
				I	II	III ^r	IV ^p		
1	Exports of goods and services ²	3,561	4,868	1,108	1,095	1,064	1,601	61,376	71,596
2	Merchandise, adjusted, excluding military ³	2,918	4,283	968	941	919	1,455	43,813	53,135
3	Transfers under U.S. military agency sales contracts.....							142	119
4	Travel.....							3,168	3,116
5	Passenger fares.....								
6	Other transportation.....	243	204	51	53	50	49	843	940
7	Fees and royalties from affiliated foreigners.....							991	1,106
8	Fees and royalties from unaffiliated foreigners.....	18	19	5	5	5	5	55	58
9	Other private services.....	90	80	21	20	20	20	644	653
10	U.S. Government miscellaneous services.....	7	7	2	3	1	1	50	22
	Receipts of income on U.S. assets abroad:								
11	Direct investment.....							5,157	5,443
12	Other private receipts.....	244	287	58	60	63	56	6,471	6,956
13	U.S. Government receipts.....	41	39	3	13	7	15	41	49
14	Transfers of goods and services under U.S. military grant programs, net.....								
15	Imports of goods and services.....	-1,661	-2,492	-547	-519	-751	-675	-60,672	-76,498
16	Merchandise, adjusted, excluding military ³	-1,371	-2,151	-480	-430	-643	-598	-54,359	-68,669
17	Direct defense expenditures.....	-1	-2	(*)	-1	(*)	(*)	-237	-226
18	Travel.....	-73	-72	-5	-20	-39	-8	-2,160	-2,355
19	Passenger fares.....								
20	Other transportation.....	-136	-177	-40	-43	-46	-47	-667	-654
21	Fees and royalties to affiliated foreigners.....							-358	-530
22	Fees and royalties to unaffiliated foreigners.....	(*)	(*)	(*)	(*)	(*)	(*)	-10	-11
23	Private payments for other services.....	-15	-17	-4	-4	-4	-5	-352	-397
24	U.S. Government payments for miscellaneous services.....	-42	-40	-10	-13	-9	-9	-117	-78
	Payments of income on foreign assets in the United States:								
25	Direct investment.....							-296	-850
26	Other private payments.....	-22	-33	-7	-8	-10	-9	-1,751	-2,337
27	U.S. Government payments.....	(*)						-366	-391
28	U.S. military grants of goods and services, net.....								
29	Unilateral transfers (excluding military grants of goods and services), net.....	-144	-145	-32	-40	-40	-34	-153	-168
30	U.S. Government grants (excluding military grants of goods and services).....	-36	-35	-7	-13	-12	-3		
31	U.S. Government pensions and other transfers.....	-24	-23	-6	-6	-6	-6	-245	-254
32	Private remittances and other transfers.....	-84	-87	-19	-21	-22	-25	93	86
33	U.S. assets abroad, net (increase/capital outflow (-)).....	130	179	-51	-76	194	112	-7,686	-1,729
34	U.S. official reserve assets, net ⁴								
35	Gold.....								
36	Special drawing rights.....								
37	Reserve position in the International Monetary Fund.....								
38	Foreign currencies.....								
39	U.S. Government assets, other than official reserve assets, net.....	-242	-121	-154	-11	19	26	-76	-101
40	U.S. loans and other long-term assets.....	-45	-32		-32			-164	-158
41	Repayments on U.S. loans ⁵	64	105	10	43	22	29	67	60
42	U.S. foreign currency holdings and U.S. short-term assets, net.....	-261	-193	-163	-22	-4	-4	21	-3
43	U.S. private assets, net.....	373	300	103	-65	175	86	-7,611	-1,628
44	Direct investment.....							-1,413	-3,219
45	Foreign securities.....	1	(*)	(*)	(*)		-1	-1,582	420
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	40	n.a.	10	-8	-18	n.a.	-1,651	n.a.
47	U.S. claims reported by U.S. banks, not included elsewhere.....	332	316	93	-57	193	87	-2,965	-53
48	Foreign assets in the United States, net (increase/capital inflow (+)).....	51	-13	6	23	146	-188	6,147	6,062
49	Foreign official assets in the United States, net.....							351	-926
50	U.S. Government securities.....								
51	U.S. Treasury securities ⁶	(15)	(15)	(15)	(15)	(15)	(15)	(14)	(14)
52	Other.....								
53	Other U.S. Government liabilities ⁷	(*)	(*)	1	-1	(*)	1	-16	-15
54	U.S. liabilities reported by U.S. banks, not included elsewhere.....							(14)	(14)
55	Other foreign official assets ⁸	(15)	(15)	(15)	(15)	(15)	(15)		
56	Other foreign assets in the United States, net.....							5,796	6,988
57	Direct investment.....							118	2,174
58	U.S. Treasury securities.....	(15)	(15)	(15)	(15)	(15)	(15)	(14)	(14)
59	U.S. securities other than U.S. Treasury securities.....	(*)	-15	-1	1	1	-16	1,274	1,646
60	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	20	n.a.	13	7	14	n.a.	403	n.a.
61	U.S. liabilities reported by U.S. banks, not included elsewhere.....	15 31	15 -33	15 -7	15 16	15 131	15 -173	(14)	(14)
62	Allocations of special drawing rights.....								
63	Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed).....	-1,938	-2,397	-485	-483	-613	-816	988	737
	Memoranda:								
64	Balance on merchandise trade (lines 2 and 16).....	1,547	2,192	488	511	276	857	-10,546	-15,534
65	Balance on goods and services (lines 1 and 15) ¹⁰	1,901	2,376	561	576	313	927	704	-4,902
66	Balance on goods, services, and remittances (lines 65, 31, and 32).....	1,793	2,266	536	549	285	896	551	-5,071
67	Balance on current account (lines 65 and 29) ¹⁰	1,757	2,231	529	536	274	892	551	-5,071

See footnotes on page 58.

Transactions, by Area—Continued

of dollars]

Canada				Latin American Republics and Other Western Hemisphere								Japan						Line
1984				1983	1984 ^P	1984				1983	1984 ^P	1984						
I	II	III ^r	IV ^P			I	II	III ^r	IV ^P			I	II	III ^r	IV ^P			
17,681	19,025	17,759	17,132	57,196	64,141	15,217	15,217	16,825	16,883	31,427	33,667	8,199	8,547	8,299	8,622	1		
12,923	14,555	12,978	12,679	25,581	29,818	6,876	7,298	7,598	8,046	21,677	23,247	5,582	6,015	5,683	5,967	2		
25	55	28	11	251	209	57	45	60	47	421	531	79	108	149	196	3		
957	843	760	556	3,726	3,289	696	795	868	930	1,128	1,305	351	305	383	266	4		
183	209	264	283	594	456	124	122	130	80	700	777	188	255	143	191	5		
289	276	279	263	1,631	1,764	406	400	510	448	1,876	2,058	486	479	561	581	6		
14	14	15	15	514	503	105	108	147	144	387	404	88	110	100	105	7		
164	163	163	163	100	105	26	26	26	27	500	525	129	130	132	134	8		
2	3	5	12	1,172	1,329	325	330	330	345	246	226	58	56	56	57	9		
				79	85	18	24	26	17	19	14	5	2	5	2	10		
				690	1,185	587	-299	360	538	1,193	802	333	146	53	269	11		
1,434	1,146	1,435	1,428	22,228	25,017	5,922	6,275	6,655	6,165	3,087	3,599	849	901	983	866	12		
1,678	1,750	1,817	1,711	632	381	77	93	115	96	192	179	51	39	51	39	13		
13	11	15	10	55	18	4	1	2	11	-1	-1			-1		14		
-18,083	-19,431	-19,387	-19,598	-63,852	-75,277	-18,714	-18,607	-19,661	-18,295	-49,710	-68,773	-15,490	-16,853	-19,543	-16,886	15		
-16,677	-17,706	-16,545	-17,741	-41,867	-48,016	-12,402	-11,886	-12,096	-11,632	-41,307	-57,271	-12,999	-14,063	-16,393	-13,816	16		
-43	-55	-82	-46	-314	-406	-130	-126	-72	-78	-1,312	-1,366	-334	-350	-345	-338	17		
-269	-588	-1,140	-358	-5,517	-6,002	-1,550	-1,393	-1,604	-1,455	-302	-414	-68	-143	-98	-105	18		
-118	-155	-191	-191	-469	-557	-128	-163	-180	-86	-237	-269	-54	-101	-75	-29	19		
-139	-71	-137	-183	-1,774	-1,847	-439	-446	-515	-447	-2,101	-2,521	-621	-566	-734	-601	20		
-3	-3	-3	-3	61	36	10	17	-1	10	154	62	30	26	-10	17	21		
-118	-95	-91	-92	-10	-10	-3	-3	-3	-3	-38	-45	-11	-11	-12	-12	22		
-7	-11	-13	-48	-1,690	-1,785	-438	-446	-442	-458	-114	-133	-31	-33	-34	-35	23		
				-333	-331	-74	-94	-73	-73	-48	-27	-9	-7	-8	-4	24		
-86	-91	-426	-246	-285	-300	-96	14	-137	-81	-1,065	-2,562	-480	-565	-724	-793	25		
-527	-577	-666	-567	-11,393	-15,677	-3,391	-4,000	-4,413	-3,874	-1,096	-1,535	-310	-401	-420	-404	26		
-96	-79	-93	-123	-261	-382	-73	-85	-105	-118	-2,243	-2,692	-605	-640	-691	-757	27		
				-55	-18	-4	-1	-2	-11	1	1			1		28		
-42	-48	-39	-40	-1,507	-2,289	-408	-451	-783	-649	-48	-70	-3	-23	-18	-26	29		
				-652	-1,283	-198	-196	-524	-365							30		
-62	-68	-61	-64	-297	-303	-77	-74	-76	-76	1	(*)	13	-8		-6	31		
20	19	22	24	-558	-703	-134	-178	-184	-208	-49	-69	-16	-16	-18	-20	32		
-1,587	-693	1,013	-461	-10,373	3,769	3,496	310	6,243	-6,279	-3,547	834	617	-128	901	-556	33		
				2,083	-490	10			-500	98	-134	-33	-34	-34	-33	34		
																35		
																36		
																37		
				2,083	-490	10			-500	98	-134	-33	-34	-34	-33	38		
3	-76	9	-36	-234	-1,524	-411	-282	-609	-222	16	96	31	17	31	17	39		
-9	-96		-54	-2,070	-2,231	-504	-629	-702	-395	-76						40		
14	20	10	18	1,811	1,054	203	391	221	239	91	98	33	17	31	18	41		
-3	(*)	1	(*)	25	-347	-110	-44	-127	-66	1	-2	-1	1	-1	-1	42		
-1,590	-617	1,004	-425	-12,222	5,783	3,897	592	6,851	-5,558	-3,662	871	619	-112	905	-540	43		
-1,364	-242	-750	-863	3,066	1,058	418	2,874	-193	-2,041	-1,050	50	-283	89	497	-253	44		
316	-28	-31	163	2,187	336	336	1,222	374	-539	1,317	327	370	657	-37	37	45		
37	521	666	n.a.	-2,207	n.a.	1,576	1,870	76	n.a.	-137	n.a.	-200	41	22	n.a.	46		
-578	-868	1,118	275	-13,740	-984	1,567	-5,374	6,714	-3,891	-1,936	-358	775	-611	-271	-251	47		
1,858	1,208	2,108	888	27,058	18,462	5,019	12,278	-2,539	3,704	7,225	-13,695	2,758	2,017	4,178	4,742	48		
-497	-985	75	481													49		
(14)	(14)	(14)	(14)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	50		
-2	-35	(*)	22	82	304	-38	90	203	49	-148	-447	-99	71	-174	-245	51		
(14)	(14)	(14)	(14)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	52		
																53		
2,356	2,192	2,034	406													54		
530	81	995	568	378	144	-84	-109	116	221	1,706	3,777	763	832	1,202	979	55		
(14)	(14)	(14)	(14)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	56		
675	127	488	355	674	866	224	171	287	184	956	1,360	269	313	342	436	57		
-268	4	194	n.a.	102	n.a.	2,670	3,626	-1,855	n.a.	347	n.a.	93	-40	225	n.a.	58		
(14)	(14)	(14)	(14)	15 25,821	15 12,707	15 2,247	15 8,500	15 -1,290	15 3,250	15 4,364	15 8,728	15 1,732	15 841	15 2,583	15 3,572	59		
																60		
																61		
172	-60	-1,454	2,079	-8,522	-8,806	-4,610	-8,747	-85	4,636	14,654	20,647	3,919	6,441	6,183	4,104	62		
-3,754	-3,151	-3,567	-5,062	-16,286	-18,198	-5,526	-4,588	-4,498	-3,586	-19,630	-34,024	-7,417	-8,048	-10,710	-7,849	64		
-402	-406	-1,628	-2,466	-6,656	-11,136	-3,497	-3,390	-2,837	-1,412	-18,283	-35,106	-7,291	-8,307	-11,244	-8,264	65		
-443	-455	-1,667	-2,506	-7,510	-12,142	-3,707	-3,644	-3,095	-1,696	-18,332	-35,176	-7,294	-8,330	-11,262	-8,290	66		
-443	-455	-1,667	-2,506	-8,163	-13,425	-3,905	-3,841	-3,619	-2,061	-18,332	-35,176	-7,294	-8,330	-11,262	-8,290	67		

Table 10.—U.S. International

[Millions]

Line	(Credits +; debits -) ¹	Australia, New Zealand, and South Africa					
		1983	1984 ^p	1984			
				I	II	III ^r	IV ^p
1	Exports of goods and services ²	9,977	11,975	3,044	3,105	2,910	2,917
2	Merchandise, adjusted, excluding military ³	6,584	7,877	1,944	2,068	1,928	1,937
3	Transfers under U.S. military agency sales contracts.....	388	537	59	64	329	85
4	Travel.....	388	439	78	144	146	71
5	Passenger fares.....	231	258	44	72	71	71
6	Other transportation.....	416	387	101	90	100	97
7	Fees and royalties from affiliated foreigners.....	379	411	96	91	116	109
8	Fees and royalties from unaffiliated foreigners.....	70	74	18	18	19	19
9	Other private services.....	233	262	63	66	67	67
10	U.S. Government miscellaneous services.....	8	6	1	2	2	1
	Receipts of income on U.S. assets abroad:						
11	Direct investment.....	565	695	414	234	-147	195
12	Other private receipts.....	654	999	222	251	270	256
13	U.S. Government receipts.....	31	31	5	5	11	10
14	Transfers of goods and services under U.S. military grant programs, net.....						
15	Imports of goods and services.....	-7,295	-7,711	-1,771	-1,875	-2,098	-1,966
16	Merchandise, adjusted, excluding military ³	-5,317	-5,596	-1,258	-1,428	-1,490	-1,420
17	Direct defense expenditures.....	-44	-44	-11	-11	-8	-13
18	Travel.....	-518	-559	-132	-67	-151	-209
19	Passenger fares.....	-292	-315	-59	-76	-110	-70
20	Other transportation.....	-398	-422	-100	-95	-118	-109
21	Fees and royalties to affiliated foreigners.....	-3	-3	-1	-4	(*)	1
22	Fees and royalties to unaffiliated foreigners.....	-6	-3	-1	-1	-1	-1
23	Private payments for other services.....	-44	-47	-11	-12	-12	-12
24	U.S. Government payments for miscellaneous services.....	-50	-30	-7	-10	-8	-6
	Payments of income on foreign assets in the United States:						
25	Direct investment.....	-42	22	3	10	-25	34
26	Other private payments.....	-105	-125	-32	-32	-32	-30
27	U.S. Government payments.....	-476	-588	-163	-151	-144	-131
28	U.S. military grants of goods and services, net.....						
29	Unilateral transfers (excluding military grants of goods and services), net.....	-58	-75	-19	-21	-18	-17
30	U.S. Government grants (excluding military grants of goods and services).....	(*)	-1	(*)	(*)	(*)	(*)
31	U.S. Government pensions and other transfers.....	-17	-18	-5	-5	-5	-4
32	Private remittances and other transfers.....	-41	-56	-14	-16	-13	-12
33	U.S. assets abroad, net (increase/capital outflow (-)).....	-1,573	-261	-468	78	-185	314
34	U.S. official reserve assets, net ⁴						
35	Gold.....						
36	Special drawing rights.....						
37	Reserve position in the International Monetary Fund.....						
38	Foreign currencies.....						
39	U.S. Government assets, other than official reserve assets, net.....	-14	18	1	10	-19	26
40	U.S. loans and other long-term assets.....	-120	-40	-2	-6	-32	-29
41	Repayments on U.S. loans ⁵	60	58	3	16	13	25
42	U.S. foreign currency holdings and U.S. short-term assets, net.....	47	(*)	(*)	(*)	(*)	(*)
43	U.S. private assets, net.....	-1,560	-279	-469	63	-166	288
44	Direct investment.....	-175	725	-270	504	355	136
45	Foreign securities.....	-111	-201	-36	-38	-86	-41
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	58	n.a.	28	-11	-11	n.a.
47	U.S. claims reported by U.S. banks, not included elsewhere.....	-1,332	-809	-191	-387	-424	193
48	Foreign assets in the United States, net (increase/capital inflow (+)).....	2,508	-712	-554	746	-615	-290
49	Foreign official assets in the United States, net.....						
50	U.S. Government securities.....						
51	U.S. Treasury securities ⁶	(15)	(15)	(15)	(15)	(15)	(15)
52	Other ⁷						
53	Other U.S. Government liabilities ⁸	145	166	93	171	-178	80
54	U.S. liabilities reported by U.S. banks, not included elsewhere.....						
55	Other foreign official assets ⁹	(15)	(15)	(15)	(15)	(15)	(15)
56	Other foreign assets in the United States, net.....						
57	Direct investment.....	185	1,324	-73	1,440	(*)	-44
58	U.S. Treasury securities.....	(15)	(15)	(15)	(15)	(15)	(15)
59	U.S. securities other than U.S. Treasury securities.....	46	148	-21	8	61	101
60	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	61	n.a.	120	23	75	n.a.
61	U.S. liabilities reported by U.S. banks, not included elsewhere.....	15 2,070	15 -2,569	15 -673	15 -896	15 -573	15 -427
62	Allocations of special drawing rights.....						
63	Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed). ..	-3,558	-3,216	-233	-2,032	6	-958
	Memoranda:						
64	Balance on merchandise trade (lines 2 and 16).....	1,267	2,231	686	640	438	517
65	Balance on goods and services (lines 1 and 15) ¹⁰	2,682	4,265	1,273	1,229	812	951
66	Balance on goods, services, and remittances (lines 65, 31, and 32).....	2,624	4,191	1,254	1,209	794	934
67	Balance on current account (lines 65 and 29) ¹⁰	2,624	4,190	1,254	1,208	794	934

See footnotes on page 58.

Transactions, by Area—Continued

of dollars]

1983	Other countries in Asia and Africa					International organizations and unallocated ¹³							Line
	1984 ^P	1984				1983	1984 ^P	1984					
		I	II	III ^r	IV ^P			I	II	III ^r	IV ^P		
72,278	72,766	17,703	18,652	18,094	18,317	3,863	4,618	1,115	1,284	1,184	1,035	1	
44,742	44,872	10,710	11,303	11,224	11,635	65	33		33			2	
8,532	5,923	1,566	1,630	1,299	1,428	(*)	(*)	(*)				3	
841	940	232	233	331	144							4	
373	423	72	120	148	83							5	
3,280	3,321	845	819	841	817	638	856	156	249	220	231	6	
764	706	195	170	170	172	-76	-98	-11	-37	-23	-26	7	
220	231	57	57	58	59							8	
1,767	1,939	454	479	497	510	1,052	1,319	323	313	361	322	9	
243	271	67	71	80	53	66	62	2	57	2	2	10	
4,475	6,066	1,565	1,716	1,337	1,448	749	572	192	173	132	75	11	
4,751	5,466	1,286	1,381	1,470	1,330	809	921	231	227	225	238	12	
2,291	2,608	656	674	639	639	560	954	223	269	268	194	13	
91	57	14	16	6	21							14	
-80,546	-92,904	-22,010	-23,117	-25,723	-22,055	-2,744	-2,998	-612	-649	-686	-1,050	15	
-63,195	-75,054	-17,889	-18,581	-21,137	-17,447							16	
-3,302	-2,528	-656	-616	-585	-672							17	
-1,416	-1,564	-342	-530	-298	-394							18	
-373	-454	-76	-120	-136	-122	-65	-65	-19	-11	-17	-18	19	
-2,389	-3,108	-698	-757	-852	-801	-1,000	-1,127	-252	-312	-291	-273	20	
252	576	239	121	88	128							21	
-5	-5	-1	-1	-1	-1							22	
-420	-499	-118	-122	-127	-132	-88	-98	-24	-23	-26	-26	23	
-589	-610	-139	-162	-178	-131	-502	-489	-58	-16	-45	-370	24	
24	-22	-3	-3	-16	(*)							25	
-3,045	-3,715	-841	-909	-1,028	-936	-330	-372	-86	-94	-93	-99	26	
-6,086	-5,921	-1,485	-1,437	-1,453	-1,546	-759	-846	-174	-194	-214	-264	27	
-91	-57	-14	-16	-6	-21							28	
-5,820	-7,344	-1,413	-1,339	-1,609	-2,983	-641	-631	-156	-169	-172	-134	29	
-4,454	-5,897	-1,039	-997	-1,300	-2,560	-630	-622	-156	-161	-172	-134	30	
-324	-316	-79	-79	-75	-82							31	
-1,042	-1,132	-295	-263	-233	-341	-11	-9		-9			32	
-10,121	-6,644	-58	-5,235	-2,157	-3,508	-6,905	-3,445	-550	-941	-778	-1,177	33	
						-4,500	-1,974	-426	-609	-602	-337	34	
						-66	-979	-226	-288	-271	-194	35	
						-4,434	-995	-200	-321	-331	-143	36	
												37	
												38	
-3,328	-2,932	-1,199	-804	-753	-176	-1,031	-911	-221	-217	-212	-261	39	
-5,250	-5,059	-1,650	-1,489	-1,161	-769	-1,036	-919	-225	-222	-212	-261	40	
1,841	2,062	410	665	415	572	5	8	4	5			41	
81	65	41	20	-8	12							42	
-6,792	-3,712	1,141	-4,431	2,910	-3,332	-1,374	-560	97	-115	37	-579	43	
-1,556	-3,142	-724	-1,119	-232	-1,067	-530	-54	59	-134	-29	50	44	
-378	393	242	174	-147	-666	-50	118	-150	95	-113		45	
47	n.a.	213	-358	209	n.a.	(*)	n.a.	20	3	n.a.		46	
-4,905	-1,027	1,410	-3,127	3,103	-2,413	-178	-479	-80	149	-32	-516	47	
-1,301	5,721	-2,901	2,257	1,608	4,758	1,757	3,224	370	310	654	1,890	48	
						47	21	21	-20	14	5	49	
(15)	(15)	(15)	(15)	(15)	(15)							50	
-19	496	163	281	27	25	47	21	21	-20	14	5	51	
(15)	(15)	(15)	(15)	(15)	(15)							52	
(15)	(15)	(15)	(15)	(15)	(15)							53	
(15)	(15)	(15)	(15)	(15)	(15)							54	
193	979	-13	275	313	403	1,711	3,208	349	329	640	1,885	55	
(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	56	
430	338	54	131	76	77	106	405	-38	90	254	99	57	
-1,059	n.a.	194	661	-1,604	n.a.	153	n.a.	-5	12	86	n.a.	58	
15 -846	15 4,658	15 -3,300	15 909	15 2,796	15 4,253	15 1,452	2,705	15 392	15 227	300	1,786	59	
												60	
												61	
												62	
25,509	28,405	8,679	8,781	5,473	5,471	4,670	-768	-168	166	-203	-563	63	
-18,453	-30,182	-7,179	-7,278	-9,913	-5,812	65	33		33			64	
-8,268	-20,138	-4,307	-4,464	-7,629	-3,738	1,119	1,621	503	635	495	-15	65	
-9,634	-21,585	-4,681	-4,806	-7,937	-4,161	1,108	1,612	503	626	498	-15	66	
-14,088	-27,482	-5,720	-5,803	-9,238	-6,721	478	989	348	465	326	-150	67	

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

General notes for all tables:

- ¹Revised. ²Less than \$500,000 (+/-).
³Preliminary. n.a. Not available.

Table 1-2:

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 14).
 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 balance of payments basis; see table 3.

4. For all areas, amounts outstanding December 31, 1984, were as follows in millions of dollars: line 34, 34,933; line 35, 11,096; line 36, 5,641; line 37, 11,541; line 38, 6,656.

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 investments in U.S. corporate stocks and in debt securities of private corporations and State and local governments.

10. Conceptually, the sum of lines 67 and 62 is equal to "net foreign investment" in the national income and product accounts (NIPAs). However, the foreign transactions account in the NIPA's (a) includes adjustments to the international transactions accounts for the treatment of gold, (b) excludes capital gains and losses of foreign affiliates of U.S. parent companies from the NIPA's measure of income receipts from direct investment abroad, and from the corresponding income payments and (c) beginning with 1973-IV, excludes shipments and financing of military orders placed by Israel under Public Law 93-199 and subsequent similar legislation. Line 65 differs from "net exports of goods and services" in the NIPA's for the same reasons with the exception of the military financing, which is excluded, and the additional exclusion of U.S. Government interest payments to foreigners. The latter payments, for NIPA's purposes, are excluded from "net exports of goods and services" but included with transfers in "net foreign investment." A partial reconciliation table of the international accounts and the NIPA's foreign transactions account appears in the "Reconciliation and other Special Tables" section in this issue of the SURVEY OF CURRENT BUSINESS.

11. Includes foreign currency denominated notes sold to private residents abroad. See table 9, line B5, footnote 4.

Table 3:

1. Exports, Census basis, represent transaction values, f.a.s. U.S. port of exportation; imports, Census basis, represent Customs values. (See Technical Notes, June 1982 Survey.) The unadjusted figures for exports and imports shown in lines A1, A10, D1, and D60, are as published by the Census Bureau, as are the seasonally adjusted figures in lines A1 and A10. The seasonally adjusted figures in line D1 and D60 are prepared by BEA and represent the summation of seasonally adjusted 4-digit end-use categories (see Technical Notes in the June 1980 Survey).

2. Adjustments in lines A5 and A14, B12, B46, and B80 reflect the Census Bureau's reconciliation of discrepancies in the merchandise trade statistics published by the United States and the counterpart statistics published in Canada. These adjustments also have been distributed to the affected end-use categories in section C.

3. Exports of military equipment under U.S. military agency sales contracts with foreign governments (line A6), 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 17 (direct defense expenditures).

4. Addition of electrical energy; deduction of exposed motion picture film for rental rather than sale; 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, plus the difference between Census published seasonally adjusted totals and the summation of seasonally adjusted 4-digit end-use categories.

6. Deduction of foreign charges for repair of U.S. vessels abroad, which are included in tables 1, 2, and 10, line 20 (other transportation); 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 16. Trade with international organizations includes purchases of non-monetary gold from the IMF, transfers of tin to the International Tin Council (ITC), and sales of satellites to Intelsat. The memoranda are defined as follows: *Industrial countries:* Western Europe, Canada, Japan, and Australia, New Zealand, and South Africa; *Members of OPEC:* Venezuela, Ecuador, Iraq, Iran, Kuwait, Saudi Arabia, Qatar, United Arab Emirates, Indonesia, Algeria, Libya, Nigeria, Gabon; *Other countries:* Eastern Europe, Latin American Republics, other Western Hemisphere and other countries in Asia and Africa, less OPEC. Before 1984, complete geographic area detail was not available for some balance of payments adjustments, e.g., timing. Therefore, the new detail shown does not always sum to the values shown for the traditional area aggregates, e.g., EC(10). For all years, "Asia" and "Africa" exclude certain Pacific Islands and unidentified countries included in "Other countries in Asia and Africa."

8. The statistical identification of automotive products exports to Canada (line D47) 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 unidentified auto parts and unreported exports, amounting to about \$2,484 million in 1983, and \$2,975 million in 1984, has been largely corrected in line C24.

9. Includes nuclear fuel materials and fuels.

Table 4:

1. Expenditures to release foreign governments from their contractual liabilities to pay for defense articles and services purchased through military sales contracts—first authorized (for Israel) under Public Law 93-199, section 4, and subsequently authorized (for many recipients) under 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 these 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 for the recipient countries and is applied directly to lines A37 and C9. A third part of line A3, disbursed directly to finance purchases by recipient countries from commercial suppliers in the United States, is included in line A32. A fourth part of line A3, representing dollars paid to the recipient countries to finance purchases from countries other than the United States, is included in line A43.

2. Transactions under military sales contracts are those in which the Department of Defense 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 partly 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. Data for the fourth quarter 1984 are extrapolated estimates by BEA, because of incomplete reports from one operating agency.

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

5. Includes (a) advance payments to the Department of Defense (on military sales contracts) financed by loans extended to foreigners by U.S. Government agencies and (b) the contraentry for 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. Includes purchases of loans from U.S. banks and exporters and payments by the U.S. Government under commercial export credit and investment guarantee programs.

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

8. Includes receipts on short-term Commodity Credit Corporation assets financing U.S. merchandise exports.

Table 5:

1. Also included in line 4.

2. Acquisition of equity holdings in existing and newly established companies, capital contributions, capitalization of intercompany accounts, and other equity contributions.

3. Sales, liquidations, and other dispositions of equity holdings, total and partial.

4. 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. "Other" industries includes mining; trade; banking; finance (except banking); insurance, and real estate; agriculture, forestry, and fishing; construction, transportation, communications, and public utilities; and services.

5. Also included in line 40.

Table 6:

1. Primarily provincial, regional, and municipal.

2. Largely transactions by 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).

3. Estimate for scheduled redemptions and identifiable early retirements. Includes estimates based on Canadian statistics for redemptions of Canadian issues held in the United States. Unidentified and nonscheduled retirements appear in line 29.

4. Issues through finance affiliates established primarily to borrow capital from abroad. Issues are almost always guaranteed by the establishing U.S. parent and are often convertible into the parents' securities. To the extent proceeds are transferred from offshore affiliates to U.S. parents—the common practice—they are recorded as direct investment transactions in table 5, line 8.

Table 7:

1. Primarily mortgages, loans, and bills and notes drawn on foreigners.

2. Consists of Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.

3. Bahamas, British West Indies (Cayman Islands), Netherlands Antilles, and Panama.

4. Based on data for Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries.

Table 8:

1. Includes central governments and their agencies and corporations; state, provincial, and local governments and their agencies and corporations; and international and regional organizations.

2. U.S.-owned banks are mainly U.S.-chartered banks and Edge Act subsidiaries. U.S. brokers' and dealers' accounts may be commingled in some categories. Foreign-owned banks include U.S. branches and agencies of foreign banks and majority-owned bank subsidiaries in the United States.

3. Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.

4. Bahamas, British West Indies (Cayman Islands), Netherlands Antilles, and Panama.

5. Based on data for Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries.

6. Includes Eastern Europe and international and regional organizations.

Table 9:

1. Negotiable certificates of deposit issued by banks in the United States are included in banks' custody liabilities and are separately identified in memorandum line 8. Nonnegotiable certificates of deposit are included in time deposits.

2. Includes borrowing under Federal funds or repurchase arrangements, deferred credits, and liabilities other than deposits.

3. Mainly negotiable and readily transferable instruments, excluding U.S. Treasury securities.

4. U.S. Treasury notes denominated in foreign currencies and subject to restricted transferability that were sold through foreign central banks to domestic residents in country of placement. None of these notes were outstanding after July 1983.

5. Mainly International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance Corporation (IFC), Asian Development Bank (ADB), Inter-American Development Bank (IDB), and the Trust Fund of the International Monetary Fund.

6. U.S.-owned banks are mainly U.S.-chartered banks and Edge Act subsidiaries. U.S. brokers' and dealers' liabilities may be commingled in some categories. Foreign-owned banks are U.S. branches and agencies of foreign banks and majority-owned bank subsidiaries in the United States.

7. Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.

8. Bahamas, British West Indies (Cayman Islands), Netherlands Antilles, and Panama.

9. Based on data for Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries.

10. Includes Eastern Europe and international and regional organizations.

Table 10:

For footnotes 1-10, see table 1.

11. The "European Communities (10)" includes the "European Communities (6)," United Kingdom, Denmark, Ireland, and Greece.

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, as part of international and unallocated, the estimated direct investment in foreign affiliates engaged in international shipping, in operating oil and gas drilling equipment that is moved from country to country during the year, and in petroleum trading.

14. Details not shown separately; see totals in lines 49 and 56.

15. Details not shown separately are included in line 61.

An Introduction to National Economic Accounting

Editor's Note.—

With this article, BEA introduces a major project that has been underway at the Bureau for the past several years. The project involves a documentation of the concepts, sources, and methods of the national income and product accounts. The results of this project will be released through a series of special papers describing the estimates of each national income and product component. The first of the component descriptions will be available in May (see page 1). What follows is one of the papers that supplements the component descriptions.

This introductory paper places national income and product accounting within the larger framework of national economic accounting, and it shows the step-by-step derivation of the national economic accounting system from the conventional accounting statements used by businesses and governments and from similar statements that may be assumed to exist for other transactors. This approach highlights the conceptual relationships between the national economic accounts and business accounts;

an understanding of these relationships is valuable because many economic decisions involve the simultaneous use of macroeconomic and microeconomic information. Also, this approach suggests the key role of business accounting in the statistical implementation of the U.S. national economic accounts. Although accounting statements themselves—even when available—are neither sufficiently timely nor sufficiently consistent to be the primary statistical source, the Government surveys and tabulations of administrative records that are used are shaped by the conventions and requirements of business accounting.

In this introduction, the presentation of the national income and product accounts is simplified. The full detail will be presented in a future paper. In the meantime, readers interested in further information on the structure and definitions of the national income and product accounts should consult the "Suggestions for Further Reading," especially the SURVEY article by Carol S. Carson and George Jaszi.

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THE purpose of this introduction is twofold. First, it presents the conceptual basis and framework of the U.S. national income and product accounts (NIPA's). Second, using this framework, it relates the NIPA's to the other branches of national economic accounting.

National income and product accounting, capital finance and balance sheet accounting, and input-output accounting are the major branches of national economic accounting in the United States today. Each illuminates some aspects of the structure, workings, and performance of the economy. The NIPA's—the most widely used of the three—display the value and composition of national output and the distribution of incomes generated in its production. The capital finance accounts, better known in the United States as flow of funds accounts, show the role of financial institutions and instruments in transforming saving into investment and the changes in assets and liabilities that result from this transformation; associated balance sheet accounts

present assets and liabilities at particular points in time. Input-output accounts trace the flow of goods and services among industries in the production process and show the value added by each industry and the detailed commodity composition of national output.

Closely related to these national accounts are international economic accounts—the balance of payments, for example—and regional economic accounts. The international accounts portray the transactions of the residents of the Nation with the residents of the rest of the world, highlighting international trade flows and the international payments mechanism. Regional accounts disaggregate the national economy by geographic subdivision and serve for the various subdivisions the purposes that the national economic accounts serve for the Nation as a whole.

The fundamental aim of national economic accounting is to provide a coherent and comprehensive picture of the Nation's economy. More specifically, national economic accountants

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want to answer two questions. First, what is the output of the economy—its size, its composition, and its use? Second, what is the economic process or mechanism by which this output is produced and distributed?

The national output about which these questions are raised is defined, with a few exceptions, to be the production that is reflected in the sales and purchases of the market economy. Although, for some purposes, a broader definition that includes the nonmarket activities associated with household production is useful, it is difficult to take account of many of the activities that take place outside the market in any systematic and nonarbitrary way.

National output can be measured either by the sum of goods and services sold to final users, or by the sum of income payments and other costs; in both cases, business purchases on current account from other businesses are subtracted so that national output is an unduplicated total. National economic accountants take these two equivalent measures of output and construct from them a set of accounts showing production and distribution, consumption and saving.

The national economic accounts are aggregations of the accounts belonging to the individual transactors in the economy, whether or not formal accounting statements exist explicitly for all of them. The basic approach is to distinguish groups of economic transactors; to set up uniform types of accounts for them; and to show in these accounts the broad categories of economic transactions in which they engage. Transactors are aggregated into homogeneous groups, or sectors, the members of which are engaged in the same types of transactions and are affected by, and respond to, economic developments in a similar manner. Four sectors are commonly distinguished: (1) Business, (2) household, (3) government, and (4) foreign; for special purposes, these sectors can be disaggregated or supplemented with other groupings.

Business enterprises give rise to the bulk of national output; therefore, this introduction first derives economic accounts for a business firm from its financial statements and then establishes similar accounts for the business sector and the other sectors. The first section recasts the financial statements of a firm into a production

account, an appropriation account, and a saving-investment account, the building blocks for national economic accounts. (This section assumes some familiarity with business accounting as it is presented in accounting textbooks.) The following section, using these three accounts, sets up national economic accounts for the business sector as a whole, for the other major sectors, and for the Nation, the last as a summary of the accounts for the sectors. The final section considers the branches of U.S. national economic accounting—national income and product accounting, capital finance accounting, and input-output accounting—and the relationships among them. The presentation introduces the underlying concepts and structure of the U.S. national economic accounts; it omits some entries and simplifies definitions.

Economic Accounts of a Business Firm

The economic accounts of a business firm—the building blocks for the national economic accounts—can be derived from the three accounting statements in common use for business financial reporting. The first of these is the balance sheet, which provides a picture of the condition of the firm at some particular time, usually the last day of its fiscal year. The second is the statement of income and retained earnings, which shows the firm's operating results—that is, the amount and disposition of the income arising from its activities—over the accounting period between balance sheets. The third is the statement of change in financial position, which shows the contribution of the firm's operating results to the change in its working capital.

Three simplifying assumptions are made in this introduction: (1) All business firms are corporations. (2) Firms value goods withdrawn from inventory in prices of the current accounting period. (3) Plant and equipment prices are stable over time, so that firms' charges for the use of these assets (depreciation) also are valued in prices of the current accounting period. In addition, the presentation in this introduction follows the NIPA convention that only business firms make nonfinancial investments and own fixed assets.

Table 1.—Balance Sheet of a Business Firm

December 31, 19__

Assets	Liabilities and stockholders' equity
Current assets	Current liabilities
Financial assets	Loans
Cash and equivalent	Accounts payable
Accounts receivable	
Inventories	Bonds
Securities	Stockholders' equity
	Capital stock
	Retained earnings
Fixed assets	
Plant and equipment	
Less: Accumulated depreciation	
Land	
Less: Accumulated depletion	
Total assets	Total liabilities and stockholders' equity

Business accounting statements

Balance sheet.—The basic identity underlying the balance sheet is: The value of the firm's assets is equal to the value of the liabilities and equity claims against these assets; that is,

$$\text{Assets} = \text{liabilities} + \text{stockholders' equity.}$$

Assets generally are carried at fixed values equivalent to their costs of acquisition; liabilities consist of promises to pay specified amounts of money to creditors. If total assets rise without an offsetting increase in total liabilities, stockholders' equity—the owners' claim on the assets—rises; if liabilities rise without a corresponding increase in assets, stockholders' equity falls.

On the left side of the balance sheet shown in table 1, current assets are resources that can be converted to cash or consumed within the accounting period: Currency, bank deposits, and short-term interest-bearing assets that can be easily converted to cash; short-term credit extended to customers who have received, but not yet paid for, products shipped to them; and inventories, which are stocks of raw materials, partly fabricated items (work in process), and finished goods. Securities are financial assets with maturity dates beyond the accounting period. Fixed assets consist of plant and equipment and of land. Plant and equipment are net of accumulated depreciation, a charge for the using up of these assets over time. Land includes mineral rights; it is shown net of accumulated depletion, a charge for using up exhaustible resources over time.

On the right side of the balance sheet, current liabilities are others' claims on the business firm—loans

Table 2.—Statement of Income and Retained Earnings of a Business Firm

For Year Ended December 31, 19__

Sales, net of discounts
<i>Less:</i> Cost of goods and services sold
Purchased materials
Purchased services
Wages and salaries
Depreciation
Depletion
Indirect business taxes
Beginning inventory
<i>Less:</i> Ending inventory
<i>Equals:</i> Operating income
<i>Plus:</i> Interest and dividends received
<i>Less:</i> Interest paid
<i>Plus:</i> Gains (net of losses) on sales of fixed assets and securities
<i>Equals:</i> Net income before tax
<i>Less:</i> Corporate income tax
<i>Equals:</i> Net income after tax
<i>Less:</i> Dividends paid
<i>Equals:</i> Additions to retained earnings

Table 3.—Statement of Change in Financial Position of a Business Firm

For Year Ended December 31, 19__

Change in working capital
Change in current assets
Cash and equivalent
Accounts receivable
Inventories
<i>Less:</i> Change in current liabilities
Loans
Accounts payable
<i>Equals:</i> Additions to working capital
Provided by operations
Net income after tax
Depreciation
Depletion
<i>Less:</i> Gains (net of losses) on sales of fixed assets and securities
Other sources
Sales of fixed assets
Sales of securities
Issues of bonds
Issues of capital stock
<i>Less:</i> Reductions in working capital
Dividends paid
Purchases of fixed assets
Purchases of securities
Retirements of bonds
Retirements of capital stock

and payables to suppliers—that are due within the accounting period. Bonds are long-term debts that do not mature until after the accounting period. Stockholders' equity, the residual, consists of two parts: First, the capital contributed by owners in exchange for stock, and second, the cumulative sum of earnings retained in the business rather than paid to owners.

The balance sheet does not convey much information about the scale of the operations, the incomes generated, or indeed whether or not the owners received any payment—other than the enhanced value of their equity as represented by retained earnings—for the use of their capital. Such information can be obtained from the statement of income and retained earnings.

Income and retained earnings.—The basic identity underlying the statement of income and retained earnings is: The value of the firm's net income is equal to its revenues less its costs; that is,

$$\text{Net income} = \text{revenues} - \text{costs.}$$

In the statement of income and retained earnings shown in table 2, revenues come from sales, from investment income earned on interest- and dividend-paying securities, and from gains (net of losses) on sales of fixed assets and securities; costs include both costs of goods and services sold and the interest paid on borrowed money. Hence, net income is largely operating income, but also includes income from other sources.

The depreciation and depletion charges included in the cost of goods and services sold represent the period's addition to the cumulative depreciation and depletion appearing in the balance sheet. Indirect business taxes include sales taxes, excise taxes, and property taxes; they do not include taxes levied directly on the net income of the firm, which are shown in table 2 as corporate income tax. Finally, net income less corporate income tax and dividend payments is retained in the business and added to the retained earnings in the balance sheet.

The first six items, listed under cost of goods and services sold (purchased materials, purchased services, wages and salaries, depreciation, depletion, and indirect business taxes) are costs incurred during the current period. To convert this sum of costs incurred to the cost of the goods and services sold during the period, it is necessary (1) to add the costs incurred in previous periods in producing the goods sold and (2) to remove the costs incurred in obtaining or producing goods retained in inventory at the end of the accounting period. These adjustments are accomplished by including in cost of goods and services sold, along with current-period costs, the difference between the value of the beginning and ending inventories. In effect, cost of goods and services sold includes the value of goods withdrawn from the beginning inventory during the period, and excludes the value of goods obtained or produced during the period, but retained in ending inventory.

The statement of income and retained earnings explains the change in retained earnings between successive balance sheets; it does not deal with changes in the other entries in the balance sheet. Such information can be obtained from the statement of change in financial position.

Change in financial position.—The purpose of the statement of change in financial position is to link certain income statement and balance sheet transactions so as to show the effect of the firm's operations on its liquidity. The basic identity underlying the statement is: The change in the firm's working capital is equal to the change in its current assets less the change in its current liabilities; that is,

$$\begin{aligned} \text{Change in working capital} &= \text{change in current} \\ &\quad \text{assets.} \\ &\quad - \text{change in} \\ &\quad \quad \text{current liabilities.} \end{aligned}$$

In the statement of change in financial position shown in table 3, the change in current assets is the sum of the changes in cash and equivalent, accounts receivable, and inventories; the change in current liabilities is the sum of the changes in loans and accounts payable.

Table 3 accounts for the change in working capital in terms of the additions provided by operations, of sales and purchases of fixed assets and securities, of payment of dividends, and of changes in bonds and capital stock outstanding. The main component of additions provided by operations is net income after tax; the depreciation and depletion charges deducted in deriving it are added, because they are internal to the firm's books and are not cash outlays affecting its financial position. The gains included in net income after tax are subtracted; they are included in the proceeds from the sales of fixed assets and securities entered under other sources elsewhere in the statement.

Derivation of the three basic economic accounts

Rearranged and modified, these accounting statements for the business firm provide the economic accounts—the production account, the appropriation account, and the saving-investment account—that are the starting point for deriving the national

Table 4.—Derivation of the Production Account of a Business Firm

Income Statement	
Uses	Sources
Purchased materials Purchased services Wages and salaries Depreciation Depletion Interest paid Indirect business taxes Beginning inventory Less: Ending inventory Net income before tax	Sales Interest and dividends received Gains (net of losses) on sales of fixed assets and securities
Charges against revenue	Total revenue
Production Account	
Uses	Sources
Wages and salaries Depreciation Interest paid Less: Interest received Indirect business taxes Profits Net income before tax Less: Dividends received Less: Gains (net of losses) on sales of fixed assets and securities Plus: Depletion	Gross output Sales Change in work-in-process and finished goods inventories Less: Consumption Purchased materials Purchased services Less: Change in raw materials inventories
Charges against output	Output

economic accounts. The *production account* is based on the statement of income and retained earnings, and it records the production attributable to the firm in terms of both goods and services produced and the income payments and other costs arising in production. The *appropriation account* is also based on the statement of income and retained earnings; it records the firm's income, payments of that income to the stockholders or to the government, and the income retained within the firm. The *saving-investment account* is based on the statement of change in financial position rearranged as the change in the balance sheet; it records the firm's saving, borrowing, and acquisitions of nonfinancial and financial assets. The derivation of each of these economic accounts is described in two steps: (1) The rearrangement of the business accounting statements into the T-account form and (2) the modification of the T-accounts to obtain economic accounts.

Each T-account contains the firm's sources of funds on the right side and uses of funds on the left side. In general, sources of funds are receipts or borrowings, and uses of funds are current outlays or acquisitions of assets. There are differences in perspective among the accounts, however. For example, net income is a use in the production account because it is a charge against production, but it is a source of the income to be distributed or

saved in the appropriation account. Similarly, additions to retained earnings are a use of income in the appropriation account, but a source of funds to finance the acquisition of assets in the saving-investment account. In each account, total sources equal total uses, preserving the accounting identities of tables 1, 2, and 3.

Production account.—The first panel of table 4 shows the items from the income statement in table 2 rearranged in T-account form. The items from the income statement are those that establish net income before tax. The revenue items—sales, interest and dividends received, and gains (net of losses) on sales of fixed assets and securities—are entered as sources of funds on the right side; the cost items, including interest paid and net income before tax, are entered as uses of funds on the left side. The total of the sources is total revenue; the total of the uses is total charges against revenue.

To derive the firm's production account, which is shown in the second panel, the income statement T-account shown in the first panel is modified by (1) ordering the entries to establish the value of the firm's production during the accounting period, and (2) adjusting net income before tax to yield a new entry termed "profits," which is defined to be earnings arising from current production.

The first modification is necessary because total revenue, shown in the first panel, is not equal to the value of the firm's production, for the following reasons. (1) Revenues are not equivalent to sales, because the firm may have nonoperating income. (2) Sales are not equivalent to gross output, because the firm may either make sales from inventories of finished goods produced in previous periods or place current production in work-in-process or finished goods inventories. (3) Gross output is not equivalent to the value of the firm's production, because the firm may incorporate in its output (consume) materials or services purchased from other firms. Such materials may have been purchased either in the current accounting period or in a previous period.

The ordering of the entries in the income statement T-account to establish the value of the firm's production involves four steps. (1) Interest and

Table 5.—Derivation of the Appropriation Account of a Business Firm

Retained Earnings Statement	
Uses	Sources
Corporate income tax Dividends paid Additions to retained earnings	Net income before tax
Distribution of net income before tax and saving	Net income before tax
Appropriation Account	
Uses	Sources
Corporate income tax Dividends paid Less: Dividends received Undistributed profits Additions to retained earnings Less: Gains on sales of fixed assets and securities Plus: Depletion	Profits Net income before tax Less: Dividends received Less: Gains (net of losses) on sales of fixed assets and securities Plus: Depletion
Distribution of profits and saving	Profits

dividends received and gains (net of losses) on sales of fixed assets and securities are subtracted from both sides of the income statement T-account; as shown in the production account, this subtraction converts the right side to sales, and enters the receipts of interest and of dividends and the gains on sales of fixed assets and securities on the left side as negative values. (2) The inventory entries in the income statement T-account—beginning inventory less ending inventory—are combined to yield the equivalent expression.

Less: Change in inventories.

This expression is decomposed into

Less: Change in raw materials inventories
+ change in work-in-process and finished goods inventories.

(3) The change in work-in-process and finished goods inventories is added to both sides of the income statement T-account. This addition converts the right side to gross output—the sum of sales and change in work-in-process and finished goods inventories—and cancels the work-in-process and finished goods component of the inventory entries on the left side. (4) On the left side of the income statement T-account, the sum

Purchased materials *plus* purchased services *less* the change in raw materials inventories

equals the consumption of materials and services by the firm during the accounting period. The consumption of materials and services is subtracted

Table 6.—Derivation of the Saving-Investment Account of a Business Firm

Change in Balance Sheet	
Uses	Sources
Change in current assets	Change in current liabilities
Financial assets	Loans
Cash and equivalent	Accounts payable
Accounts receivable	Change in bonds
Inventories	Issues of bonds
Change in securities	Less: Retirement of bonds
Purchases of securities	Change in stockholders' equity
Less: Sales of securities	Issues of capital stock
Plus: Gains (net of losses) on securities	Less: Retirement of capital stock
Change in fixed assets	Change in capital stock
Change in plant and equipment	Less: Retirement of capital stock
Purchases of plant and equipment	Additions to retained earnings
Less: Sales of plant and equipment	Net income after tax
Plus: Gains (net of losses) on sales of plant and equipment	Less: Dividends paid
Less: Depreciation	
Change in land	
Purchases of land	
Less: Sales of land	
Plus: Gains (net of losses) on sales of land	
Less: Depletion	
Change in total assets	Change in total liabilities and in stockholders' equity
Saving-Investment Account	
Uses	Sources
Purchases of plant and equipment	Undistributed profits
Less: Sales of plant and equipment	Additions to retained earnings
Purchases of land	Less: Gains (net of losses) on sales of fixed assets and securities
Less: Sales of land	Plus: Depreciation
Change in inventories	Depreciation
Net acquisitions of financial assets	
Change in current financial assets	
Plus: Purchases of securities	
Less: Sales of securities	
Less: Net increase in liabilities	
Change in current liabilities	
Plus: Issues of bonds and capital stock	
Less: Retirement of bonds and capital stock	
Gross investment	Gross saving

from both sides of the income statement T-account. As shown in the production account, this subtraction converts the right side to the value added by the firm and cancels the components of consumption on the left side. The second modification to the income statement T-account is necessary because net income before tax is not equal to profits, that is, earnings arising from current production. Profits exclude dividends received and gains (net of losses) on the sale of fixed assets and securities. Moreover, they differ from the operating income shown in the income statement because of the treatment of natural resources in the national economic accounts. Natural resource discoveries are not considered to be capital formation in the national economic accounts; consequently, a charge for the

using up of these discoveries is not an appropriate charge against production. Therefore, profits include the depletion charges that are deducted in measuring net income before tax. Profits equal net income before tax plus depletion, less dividends received, and less gains (net of losses) on sales of fixed assets and securities.

The resulting production account shows, on the right side, the value of the firm's production in terms of goods and services produced and, on the left, the value added by the firm in terms of income payments and other costs.

For most purposes, it is useful to simplify the presentation of the production account by rearranging terms and dropping some detail, as shown in the first panel of table 7. On the right side, the term "consumption" has disappeared and the change in raw materials inventories has been combined with the change in work-in-process and finished goods inventories. On the left side, the detail under profits has been dropped, and depreciation has been renamed "capital consumption allowances" to introduce the standard terminology of the national economic accounts. (In this introduction, depreciation and capital consumption allowances can be considered equivalent.) The production account of the firm, as shown in table 7, serves as the basis for the production account for the business sector and for the Nation as a whole.

Appropriation account.—The first panel of table 5 shows the items from the statement of retained earnings in table 2 rearranged in T-account form. The item "net income before tax" is entered in the retained earnings T-account of table 5 as a source of funds; the items "corporate income tax," "dividends paid," and "additions to retained earnings" are entered as uses of funds.

To derive the firm's appropriation account, the retained earnings T-account is modified by adjusting net income before tax and its components to conform to profits as defined in the production account. Dividends received and gains (net of losses) on sales of fixed assets and securities are subtracted from both sides of the account, and depletion is added to both sides. The adjustments define a new residual entry "undistributed profits," which includes additions to retained earnings and depletion charges and

Table 7.—Economic Accounts of a Business Firm

Production Account	
Uses	Sources
Wages and salaries	Sales
Capital consumption allowances	Change in inventories
Interest paid	Less: Purchased materials and services
Less: Interest received	
Indirect taxes	
Profits	
Charges against output	Output
Appropriation Account	
Uses	Sources
Profits taxes	Profits
Dividends paid	
Less: Dividends received	
Undistributed profits	
Distribution of profits and saving	Profits
Saving-Investment Account	
Uses	Sources
Plant and equipment purchases	Undistributed profits
Purchases of land	Capital consumption allowances
Less: Sales of plant and equipment	
Less: Sales of land	
Change in business inventories	
Net acquisitions of financial assets	
Less: Net increase in liabilities	
Gross investment	Gross saving

excludes gains (net of losses) on the sales of fixed assets and securities.

Table 7 shows, in the second panel, a simplified presentation of the appropriation account. On the left side, the detail under undistributed profits has been dropped, and corporate income tax has been renamed "profits taxes" to move toward the terminology of the national economic accounts.

Saving-investment account.—The first panel of table 6 shows the items from the statement of change in financial position (in table 3) rearranged in T-account form to display the change in each entry in the balance sheet (in table 1) over the accounting period. The entries for changes in current assets and in current liabilities are those in the statement of change in financial position. The change in holdings of securities consists of purchases, less sales, and plus gains (net of losses) on sales of securities; similarly, the change in bonds outstanding consists of issues less retirements. The change in fixed assets consists of purchases, less sales, less depreciation and depletion charges, and plus gains (net of losses) on sales of fixed assets. Finally, the change in retained earnings consists of net income after tax less dividends.

To derive the firm's saving-investment account, the change in balance sheet T-account is modified so that it shows on the right side the part of the profits that the firm saves, and on the left side, the disposition of that saving in terms of investment. Both saving and investment are defined to be gross of depreciation: Saving includes depreciation as well as undistributed profits; and purchases of fixed assets include replacement of plant and equipment as well as additions.

The modifications necessary to obtain saving from profits and the disposition of that saving are listed below. (1) Depletion is added to both sides of the change in balance sheet T-account and gains (net of losses) on

sales of fixed assets and securities are subtracted from both sides; as shown in the saving-investment account, these changes introduce undistributed profits, as defined in the appropriation account, on the right side and cancel the entries on the left side. (2) Depreciation is added to both sides of the change in balance sheet T-account; as shown in the saving-investment account, this addition introduces gross saving on the right side and cancels the entry on the left side. (3) Entries for change in current financial assets and purchases and sales of securities on the left side of the change in balance sheet T-account are regrouped to show, on the left side of the saving-investment account, a new entry "net acquisitions of fi-

ancial assets," consisting of the change in current financial assets, plus purchases of securities, less sales of securities. (4) On the right side of the change in balance sheet T-account, regrouping yields a new entry "net increase in liabilities," consisting of the change in current liabilities, plus issues of bonds and capital stock, less retirements of bonds and capital stock; subtracting this entry from both sides cancels it on the right side and enters it on the left side of the saving-investment account as a negative value.

The simplified saving-investment account is shown in the third panel of table 7. Detail is suppressed under net acquisitions of financial assets and net increase in liabilities on the left

Table 8.—Sector Accounts

[Billions

BUSINESS		HOUSEHOLD		GOVERN
Production Account		Production Account		Production
Uses	Sources	Uses	Sources	Uses
Wages and salaries 110	Sales	Wages and salaries 5	Sales to consumers..... 5	Wages and salaries 20
Capital consumption allow- ances. 10	To consumers 125			
Net interest	To government..... 25			
Interest paid	To business of plant and equipment 25			
To households..... 6	To foreigners of goods and nonfactor services..... 20			
To government 2	Less: Purchases from foreigners of goods and nonfactor services..... 10			
To foreigners..... 5	Change in inventories 5			
Less: Interest received				
From foreigners..... 3				
From households..... 4				
From government..... 1				
Indirect taxes 10				
Profits 55				
Charges against gross business product. 190	Gross business product..... 190	Charges against gross house- hold product. 5	Gross household product..... 5	Charges against gross govern- ment product. 20
Appropriation Account		Appropriation Account		Appropriation
Uses	Sources	Uses	Sources	Uses
Profits tax 20	Profits..... 55	Personal taxes..... 20	Wages and salaries received	Purchases
Dividends paid		Purchases	From business 110	From business 25
To households..... 10		From business 125	From households 5	From government 20
To foreigners 5		From households 5	From government..... 20	Transfer payments
Less: Dividends received from foreigners 5		Interest paid	Interest received	To persons..... 10
Undistributed profits..... 25		To business 4	From business 6	To foreigners 2
		To government..... 1	From government..... 4	Interest paid
		To foreigners 5	From foreigners 5	To business 1
		Saving 15	Dividends received	To households..... 4
			From business 10	To foreigners 3
			From foreigners 5	Surplus or deficit (-)..... -10
			Transfer payments..... 10	
Distribution of profits and saving. 55	Profits..... 55	Personal taxes, outlays, and saving. 175	Personal income 175	Government expenditures and surplus or deficit (-). 55
Saving-Investment Account		Saving-Investment Account		Saving-
Uses	Sources	Uses	Sources	Uses
Plant and equipment pur- chases. 25	Undistributed profits..... 25	Net acquisitions of financial assets. 39	Saving..... 15	Net acquisitions of financial assets. 5
Change in inventories 5	Capital consumption allow- ances. 10	Less: Net increase in liabilities.. 24		Less: Net increase in liabilities.. 15
Net acquisitions of financial assets. 105				
Less: Net increase in liabilities.. 100				
Gross investment..... 35	Gross saving 35	Gross investment..... 15	Gross saving 15	Gross investment..... -10

side and under undistributed profits on the right side.

Sector and National Economic Accounts

The three accounts for a business firm shown in table 7—production, appropriation, and saving-investment—form the basis of the national economic accounts. Accounts must now be designed for the major economic groups that are distinguished in a national economic accounting system; these sectors are business, household, government, and foreign.

First, accounts for the business sector will be derived from the corresponding accounts of the single busi-

ness firm. Then, accounts for the other types of economic transactors will be established; the pattern for these accounts will follow closely the three accounts for the business sector. The *production account* records the production attributable to a sector, in terms of both goods and services and the income payments and other costs arising from production. The *appropriation account* records the sources of the sector's income, its current outlays, and its saving. The *saving-investment account* records the sector's gross saving and gross investment, the latter defined as net acquisitions of assets less the net increase in liabilities. Taken together, these sector accounts constitute a double-entry system in which a use recorded in one

account for one sector is also recorded as a source in another of the sector's accounts or as a source in an account for another sector.

In constructing national economic accounts, it is necessary to add together corresponding accounts belonging to two or more transactors and, occasionally, to add together two or more accounts belonging to the same transactor. In the aggregate account, an entry may occur twice, either once on each side of the account, or twice—with opposite signs—on the same side. If such entries are netted out, the aggregate account is a consolidated account; if these cancellations are not made, the aggregate account is a combined account.

and National Summary

of dollars]

MENT		FOREIGN				NATION			
Account		Production Account				Production Account			
Sources		Uses		Sources		Uses		Sources	
Sales to government	20	Dividends paid by foreigners		Sales to foreigners of factor services.	20	Wages and salaries	135	Sales to Consumers.....	130
		To business	5	Less: Purchases from foreigners of factor services.	15	Capital consumption allowances.	10	Government.....	45
		To households.....	5			Net interest	5	Business of plant and equipment.	25
		Interest paid by foreigners				To households.....	6	Foreigners of goods and services.	40
		To business	3			To governments.....	2	Less: Purchases from foreigners of goods and services	25
		To households.....	5			Interest paid by foreigners		Change in business inventories..	F
		To government.....	2			To households.....	5		
		Less: Dividends received by foreigners from business.	5			To government.....	2		
		Less: Interest received by foreigners				Less: Interest received by business			
		From business	5			From households.....	4		
		From households.....	5			From government.....	1		
						Less: Interest received by foreigners from households	5		
						Indirect business taxes.....	10		
						Profits.....	60		
						Business profits.....	55		
						Dividends paid by foreigners..	10		
						Less: Dividends received by foreigners from business.	5		
Gross government product	20	Charges against gross foreign product.	5	Gross foreign product.....	5	Charges against gross national product.	220	Gross national product.....	220
Account		Appropriation Account				Appropriation Account			
Sources		Uses		Sources		Uses		Sources	
Indirect business taxes.....	10	Purchases from business of goods and nonfactor services.	20	Sales to business of goods and nonfactor services.	10	Purchases		Wages and salaries	133
Profits tax	20	Purchases from residents of factor services.	20	Sales to residents of factor services.	15	By consumers.....	130	Net interest	5
Personal taxes	20	Saving.....	-10	Transfer payments from government.	2	By government.....	45	Indirect business taxes.....	10
Interest received				Interest received from government.	3	By foreigners.....	40	Profits.....	60
From business	2					Less: Purchases from foreigners.	25		
From households.....	1					Undistributed profits.....	25		
From foreigners	2					Personal saving.....	15		
						Government surplus or deficit (-).	-10		
						Foreign saving	-10		
Government receipts.....	55	Foreign expenditures and saving.	30	Foreign receipts.....	30	Consumption and net saving	210	Net national product.....	210
Investment Account		Saving-Investment Account				Saving-Investment Account			
Sources		Uses		Sources		Uses		Sources	
Surplus or deficit (-).....	-10	Net acquisitions of financial assets.	3	Saving.....	-10	Plant and equipment purchases.	25	Undistributed profits.....	25
		Less: Net increase in liabilities..	13			Change in business inventories..	5	Personal saving.....	15
						Net acquisitions of financial assets.	152	Government surplus or deficit (-)	-10
						Less: Net increase in liabilities..	152	Foreign saving	-10
								Capital consumption allowances.	10
Gross saving	-10	Gross investment.....	-10	Gross saving	-10	Gross investment.....	30	Gross saving	30

Business sector

Accounts for the business sector are obtained by adding together for all business firms each type of account shown for the individual firm in table 7. The accounts are prepared on a consolidated basis. The entries for a transaction between two business firms cancel, leaving only transactions between the business sector and other sectors. The business sector accounts, with hypothetical numbers, are shown in the business column of table 8.

Business production account.—On the left side of the production account for the business sector, there are no intrasector transactions for wages and salaries, for capital consumption allowances, and for indirect taxes. Therefore, each entry is the sum of the entries in the individual firms' production accounts.

For interest and profits, there are intrasector payments and receipts that cancel. The interest paid by one firm to another is canceled by the receipt of that payment by the other firm, leaving as a consolidated entry "net interest"—the business sector's interest payments to, less its interest receipts from, the other sectors. Similarly, the consolidated entry for profits represents profits available either to be distributed to other sectors or to be saved by the business sector; the component of profits representing dividends paid by one firm to another is canceled by the corresponding dividend receipt.

On the right side, there are no intrasector transactions for the change in business inventories; the entry is the sum of the entries for the individual firms. For purchased materials and services and for sales, intrasector payments and receipts cancel; the purchase of materials and services by one firm on current account is canceled by the corresponding sale by another firm. The only purchases of materials and services that do not cancel are those from foreigners (imports). The consolidated entry for sales consists of sales to households as consumers, to government, to business (of plant and equipment), and to foreigners (exports).

The totals of the sources and of the uses in the business sector production account are designated "gross business product" and "charges against gross business product," respectively.

They are equal to the sum of the values added by the individual business firms.

Business appropriation account.—On the left side of the business appropriation account, dividends paid by one firm to another cancel; the entry thus consists of dividends paid by the business sector to other sectors. Dividends received from foreigners do not cancel, however, and are shown as a negative item. For the remaining entries, there is no cancellation.

On the right side, the profits entry is net of dividends received from foreigners and from other business firms, as it was in the production account.

Business saving-investment account.—Because of the convention that all nonfinancial investment is made by the business sector, all transactions in existing fixed assets are intrasector transactions. Consequently, on the left side of the saving-investment account, purchases of land and of existing plant and equipment by one firm are canceled by the sales of those assets by other firms. The plant and equipment purchases that remain are those of newly produced goods, equal to the sales to business of plant and equipment recorded in the business sector's production account.

Purchases of financial assets by one firm from another cancel; the entry for net acquisition of financial assets represents the business sector's net acquisitions of newly issued assets and assets acquired from other sectors. The business sector's entry for net increase in liabilities represents the difference between new issues and retirements of current liabilities, bonds, and capital stock, summed over all firms. In some presentations of saving-investment accounts, the difference between net acquisitions of financial assets and net increase in liabilities is shown instead of separate entries. Separate entries are shown in table 8, however, to facilitate the presentation of capital finance accounting later.

Household sector

Sector accounts closely resembling those for business can be constructed for the household sector, which consists of households and the nonprofit institutions serving them. Most of the transactions of the household sector appear in the appropriation and

saving-investment accounts. The following discussion of these accounts deals immediately with the sector accounts, which are consolidated from accounts that can, in principle, be established for individual households.

Household production account.—The household production account, shown in the household column of table 8, is used to record as production the services rendered by paid household workers and the services rendered by nonprofit institutions serving households. Interest paid on consumer debt is not recorded here because it is not regarded as a payment for a productive service in the U.S. national economic accounts. The illustration in table 8 is limited to the recording of services rendered by paid household workers.

In accounting for the productive services rendered by paid household workers, the wages and salaries paid by employers are entered as a use of funds on the left side of the account, as was done in the business production account. On the right side, the sale of the services by paid household workers to their employers is entered as a source of funds; it represents the value of the services produced, on the assumption that the only costs of production are the wages paid to obtain the services. This entry is analogous to the entry of sales as a source of funds in the business production account, although the procedure appears somewhat artificial because household production lacks the clear distinction between the sales and wage transactions characteristic of business production.

Household appropriation account.—The household appropriation account resembles the corresponding business account in that both show the income of the sector, detail the outlays, and derive the balance that is saved. The two accounts differ substantially, however, in the sources of income and the nature of the outlays. Although business income is derived from the operations of the business system, household income is derived primarily from payments by business and other sectors. The main category of expenditures in the household account is consumer purchases; this item has no counterpart in the business account, in which taxes and dividends are the main categories of expenditures. The household appropriation account also

records the sector's payment and receipt of interest, items recorded in the business sector's production account rather than its appropriation account.

Income received by the household sector is entered on the right side of the household appropriation account. The wages and salaries of paid household workers are entered as a component of household receipts of wages and salaries, an entry that continues the accounting for household production begun in the production account. Income received from the business sector—wages and salaries, interest, and dividends—has already been discussed. The income from other sectors consists of wages and salaries received from government, interest received from government and from foreigners, dividends received from foreigners, and government transfer payments. The last category consists of items such as retirement income and unemployment benefits that do not involve, as *quid pro quo*, the rendering of productive services by the recipient during the accounting period. The total of the sources—incomes received—is designated "personal income."

On the left side of the household appropriation account, personal taxes—primarily income taxes—are the first category of outlay. Most of household purchases, the next category, are sales by business, which also appear as a source of funds in the business production account; the services rendered by paid household workers are entered as a purchase from households, an entry that completes the accounting for household production. The remaining outlay is household interest payments to business, to government, and to foreigners.

The final entry is saving, which is derived as the difference between personal income and the sum of personal taxes, consumer purchases, and interest payments.

Household saving-investment account.—In the household saving-investment account, net acquisitions of financial assets represent the household sector's net acquisitions of financial assets from other sectors; purchases of assets by one household from another cancel in the consolidation. Net increase in liabilities represents new borrowing less repayment of debt, summed over all households.

Consistent with the convention that business makes all nonfinancial in-

vestment, all saving in the household sector is defined to be in financial form; it does not include any investment in nonfinancial assets. Although several types of assets might be considered to be household sector investment, they are defined to be either consumption by the household sector or investment by the business sector. For example, household expenditures on durables—automobiles, refrigerators, and the like—are defined to be consumption; homeowners' investment in residential property is defined to be business investment.

Government sector

Sector accounts for government can be constructed by consolidating the budget statements of the various governmental units in the Nation. As in the household sector, most of the transactions appear in the appropriation and saving-investment accounts; government production is confined to the services rendered by government employees.

Government production account.—The government production account, shown in the government column of table 8, is used to record as production the services rendered by government employees, using an approach similar to that used in the household sector to record the output of paid household workers. On the left side of the government production account, wages and salaries paid by the government to its employees are entered as a use of funds. On the right side, the sale of the services of government employees to the government is entered as a source of funds. These sales to government appear in the government appropriation account, under the heading "purchases from government." The wages have already appeared in the household appropriation account under wages and salaries received.

Government interest payments are not considered to be payments for a productive service; they are, therefore, not recorded in the government production account.

Government appropriation account.—The government appropriation account is used to record the receipts and expenditures of the government. On the right side, the categories of income consist of taxes collected from the business and household sectors and of interest received from

business, households, and foreigners. The total of these items is termed "government receipts."

On the left side, the categories of expenditures consist of purchases from business and from government, the latter equal to the wages and salaries paid to government employees; of transfer payments to persons and to foreigners; and of interest paid to business, to households, and to foreigners. The final entry is government surplus (or deficit), which is derived as the difference between government receipts and government expenditures.

Government saving-investment account.—In the government saving-investment account, the entry for net acquisitions of financial assets represents the government sector's net purchases of assets from other sectors; purchases by one unit of government from another cancel. The net increase in liabilities is new issues of debt less retirement of debt, summed over all units of government.

Consistent with the convention that business makes all nonfinancial investment, all government saving is defined to be in financial form. Government acquisitions of nonfinancial assets—plant and equipment purchases and change in inventories—are defined to be consumption and included in government purchases.

Foreign sector

Foreign production account.—The output considered so far is produced within the territory of the Nation. It is usually called the domestic, or geographic, product. However, another measure is featured in the national economic accounts of the United States. It is the national product, a measure of the output on which residents of the Nation have a claim. It includes output produced in the foreign sector as well as in the domestic sectors.

To obtain the national product, the output produced abroad by the Nation's residents must be added to output produced domestically, and the output produced domestically by foreigners must be subtracted. The value of the output produced abroad is measured by the Nation's receipts of factor income from abroad—in this introduction, interest and dividends from abroad. Similarly, the value of the part of domestic output produced

Table 9.—Foreign Production Account Derived From Two Production Accounts

(Billions of Dollars)

Production account for output produced abroad by residents		Less	Production account for output produced domestically by foreigners		Equals	Foreign production account	
Uses	Sources		Uses	Sources		Uses	Sources
Dividends paid by foreigners. 10 Interest paid by foreigners. 10	Sales to foreigners of factor services. 20		Dividends received by foreigners. 5 Interest received by foreigners. 10	Purchases from foreigners of factor services. 15		Dividends paid by foreigners. 10 Interest paid by foreigners. 10 Less: Dividends received by foreigners. 5 Less: Interest received by foreigners. 10	Sales to foreigners of factor services. 20 Less: Purchases from foreigners of factor services. 10
Charges against gross product. 20	Gross product..... 20		Charges against gross product. 15	Gross product..... 15		Charges against gross foreign product. 5	Gross foreign product..... 5

by foreigners is measured by the Nation's payments of factor income to them. In the terminology of national economic accounting, national product equals domestic product plus the product originating in the foreign sector. The latter, usually called product originating in the rest of the world, is measured by the Nation's receipts of factor income from abroad less its payments of factor income to foreigners.

In table 9, the foreign production account is shown as the difference between two production accounts, one of which records output produced abroad by the Nation's residents, and the other the output produced domestically by foreigners. In the production account for output produced abroad by residents, dividends and interest paid by foreigners are entered, as a use of funds, on the left side; and the sale to foreigners of factor services—that is, the services for which factor income is paid—is entered, as a source of funds, on the right side. In the production account for output produced domestically by foreigners, dividends and interest received by foreigners are entered, as a use of funds, on the left side; and the purchase from foreigners of factor services is entered, as a source of funds, on the right side.

The difference between these two accounts is the foreign production account, shown in the foreign column of table 8; it records the net product originating in the foreign sector. The interest and dividend receipts and payments in the foreign production account have already appeared in the business production and appropriation accounts and in the household and government appropriation accounts; the sales and purchases of factor services are entered in the foreign appropriation account.

Foreign appropriation and saving-investment accounts.—The foreign appropriation account records the

receipts and expenditures of foreigners in their dealing with residents of the Nation.

On the right side, receipts consist of sales by foreigners of goods and of factor and nonfactor services to the Nation (imports), of transfer payments, and of interest received from government.

On the left side, expenditures consist of foreigners' purchases of goods and nonfactor services from business and of factor services from residents (exports). Saving, the final entry on the left, is derived, as usual, as the difference between receipts and expenditures.

The design of the foreign saving-investment account follows previously established procedures, with all saving by foreigners defined to be in financial form.

Summary national accounts

The national economic accounting system as presented so far does not provide a summary for the Nation as a whole. One such summary set of accounts, described in this section, is obtained by consolidating, for the four sectors, each of the three accounts. Other configurations that provide national summaries are taken up in the next section.

National production account.—The national production account shown in table 8 is obtained by consolidating the sector production accounts; only two cancellations are involved, both in interest.

On the right side, sales to consumers consist of sales by the business and household sectors; sales to government consist of sales by the business and government sectors; and sales to foreigners consist of sales by the business sector of goods and nonfactor services and sales by residents of factor services. Sales to business of

plant and equipment and change in business inventories are carried over directly from the business production account to the national account. Finally, purchases from foreigners consist of purchases by the business sector of goods and nonfactor services and purchases by residents of factor services.

On the left side, wages and salaries consist of those paid by the business, the household, and the government sectors. Capital consumption allowances and indirect business taxes are carried over directly from the business production account. Net interest is defined as interest paid less interest received; it consists of payments of interest to households and government by both business and foreigners less the interest received by business and foreigners from households and government (other than government interest payments to foreigners). In the consolidation, interest paid by business to foreigners is canceled by the negative entry for interest received by foreigners from business; and interest paid by foreigners to business is canceled by the negative entry for interest received by business from foreigners. Profits are the sum of business profits and payments of dividends by foreigners, less the dividends received by foreigners.

The totals of the sources and of the uses are the gross national product (GNP) and the charges against gross national product, respectively. GNP measures the Nation's output in terms of goods and services. The charges against GNP measure the Nation's output in terms of income payments and other costs.

National appropriation account.—The consolidation of the sector appropriation accounts involves several cancellations. Payments of profits taxes in the business sector cancel the receipts in the government sector.

Likewise, personal taxes paid and received cancel in the household and government sectors, and transfer payments paid and received also cancel in the government, household, and foreign sectors.

On the right side of the national appropriation account, the derivation of the entries for wages and salaries and indirect business taxes has already been described. In aggregating the profits transactions, dividends paid by business to households cancel when the accounts for these two sectors are consolidated. After this cancellation, the profits entries that would remain on the left side of the national appropriation account are dividends paid by business to foreigners less dividends paid by foreigners to business; those that would remain on the right side are business profits and dividends paid by foreigners to households. Subtracting the entries on the left from both sides of the national appropriation account leaves, on the right side of table 8, the profits total shown in the national production account. In aggregating the interest transactions, those between the household and government sectors cancel, as do government interest payments to foreigners, leaving in the national account interest payments by the business and foreign sectors to households and government less interest payments by the household and government sectors to business and by the household sector to foreigners—net interest as defined in the national production account. Sources of funds, therefore, consist of wages and salaries, net interest, indirect business taxes, and profits.

On the left side, the entries consist of purchases—consumer purchases, government purchases, and foreign purchases—less purchases from foreigners, and the various types of saving—undistributed business profits, personal saving, government surplus or deficit, and foreign saving; all of these items are carried over directly from the sector accounts.

The total of the sources is the net national product, which represents the Nation's output after allowing for the using up of plant and equipment in the business sector; the total of the uses is consumption and net saving.

National saving-investment account.—In the consolidation of the sector saving-investment accounts,

the total of net acquisitions of financial assets for the Nation as a whole must equal the total net increase in liabilities; the entries, equal in size, cancel in summing the uses. The total of the uses is gross investment, which consists of business purchases of plant and equipment and change in business inventories. The total of the sources is gross saving, which consists of the saving of each sector.

Branches of National Economic Accounting

In the United States, the major branches of national economic accounting are national income and product accounting, capital finance accounting, and input-output accounting. Each of these is a specialized configuration of the sector accounts in table 8.

National income and product accounting

Of the three, the national income and product accounting system has

gained the widest prominence because it has the greatest general usefulness. Table 10 presents a simplified version of the U.S. national income and product accounts (NIPA's).

The first account in the NIPA system is the national income and product (NIP) account; it is a consolidation of the sector production accounts and the business appropriation account. On the left side, the inclusion of the business appropriation account in the consolidation replaces business profits in the national production account by its components—profits tax, dividends (net of dividends received), and undistributed profits; the total of the uses is not disturbed, and continues to equal charges against GNP. In the NIP account, sales to foreigners are termed "exports" and purchases from foreigners are termed "imports"; imports are subtracted from exports, and the result is entered as net exports. Again the total of the sources measures GNP.

The second account, the personal income and outlay account, is the

Table 10.—National Income and Product Accounts

[Billions of dollars]

I. National Income and Product Account			
Wages and salaries	135	Personal consumption expenditures.....	130
Profits		Gross private domestic investment	30
Profits tax	20	Fixed investment	25
Dividends paid (net)	15	Change in business inventories	5
Undistributed profits	25	Net exports of goods and services.....	15
Net interest	5	Exports	40
Indirect business taxes.....	10	Less: Imports	25
Capital consumption allowances	10	Government purchases of goods and services	45
Charges against gross national product	220	Gross national product.....	220
II. Personal Income and Outlay Account			
Personal tax payments.....	20	Wages and salaries	135
Personal consumption expenditures.....	130	Dividends	15
Interest paid	10	Personal interest income	15
Personal saving.....	15	Transfer payments	10
Personal taxes, outlays, and saving	175	Personal income	175
III. Government Receipts and Expenditures Account			
Purchases of goods and services.....	45	Personal tax payments.....	20
Transfer payments		Indirect business taxes.....	10
To persons	10	Profits tax	20
To foreigners	2		
Net interest paid	3		
Surplus or deficit(—).....	—10		
Government expenditures and surplus.....	50	Government receipts.....	50
IV. Foreign Transactions Account			
Exports of goods and services.....	40	Imports of goods and services.....	25
		Transfer payments	2
		Interest received from government	3
		Net foreign investment	10
Receipts from foreigners.....	40	Payments to foreigners.....	40
V. Gross Saving and Investment Account			
Gross private domestic investment	30	Undistributed profits	25
Net foreign investment	10	Personal saving.....	15
		Government surplus.....	—10
		Capital consumption allowances	10
Gross investment.....	40	Gross saving	40

Table 11.—Modified Saving-Investment Accounts of the Business Sector

[Billions of dollars]

Business			
Uses		Sources	
Plant and equipment purchases.....	25	Gross saving	35
Change in business inventories.....	5	Undistributed profits.....	25
Net acquisitions of financial assets.....	105	Capital consumption allowances	10
Deposits.....	15	Net increase in liabilities.....	100
Loans.....	54	Deposits.....	55
Securities.....	27	Loans.....	22
Trade credit.....	9	Securities.....	14
		Trade credit.....	9
Gross investment and funds supplied.....	135	Gross saving and funds raised.....	135
Nonfinancial Business			
Uses		Sources	
Plant and equipment purchases.....	25	Gross saving	25
Change in business inventories.....	5	Undistributed profits.....	15
Net acquisitions of financial assets.....	30	Capital consumption allowances	10
Deposits.....	15	Net increase in liabilities.....	35
Loans.....	1	Loans.....	20
Securities.....	5	Securities.....	6
Trade credit.....	9	Trade credit.....	9
Gross investment and funds supplied.....	60	Gross saving and funds raised.....	60
Financial Institutions			
Uses		Sources	
Plant and equipment purchases.....	0	Gross saving	10
Change in business inventories.....	0	Undistributed profits.....	10
Net acquisitions of financial assets.....	75	Capital consumption allowances	0
Deposits.....	0	Net increase in liabilities.....	65
Loans.....	53	Deposits.....	55
Securities.....	22	Loans.....	2
Trade credit.....	0	Securities.....	8
		Trade credit.....	0
Gross investment and funds supplied.....	75	Gross saving and funds raised.....	75

household appropriation account; it is carried over directly from table 8. The third account, the government receipts and expenditures account, is the government appropriation account. In this account, interest receipts are subtracted from both sides so that the interest entry on the left side is net interest paid; therefore, total receipts, as well as total expenditures and surplus, are less than the table 8 totals.

The fourth account—the foreign transactions account—is a consolidation of the foreign appropriation and saving-investment accounts. Some entries are carried over directly from table 8—receipts from foreigners (exports) on the left side and payments to foreigners (imports, transfer payments, and interest paid by government) on the right side; the entries for foreign saving cancel when the foreign appropriation and saving-investment accounts are consolidated. However, the perspective on saving is reversed from that in the foreign saving-investment account in table 8, which highlighted foreigners' acquisition of claims against the United States (net of U.S. claims on foreigners). In the NIPA foreign transactions account, foreigners' net acquisitions of

financial assets and the net increase in foreign liabilities are subtracted from both sides; the resulting entry on the right side, termed "net foreign investment," is equal to the net increase in liabilities of foreigners to the United States less foreigners' net acquisition of financial assets that are U.S. liabilities.

The fifth account, the gross saving and investment account, is a consolidation of the saving-investment accounts of the three domestic sectors. On the left side, the entries for undistributed profits, personal saving, government surplus, and capital consumption allowances are carried over directly from the sector accounts. On the right side, gross private domestic investment is the sum of business plant and equipment purchases and the change in business inventories. In the process of consolidation of the financial entries, financial assets that represent claims on other domestic sectors cancel liabilities that represent obligations to other domestic sectors, but claims on foreigners and liabilities to them do not. Therefore, the last item on the left side of the gross saving and investment account is net foreign investment—the Nation's net acquisitions of claims on

foreigners less the net increase in its liabilities to them; it is the entry in the foreign transactions account.

This overview of the NIPA system takes numerous shortcuts to simplify the presentation. Most importantly, it has assumed away both the treatment of noncorporate business and the adjustments necessary to convert the historical prices used in business accounting for inventories and depreciation to the desired current-price valuation. It has also omitted the treatment of homeownership, nonprofit institutions, government enterprises, financial institutions, secondhand goods, and the several types of non-market transactions that are included in the NIPA's. These topics will be taken up in a future paper.

The origin of the NIPA system's configuration of accounts is pragmatic. The information presented was selected because of its importance for economic analysis. The NIP account preserves the detail of the business appropriation account, but suppresses detail on sector production accounts because production outside the business sector is limited. The household appropriation account and the government appropriation account are shown separately because the behavior of these sectors is important in economic analysis. The first account presents information on the income, expenditures, and saving of consumers; and the second provides a government budget integrated with the rest of the national economic accounts. Because of the interest that attaches to foreign transactions, a separate foreign account is presented, but no important information is lost by the consolidation of the foreign appropriation and saving-investment accounts.

In order to present a simple and easily understood system centered on an unduplicated measure of production, the NIPA's do not show some information that is useful in more specialized analyses. This information can be found in other sets of accounts that complement the NIPA's: The capital finance accounts and the input-output accounts.

Capital finance accounting

The need for more information on saving and investment than that presented in the NIPA system is filled by capital finance accounting.

Capital finance accounts present the information in the sector saving-investment accounts in such a way as to illuminate the process by which financial institutions and financial markets transform the economy's savings into investment. By presenting considerably greater detail on both sectors and types of financial assets and liabilities than that shown in the saving-investment accounts in table 8, these accounts show the funds available to each sector from saving or borrowing, the transfer of funds among sectors by lending and borrowing, and the use of these funds for investment.

Table 11 illustrates the modifications that are made to the saving-investment accounts shown in table 8 in setting up capital finance accounts; these modifications reintroduce the kinds of detail suppressed in deriving the saving-investment account of the business firm in tables 6 and 7. The illustration is based on the business sector account; similar modifications are made in the accounts of other sectors. (1) The change in liabilities is added to each side of the saving-investment account to convert the left side to investment and funds supplied and the right side to saving and funds raised. (2) The entries for net acquisition of financial assets and net increase in liabilities are disaggregated to show four types of financial instruments corresponding to the financial assets and liabilities shown in tables 1 and 3: Deposits, the major constituent of cash positions; loans; securities, including both stocks and bonds, as well as any short-term interest-bearing assets included in business cash positions; and trade credit—accounts receivable and payable. (3) The sector is deconsolidated to show separate ac-

counts for nonfinancial business and for financial institutions.

In table 12, data from the modified saving-investment accounts for all sectors are arranged to show their transactions in each type of financial instrument. The left side of the account for an instrument records the funds supplied by the lending sectors; the right side records the funds raised in this form by the borrowing sectors. The totals of the funds supplied and raised are equal.

Table 12 shows the nonfinancial sectors acquiring deposit balances—a

use of funds for lenders—and financial institutions incurring deposit liabilities—a source of funds for borrowers. For loans and securities, each sector is shown as both lender and borrower, acquiring claims on other sectors by supplying funds—a use—and issuing liabilities to other sectors by raising funds—a source. Trade credit, in this illustration, is confined to the nonfinancial business sector.

The role of financial intermediation is pictured completely only when the accounts in tables 11 and 12 are brought together in a matrix such as

Table 12.—Accounts for Financial Instruments

[Billions of dollars]

Deposits			
Uses		Sources	
Nonfinancial business	15	Financial institutions	55
Household	35		
Government	3		
Foreign	2		
Funds supplied	55	Funds raised	55
Loans			
Uses		Sources	
Nonfinancial business	1	Nonfinancial business	20
Household	0	Household	24
Government	1	Government	0
Foreign	0	Foreign	9
Financial institutions	53	Financial institutions	2
Funds supplied	55	Funds raised	55
Securities			
Uses		Sources	
Nonfinancial business	5	Nonfinancial business	6
Household	4	Household	0
Government	1	Government	15
Foreign	1	Foreign	4
Financial institutions	22	Financial institutions	8
Funds supplied	33	Funds raised	33
Trade Credit			
Uses		Sources	
Nonfinancial business	9	Nonfinancial business	9
Funds supplied	9	Funds raised	9

Table 13.—Capital Finance Matrix

[Billions of dollars]

Sector Transaction category	Nonfinancial business		Household		Government		Foreign		Financial institutions		All sectors		Domestic sectors	
	Uses	Sources	Uses	Sources	Uses	Sources	Uses	Sources	Uses	Sources	Uses	Sources	Uses	Sources
Nonfinancial: Gross saving and gross investment	30	25		15		-10		-10		10	30	30	30	40
Gross saving		25		15		-10		-10		10		30		40
Plant and equipment purchases	25										25		25	
Change in business inventories	5										5		5	
Net financial investment:														
Gross saving less gross nonfinancial investment	-5		15		-10		-10		10		0		10	
Net acquisition of financial assets less net increase in liabilities	-5		15		-10		-10		10		0		10	
Financial: Net acquisition of financial assets and net increase in liabilities	30	35	39	24	5	15	3	13	75	65	152	152	149	139
Deposits	15		35		3		2		55	55	55	55	53	55
Loans	1	20	0	24	1	0	0	9	53	2	55	55	55	46
Securities	5	6	4	0	1	15	1	4	32	8	33	33	32	29
Trade credit	9	9	0	0	0	0	0	0	0	0	9	9	9	9
Total uses and sources of funds	60	60	39	39	5	5	3	3	75	75	182	182	179	179

that in table 13. This presentation is fashioned after the matrix summary of the flow of funds accounts (FFA's) of the United States, prepared by the Board of Governors of the Federal Reserve System. In table 13, the sector saving-investment accounts are placed side by side. Each of the first five pairs of columns of the matrix constitutes one of the sector saving-investment accounts shown in tables 8 and 11. (The foreign account reflects the perspective of foreigners, as in table 8.) The last pair of columns in table 13 shows the totals of saving and investment for the domestic sectors. It differs from the saving-investment account in the NIPA's in that net acquisitions of financial assets and net increase in liabilities are entered separately on opposite sides of the account.

The rows in the top portion of the matrix record nonfinancial transactions—gross saving, by sector, and the business sector's plant and equipment purchases and change in inventories. The rows in the bottom portion record financial transactions, by sector; each of these rows constitutes an account for one of the financial instruments shown in table 12.

The middle rows of the matrix are in italics to indicate that the entries in them are not included in the totals of the columns. The rows show two ways of measuring net financial investment. One is calculated from the nonfinancial transactions as gross saving less gross nonfinancial investment; that is,

$$\begin{aligned} \text{Net financial investment} &= \text{gross saving} \\ &\quad - \text{gross nonfinancial investment.} \end{aligned}$$

The other is calculated from the financial transactions as net acquisition of financial assets less net increase in liabilities; that is,

$$\begin{aligned} \text{Net financial investment} &= \text{net acquisition of financial assets} \\ &\quad - \text{net increase in liabilities.} \end{aligned}$$

Net financial investment measures a sector's excess of lending to other sectors over its borrowing from them.

In this illustration, the household sector is a net lender of \$15 billion, with a preference for holding assets in liquid form. The nonfinancial business sector is a net borrower of \$5 billion, with a preference for loans as a

source of funds. Financial institutions intermediate between them, providing the household sector the assets that it prefers—a deposit liability of financial institutions—and providing the nonfinancial business sector with the type of credit it desires.

Balance sheet accounting is an extension of capital finance accounting. Balance sheet accounts, which are analogous to the balance sheet of the business firm introduced earlier, show the total stocks of assets and liabilities for the sectors and for the

Nation. Revaluation accounts are needed to record the capital gains (and losses) in order to reconcile the saving-investment accounts with total changes in the balance sheet accounts over the accounting period, because the saving-investment accounts show only part of the changes in the sectors' assets and liabilities.

The capital finance accounts described in this introduction differ in several respects from the FAA's of the Federal Reserve Board. Some of these differences relate to the precise

Table 14.—Gross Production Accounts for Three Industries and for the Nonbusiness Sectors

[Billions of dollars]

Industry A			
Uses		Sources	
Consumption		Sales of commodity A	
Purchased materials and services		To producers	
Commodity A.....	23	Industry A.....	23
Commodity B.....	9	Industry B.....	35
Commodity C.....	6	Industry C.....	17
Noncomparable imports.....	10	To final users.....	49
<i>Less: Change in raw materials inventories</i>		Change in work-in-process and finished goods	
Commodity A.....	1	inventories (commodity A).....	3
Commodity B.....	-2	<i>Less: Imports of commodity A.....</i>	0
Commodity C.....	0		
Noncomparable imports.....	-1		
Value added.....	77		
Charges against gross output.....	127	Gross output.....	127
Industry B			
Uses		Sources	
Consumption		Sales of commodity B	
Purchased materials and services		To producers	
Commodity A.....	35	Industry A.....	9
Commodity B.....	47	Industry B.....	47
Commodity C.....	12	Industry C.....	26
Noncomparable imports.....	0	To final users.....	42
<i>Less: Change in raw materials inventories</i>		Change in work-in-process and finished goods	
Commodity A.....	-3	inventories (commodity B).....	2
Commodity B.....	1	<i>Less: Imports of commodity B.....</i>	0
Commodity C.....	0		
Noncomparable imports.....	0		
Value added.....	30		
Charges against gross output.....	126	Gross output.....	126
Industry C			
Uses		Sources	
Consumption		Sales of commodity C	
Purchased materials and services		To producers	
Commodity A.....	17	Industry A.....	6
Commodity B.....	26	Industry B.....	12
Commodity C.....	40	Industry C.....	40
Noncomparable imports.....	0	To final users.....	104
<i>Less: Change in raw materials inventories</i>		Change in work-in-process and finished goods	
Commodity A.....	1	inventories (commodity C).....	0
Commodity B.....	3	<i>Less: Imports of commodity C.....</i>	0
Commodity C.....	0		
Noncomparable imports.....	0		
Value added.....	83		
Charges against gross output.....	162	Gross output.....	162
Nonbusiness Sectors			
Uses		Sources	
Consumption		Sales	
Purchased materials and services.....	0	To producers.....	0
<i>Less: Change in raw materials inventories.....</i>	0	To final users.....	45
Value added.....	30	Change in inventories.....	0
		<i>Less: Imports.....</i>	15
Charges against gross output.....	30	Gross output.....	30

Table 15.—Input-Output Table

[Billions of dollars]

Distribution of output Composition of inputs	Producers					Final demand				Gross commodity output
	Industry A	Industry B	Industry C	Nonbusiness sectors	Total intermediate use	Sales to final users	Change in inventories	Imports	Total final demand	
Commodity A	22	38	16	0	76	49	2	0	51	127
Commodity B	11	46	23	0	80	42	4	0	46	126
Commodity C	6	12	40	0	58	104	0	0	104	162
Noncomparable imports	11	0	0	0	11	0	-1	-10	-11	0
Nonbusiness product	0	0	0	0	0	45	0	-15	30	30
Total intermediate inputs	50	96	79	0						
Value added	77	30	83	30						220
Gross industry output	127	126	162	30		240	5	-25	220	

manner of sectoring, classification of transactions, and the netting and grossing of transactions; further, the FAA's do not follow the convention that all nonfinancial investment is made by the business sector. Other topics involved in the construction of the FAA's are combination versus consolidation of accounts, valuation, and timing. These and other topics are covered in the descriptions of the FAA's listed in the "Suggestions for Further Reading."

Input-output accounting

Information on the flows of goods and services that make up the production relationships among industries is missing from the NIPA system, but is provided by input-output (I-O) accounting. I-O accounting can be viewed as a deconsolidation, along detailed industry lines, of the national production account of table 8, with a separate production account presented for each industry. Both the NIPA's and the I-O accounts present GNP in terms of final product flows (final demand, in I-O terminology) and in terms of charges against GNP (value added, in I-O terminology). The distinctive feature of the I-O accounts is the presentation of detailed information for each industry on the consumption of purchased materials and services that canceled in arriving at an unduplicated measure of production for the business sector in table 8 and in the NIPA's. This detailed information is presented in a matrix—an I-O table.

In the I-O table, each column records the gross output of an industry and the inputs used by that industry in production; that is,

$$\text{Gross industry output} = \text{consumption of purchased materials and services} + \text{value added.}$$

Each row records the gross output of a good or service (commodity, in I-O terminology), the consumption of the commodity by producing industries, and the final demand for the commodity, where final demand consists of sales of the commodity to final users, the change in inventories of the commodity held by both the producing and consuming industries, less imports of the commodity; that is,

$$\text{Gross commodity output} = \text{consumption by producing industries} + \text{sales to final users} + \text{change in inventories} - \text{imports.}$$

To illustrate the derivation of the I-O account, table 14 presents production accounts for the three hypothetical industries—designated A, B, and C—that make up the business sector. Unlike the production accounts derived in table 4, these accounts in table 14 record production on a gross basis; that is, consumption has not been subtracted from both sides. For the three nonbusiness sectors, table 14 presents a single consolidated production account. In this account, sales to final users consist of sales of factor services to consumers, to government, and to foreigners, and imports consist of purchases from foreigners of factor services; charges against gross output consist entirely of value added. In practice, each nonbusiness sector is shown separately in the I-O table.

Several features of the illustration in table 14 should be noted. (1) Each

industry produces a single commodity and that commodity is not produced by any other industry; thus, industry A produces commodity A, industry B, commodity B, and so on. (The more complex case of secondary products, where industries produce commodities that are also produced by other industries, is taken up later.) (2) The commodities produced by industries A and B are goods, which are inventoriable; the commodity produced by industry C is a service, which is not inventoried. (3) Firms in each industry purchase inputs from other firms in the same industry. (4) Industry A consumes an imported commodity in addition to domestically produced commodities. The import is designated as noncomparable, signifying that no domestic counterpart exists. The treatment of comparable imports is taken up later.

Table 15 illustrates the construction of the I-O table from the information contained in table 14. The first four columns on the left side of the matrix record the consumption of purchased materials and services, as well as value added, by the producing industries. For each industry, consumption is derived from the left side of the industry's production account in table 14 as the purchase of the commodity less the change in raw material inventory. Value added is also taken from the left side of the industry production account. The nonbusiness sectors have value added as their only input.

Three columns, further to the right, record the components of final demand. Sales to final users are obtained from the right side of the production accounts in table 14. To obtain the inventory entries, it is necessary to rearrange the information

Table 16.—Change in Inventories Wherever Held Derived From Industry Gross Production Accounts

[Billions of dollars]

Industry Commodity	Industry A		Industry B		Industry C		Total
	Raw materials	Work in process and finished goods	Raw materials	Work in process and finished goods	Raw materials	Work in process and finished goods	
Commodity A	1	3	-3	0	1	0	2
Commodity B	-2	0	1	2	3	0	4
Noncomparable imports	-1	0	0	0	0	0	-1
Total	-2	3	-2	2	4	0	5

on inventory change shown in table 14 to show the change in the inventories of each commodity wherever held; this rearrangement is shown in table 16. The entries for the noncomparable import are taken from the production account of industry A; the sum of the entries for consumption and inventory change is offset by the entry in the import column so that the row total—gross commodity output—is zero, appropriately reflecting the fact that the commodity is not part of domestic output. The output of the nonbusiness sectors consists of sales to final users less imports.

The matrix presented in table 15 is called a use table and shows the consumption of each commodity and the composition of the inputs to each industry. If a commodity were produced by two industries, the row totals of gross commodity output and the column totals of gross industry output would no longer correspond. For example, if \$5 billion of commodity A were produced by industry B instead of industry A, the gross industry output of industry A would be \$122 billion instead of \$127 billion and that for B would be \$131 billion instead of \$126 billion. In this case, a second table, called a make table, is compiled, in which each row shows the commodity composition of an industry's output and each column, the industrial origin of the supply of a commodity.

The treatment of a comparable import in terms of the example is as follows. If, instead of being a noncomparable import, the import used by industry A was comparable to commodity B, industry A's entries in table 14 for the consumption and inventory change of commodity B would include the import, and the entries for noncomparable imports would be zero. Likewise, in table 15, the disposition

of the import would be included in the row for commodity B. In effect, the second and fourth rows would be added together.

The U.S. I-O tables are in producer's prices. Trade margins and transportation costs incurred in the distribution of goods are not included in the row entries for these commodities, but are shown as separate inputs to each using industry and as separate sales to final users. The treatment of transportation and trade can be illustrated in table 15 by designating industry C as trade and transportation services. With this designation, the row entries for commodity C represent the trade and transportation costs associated with moving goods from the producer to the purchaser, and the row entries for commodities A, B, and noncomparable imports are valued at producer's prices.

A third way of measuring GNP may be derived from the I-O table. It is termed "GNP originating," or value added, by industry. In this derivation, which is illustrated in table 17, the GNP originating in each industry is established by subtracting consumption of materials and services from gross output and then summing over all industries to obtain total GNP. GNP originating in each industry also may be established by the equivalent procedure of summing income payments and other costs.

This discussion of the I-O accounts has omitted a number of topics involved in the construction of the make and use tables and the derivative I-O tables in which the flows are transformed into the direct requirements and total requirements that each industry places on each other industry in order to produce a unit of output. These topics are covered in the references listed in "Suggestions for Further Reading."

Table 17.—Derivation of GNP Originating by Industry

[Billions of dollars]

	Gross output	Consumption of materials and services	GNP originating (1)-(2)
	(1)	(2)	(3)
Industry A	127	50	77
Industry B	126	96	30
Industry C	162	79	83
Nonbusiness sectors	30	0	30
Total	445	225	220

Suggestions for Further Reading

The U.S. national income and product accounts are described in the following: (1) Carol S. Carson and George Jaszi, "The National Income and Product Accounts of the United States: An Overview," *SURVEY OF CURRENT BUSINESS* 61 (February 1981): 22-34; (2) U.S. Department of Commerce, Office of Business Economics, *National Income, 1954 Edition: a Supplement to the SURVEY OF CURRENT BUSINESS* (Washington, DC: U.S. GPO, 1954), reprinted, along with later supplements and revisions, in U.S. Department of Commerce, Bureau of Economic Analysis, *Readings in Concepts and Methods of National Income Statistics* (Springfield, VA: NTIS, 1976), NTIS Accession No. PB-248-690; (3) Studies in Income and Wealth, vol. 22, *A Critique of the United States Income and Product Accounts* (Princeton, NJ: Princeton University Press for the National Bureau of Economic Research, 1958); (4) John W. Kendrick (Assisted by Carol S. Carson), *Economic Accounts and Their Uses* (New York: McGraw Hill, 1972); (5) Carol S. Carson, "The History of the United States National Income and Product Accounts: Development of an Analytical Tool," *Review of Income and Wealth* 21 (June 1975): 153-181; and (6) Studies in Income and Wealth, vol. 47, *The U.S. National Income and Product Accounts: Selected Topics* (Chicago: University of Chicago Press for the National Bureau of Economic Research, 1983).

(Continued on p.76)

Table with columns for Units, Annual (1983, 1984), 1984 (Jan-Feb-Mar-Apr-May-June-July-Aug-Sept-Oct-Nov-Dec), and 1985 (Jan-Feb). Rows include Industrial Production (Seasonally Adjusted) and Business Sales (Mfg. and trade sales).

See footnotes at end of tables.

Units	Annual		1984												1985	
	1983	1984	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
	GENERAL BUSINESS INDICATORS—Continued															
BUSINESS INVENTORIES																
Mfg. and trade inventories, book value, end of period (unadj.), total @.....mil. \$..	509,324	559,974	513,621	525,177	534,333	542,347	545,727	544,853	547,096	552,617	559,828	571,892	576,036	559,974	562,442	
Mfg. and trade inventories, book value, end of period (seas. adj.), total @.....mil. \$..	514,336	566,271	518,062	527,216	532,766	541,060	545,912	546,834	551,366	556,519	560,430	563,810	565,022	566,271	568,429	
Manufacturing, total ††.....do.....	260,426	285,414	260,884	264,074	267,379	270,392	274,593	277,481	280,019	283,525	285,185	286,426	285,833	285,414	284,883	
Durable goods industries.....do.....	171,371	190,823	171,549	173,203	175,751	177,993	180,578	182,452	184,559	187,142	188,915	190,476	190,428	190,823	191,290	
Nondurable goods industries.....do.....	88,855	94,591	89,335	90,871	91,628	92,399	94,015	95,029	95,460	96,383	96,270	95,950	95,405	94,591	93,598	
Retail trade, total †.....do.....	135,843	151,622	137,977	142,731	143,910	146,883	146,951	145,359	145,120	146,318	147,040	148,661	149,193	151,622	153,495	
Durable goods stores.....do.....	63,447	70,729	63,749	66,513	66,946	69,010	68,277	66,896	66,141	66,602	67,458	68,330	68,946	70,729	72,992	
Nondurable goods stores.....do.....	72,396	80,893	74,228	76,218	76,964	77,873	78,674	78,463	78,979	79,716	79,582	80,331	80,247	80,893	80,503	
Merchant wholesalers, total †.....do.....	118,067	129,235	119,201	120,411	121,477	123,785	124,368	123,994	126,227	126,676	128,205	128,723	129,996	129,235	130,046	
Durable goods establishments.....do.....	75,811	84,512	76,408	76,910	78,188	78,438	78,817	79,696	81,191	81,971	83,243	83,747	84,027	84,512	85,082	
Nondurable goods establishments.....do.....	42,256	44,723	42,793	43,501	43,289	45,347	45,551	44,298	45,036	44,705	44,962	44,976	45,969	44,723	44,964	
Mfg. and trade inventories in constant (1972) dollars, end of period (seas. adj.), total \$...bil. \$.....			260.2	263.2	265.1	268.0	270.0	270.0	272.1	274.3	276.1	277.6	278.3	279.0	280.2	
Manufacturing.....do.....			135.9	136.9	138.2	138.9	140.5	141.6	142.6	144.0	144.9	145.3	145.1	144.9	145.1	
Retail trade.....do.....			68.8	70.3	70.7	71.8	71.8	71.1	71.3	71.5	71.8	72.7	72.8	73.8	74.7	
Merchant wholesalers.....do.....			55.5	56.0	56.2	57.3	57.7	57.2	58.2	58.8	59.4	59.6	60.3	60.3	60.5	
BUSINESS INVENTORY-SALES RATIOS																
Manufacturing and trade, total @.....ratio..	1.37	1.33	1.29	1.32	1.33	1.33	1.32	1.32	1.34	1.35	1.37	1.37	1.36	1.35	1.37	
Manufacturing, total ††.....do.....	1.52	1.46	1.41	1.43	1.42	1.44	1.45	1.46	1.47	1.48	1.50	1.49	1.49	1.46	1.48	
Durable goods industries.....do.....	2.01	1.85	1.80	1.80	1.81	1.86	1.84	1.84	1.88	1.85	1.91	1.90	1.87	1.84	1.84	
Materials and supplies.....do.....	.80	.55	.54	.54	.55	.55	.55	.55	.56	.56	.57	.56	.55	.54	.54	
Work in process.....do.....	.90	.84	.81	.81	.82	.85	.84	.85	.86	.85	.88	.87	.87	.85	.85	
Finished goods.....do.....	.51	.45	.45	.44	.44	.45	.45	.45	.45	.45	.46	.46	.46	.45	.45	
Nondurable goods industries.....do.....	1.03	1.03	1.00	1.02	1.00	1.01	1.03	1.04	1.03	1.06	1.06	1.06	1.06	1.03	1.06	
Materials and supplies.....do.....	.41	.41	.41	.42	.40	.40	.41	.41	.41	.41	.41	.42	.41	.40	.42	
Work in process.....do.....	.17	.16	.16	.17	.16	.16	.16	.16	.16	.17	.16	.17	.16	.16	.17	
Finished goods.....do.....	.46	.46	.43	.44	.44	.44	.45	.46	.46	.48	.48	.48	.48	.47	.48	
Retail trade, total †.....do.....	1.33	1.35	1.29	1.35	1.39	1.37	1.36	1.33	1.35	1.37	1.36	1.37	1.38	1.38	1.39	
Durable goods stores.....do.....	1.85	1.79	1.72	1.89	1.90	1.84	1.80	1.73	1.77	1.81	1.82	1.78	1.76	1.81	1.84	
Nondurable goods stores.....do.....	1.07	1.11	1.07	1.11	1.12	1.11	1.12	1.11	1.13	1.14	1.12	1.14	1.13	1.14	1.13	
Merchant wholesalers, total †.....do.....	1.17	1.11	1.08	1.11	1.11	1.11	1.08	1.08	1.11	1.13	1.14	1.16	1.16	1.14	1.15	
Durable goods establishments.....do.....	1.76	1.61	1.60	1.63	1.61	1.59	1.54	1.53	1.60	1.62	1.65	1.66	1.67	1.69	1.66	
Nondurable goods establishments.....do.....	.72	.72	.69	.72	.71	.74	.71	.72	.72	.72	.73	.74	.74	.71	.73	
Manufacturing and trade in constant (1972) dollars, total \$.....			1.48	1.51	1.52	1.52	1.50	1.50	1.52	1.53	1.55	1.56	1.55	1.53	1.55	
Manufacturing.....do.....			1.71	1.72	1.72	1.74	1.74	1.75	1.77	1.76	1.80	1.80	1.78	1.74	1.78	
Retail trade.....do.....			1.29	1.33	1.36	1.34	1.32	1.30	1.33	1.34	1.33	1.36	1.35	1.34	1.36	
Merchant wholesalers.....do.....			1.30	1.34	1.33	1.34	1.30	1.29	1.32	1.34	1.37	1.37	1.37	1.36	1.36	
MANUFACTURERS' SALES, INVENTORIES, AND ORDERS ††																
Shipments (not seas. adj.), total.....mil. \$..	2,047,400	2,273,301	169,717	186,655	197,619	188,667	191,416	201,941	175,607	188,646	199,222	196,351	190,524	189,028	176,548	
Durable goods industries, total.....do.....	1,021,514	1,183,672	85,815	96,948	103,730	97,967	99,968	106,969	88,455	96,864	103,634	104,269	101,101	99,929	93,403	
Stone, clay, and glass products.....do.....	49,058	55,014	3,758	4,328	4,511	4,578	4,719	4,923	4,526	4,981	4,931	4,998	4,639	4,101	3,975	
Primary metals.....do.....	117,904	133,563	10,526	11,457	12,404	11,772	11,772	12,215	10,321	11,183	10,793	11,137	10,477	9,447	10,481	
Blast furnaces, steel mills.....do.....	48,189	56,166	4,300	4,789	5,211	5,012	5,097	5,264	4,436	4,663	4,510	4,659	4,315	3,936	4,565	
Fabricated metal products.....do.....	120,570	137,684	9,891	11,121	11,589	11,181	11,426	12,017	10,531	11,612	11,959	12,539	12,222	11,735	11,756	
Machinery, except electrical.....do.....	178,267	209,151	14,429	16,717	18,506	16,685	17,644	19,529	15,588	16,249	19,204	17,948	17,850	19,380	14,705	
Electrical machinery.....do.....	156,016	181,630	13,129	14,435	15,791	14,637	14,970	16,510	13,668	14,975	16,681	15,603	15,340	16,540	14,169	
Transportation equipment.....do.....	240,496	288,412	21,819	24,529	25,649	24,167	24,465	25,824	20,091	22,401	23,915	25,785	25,695	24,488	25,452	
Motor vehicles and parts.....do.....	151,870	192,096	15,372	16,865	17,636	16,363	16,717	17,058	15,255	14,927	15,242	17,498	17,266	14,356	18,042	
Instruments and related products.....do.....	50,016	56,422	4,041	4,333	4,851	4,634	4,710	5,122	4,386	4,668	5,170	4,809	4,788	4,940	4,358	
Nondurable goods industries, total.....do.....	1,025,886	1,089,629	83,902	89,707	93,889	90,700	91,448	94,972	87,152	91,782	95,588	92,082	89,423	89,099	83,145	
Food and kindred products.....do.....	286,605	295,036	22,701	24,300	25,544	24,339	24,545	25,408	23,700	24,418	25,963	25,101	24,293	24,766	22,606	
Tobacco products.....do.....	15,462	16,919	1,035	1,241	1,500	1,286	1,420	1,641	1,291	1,494	1,571	1,379	1,343	1,717	1,208	
Textile mill products.....do.....	52,219	55,286	4,202	4,771	5,186	4,694	4,762	4,995	3,856	4,730	4,936	4,659	4,274	4,157	3,710	
Paper and allied products.....do.....	85,135	95,900	7,459	8,024	8,149	7,917	8,076	8,546	7,706	8,167	8,170	8,149	7,860	7,721	7,770	
Chemical and allied products.....do.....	190,230	211,306	16,435	17,486	18,703	18,308	18,493	19,045	16,487	17,359	18,207	16,916	16,491	17,516	17,200	
Petroleum and coal products.....do.....	191,551	197,895	15,582	15,825	16,842	16,579	16,534	17,044	16,471	16,469	17,328	16,412	16,340	16,318	14,349	
Rubber and plastics products.....do.....	50,320	52,161	3,985	4,340	4,494	4,475	4,411	4,682	4,194	4,445	4,561	4,427	4,320	3,861	3,935	
Shipments (seas. adj.), total.....do.....			184,406	185,005	188,479	187,332	189,376	190,401	190,658	192,006	190,151	190,521	191,978	195,487	192,078	
By industry group:																
Durable goods industries, total #.....do.....			95,283	96,297	96,990	95,697	97,944	99,042	98,390	101,035	98,943	100,427	101,778	103,681	103,786	
Stone, clay, and glass products.....do.....			4,462	4,634	4,458	4,486	4,612	4,495	4,575	4,719	4,525	4,666	4,703	4,669	4,719	
Primary metals.....do.....			10,783	10,973	11,571	11,191	11,342	11,488	11,364	11,608	10,576	11,146	11,105	10,363	10,729	
Blast furnaces, steel mills.....do.....			4,355	4,565	4,751	4,719	5,032	4,906	4,913	4,848	4,532	4,783	4,576	4,223	4,602	
Fabricated metal products.....do.....			10,904	11,083	10,977	10,930	11,219	11,145	11,459	11,555	11,438	11,934	12,484	12,688	13,065	
Machinery, except electrical.....do.....			16,327	16,481	17,029	16,768	17,704	17,821	17,292	17,307	18,418	17,941	18,171	17,948	16,635	
Electrical machinery.....do.....			14,327	14,216	15,127	14,606	15,006	15,435	15,223	15,422	15,731	15,114	15,256	16,817	15,466	
Transportation equipment.....do.....			24,223	24,257	23,215	22,845	23,196	23,627	23,576	25,496	23,339	24,317	25,116			

Unless otherwise stated in footnotes below, data through 1982 and methodological notes are as shown in BUSINESS STATISTICS: 1982

Units	Annual		1984												1985	
	1983	1984	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
GENERAL BUSINESS INDICATORS—Continued																
MANUFACTURERS' SALES, INVENTORIES, AND ORDERS*—Continued																
Shipments (seas. adj.)—Continued																
By market category:																
Home goods and apparel..... mil. \$	'145,185	'155,749	13,289	13,070	13,124	12,680	13,204	13,202	13,116	12,877	12,736	12,882	12,664	'12,946	12,603	
Consumer staples..... do	'383,308	'403,646	32,856	32,477	33,699	33,741	33,786	33,798	34,295	33,658	33,483	33,609	33,521	'34,726	34,158	
Equipment and defense products, except auto..... do	'297,016	'338,134	25,971	26,409	27,193	26,809	27,801	28,289	27,841	28,244	29,795	28,824	29,690	'30,847	28,089	
Automotive equipment..... do	'174,193	'216,089	18,818	18,594	17,996	17,192	17,873	17,404	17,719	19,267	16,885	17,722	18,661	'18,890	21,665	
Construction materials, supplies, and intermediate products..... do	'157,168	'176,987	13,959	14,643	14,177	14,283	14,331	14,444	14,542	14,887	14,858	15,303	15,709	'16,119	16,340	
Other materials, supplies, and intermediate products..... do	'890,530	'982,696	79,513	79,812	82,290	82,627	82,552	82,724	83,145	83,073	82,394	82,181	81,733	'81,959	79,223	
Supplementary series:																
Household durables..... do	'64,777	'74,881	5,989	5,930	6,043	5,934	6,299	6,506	6,424	6,264	6,214	6,618	6,282	'6,236	6,204	
Capital goods industries..... do	'337,497	'385,013	29,810	30,010	30,967	30,784	31,643	32,869	31,852	32,177	33,875	32,891	33,562	'35,305	32,287	
Nondefense..... do	'272,339	'312,585	24,092	24,158	25,236	24,799	25,894	26,892	25,859	26,048	27,739	26,541	27,287	'28,681	25,698	
Defense..... do	'65,158	'72,428	5,718	5,852	5,731	5,985	5,749	5,977	5,993	6,129	6,136	6,350	6,275	'6,624	6,589	
Inventories, end of year or month:																
Book value (unadjusted), total..... do	257,601	281,960	260,807	265,548	268,783	272,650	276,642	277,528	279,512	282,950	283,371	285,459	284,814	'281,960	284,483	
Durable goods industries, total..... do	169,023	187,888	170,750	174,288	176,910	179,644	182,319	183,014	184,547	187,320	187,726	189,459	189,172	'187,888	190,298	
Non-durable goods industries, total..... do	88,578	94,072	90,057	91,260	91,873	93,006	94,323	94,514	94,965	95,630	95,645	96,000	95,642	'94,072	94,185	
Book value (seasonally adjusted), total..... do	260,426	285,414	260,884	264,074	267,379	270,392	274,593	277,481	280,019	283,525	285,372	286,426	285,833	'285,414	284,888	
By industry group:																
Durable goods industries, total #..... do	171,571	190,823	171,549	173,203	175,751	177,993	180,578	182,452	184,559	187,142	188,915	190,476	190,428	'190,823	191,290	
Stone, clay, and glass products..... do	5,677	5,878	5,600	5,596	5,687	5,730	5,782	5,860	5,878	5,923	5,959	5,916	5,915	'5,878	5,715	
Primary metals..... do	19,228	20,419	19,009	19,434	19,886	20,313	20,934	21,150	21,158	21,302	21,397	20,977	20,715	'20,419	19,376	
Blast furnaces, steel mills, fabricated metal products..... do	9,122	9,291	8,893	9,139	9,329	9,444	9,778	9,902	9,957	10,024	10,051	9,766	9,652	'9,291	8,852	
Machinery, except electrical..... do	17,819	19,400	17,765	17,892	18,034	18,187	18,231	18,547	18,394	18,326	18,785	19,892	19,345	'19,400	19,124	
Electrical machinery..... do	36,711	40,623	36,922	37,089	37,444	37,873	38,155	38,519	39,060	40,070	39,926	40,520	40,664	'40,623	41,475	
Transportation equipment..... do	28,154	32,524	28,127	28,471	28,909	29,201	29,732	30,174	30,824	31,397	31,852	32,479	32,623	'32,524	33,010	
Motor vehicles and parts..... do	9,460	11,289	9,617	9,751	9,934	9,974	10,178	10,281	10,565	10,523	10,684	10,924	10,785	'11,289	11,042	
Instruments and related products..... do	9,014	9,469	8,828	9,020	9,087	9,146	9,294	9,358	9,483	9,526	9,466	9,568	9,537	'9,469	9,508	
By stage of fabrication:																
Materials and supplies..... do	51,640	56,406	51,910	52,228	52,866	53,072	53,967	54,420	55,399	56,089	56,578	56,652	56,009	'56,406	56,007	
Work in process..... do	77,372	87,841	77,058	78,173	79,226	81,465	82,658	83,863	84,765	86,034	86,916	87,849	88,102	'87,841	88,111	
Finished goods..... do	42,559	46,576	42,581	42,802	42,959	43,456	43,953	44,169	44,455	45,019	45,421	45,975	46,317	'46,576	47,172	
Non-durable goods industries, total #..... do	88,855	94,591	89,335	90,871	91,628	92,399	94,015	95,029	95,460	96,383	96,457	95,950	95,405	'94,591	93,598	
Food and kindred products..... do	20,797	23,786	20,996	21,354	21,629	21,511	22,203	22,071	22,039	22,285	21,582	23,995	23,958	'23,786	24,043	
Tobacco products..... do	3,931	3,555	3,870	3,831	3,771	3,683	3,645	3,566	3,501	3,470	3,573	3,600	3,548	'3,555	3,579	
Textile mill products..... do	6,899	7,000	6,951	6,960	7,066	7,097	7,203	7,301	7,367	7,400	7,349	7,380	7,132	'7,000	6,926	
Paper and allied products..... do	8,729	9,701	8,829	8,898	8,914	9,036	9,123	9,203	9,353	9,425	9,599	9,638	9,746	'9,701	9,948	
Chemicals and allied products..... do	19,582	21,940	19,509	19,840	20,357	20,585	20,810	21,617	21,758	22,118	22,695	22,350	22,100	'21,940	21,263	
Petroleum and coal products..... do	8,232	8,469	8,165	8,739	8,819	8,947	9,050	8,892	8,858	8,889	8,819	8,967	8,818	'8,469	8,222	
Rubber and plastics products..... do	5,673	5,979	5,634	5,797	5,900	5,786	5,992	6,185	6,251	6,329	6,186	6,141	6,043	'5,979	5,824	
By stage of fabrication:																
Materials and supplies..... do	36,066	36,601	36,486	37,063	36,956	36,931	37,642	37,495	37,618	37,643	37,733	37,435	37,250	'36,601	36,810	
Work in process..... do	14,485	14,811	14,656	14,739	14,759	14,862	15,022	15,160	15,038	15,239	14,974	14,962	14,834	'14,811	14,777	
Finished goods..... do	38,304	43,179	38,193	39,069	39,913	40,606	41,351	42,374	42,804	43,501	43,750	43,553	43,321	'43,179	42,011	
By market category:																
Home goods and apparel..... do	20,946	23,012	21,283	21,365	21,695	22,023	22,261	22,405	22,655	22,738	22,927	23,128	23,013	'23,012	23,075	
Consumer staples..... do	32,143	34,258	32,497	32,865	33,173	33,257	33,773	33,839	34,089	34,506	34,448	34,070	34,278	'34,258	34,133	
Equip. and defense prod., exc. auto..... do	73,257	83,050	73,445	74,025	74,849	76,020	77,061	77,863	79,224	81,117	81,778	83,276	83,196	'83,050	84,363	
Automotive equipment..... do	11,626	13,760	11,720	11,945	12,167	12,163	12,479	12,621	12,889	12,936	13,088	13,378	13,241	'13,760	13,527	
Construction materials, supplies, and intermediate products..... do	19,134	19,570	19,047	19,199	19,298	19,539	19,579	19,663	19,717	19,657	19,755	19,824	19,974	'19,570	19,484	
Other materials, supplies, and intermediate products..... do	103,320	111,764	102,892	104,675	106,197	107,390	109,440	111,090	111,445	112,571	113,376	112,750	112,131	'111,764	110,306	
Supplementary series:																
Household durables..... do	10,093	11,594	10,144	10,161	10,391	10,623	10,668	10,801	10,971	11,084	11,275	11,447	11,391	'11,594	11,797	
Capital goods industries..... do	83,191	94,395	83,278	83,839	85,207	86,347	87,746	88,778	90,369	92,358	93,187	94,546	94,188	'94,395	95,988	
Nondefense..... do	65,432	72,108	65,626	66,270	67,417	68,254	68,789	69,593	71,095	70,981	71,919	71,880	72,108	'72,108	72,929	
Defense..... do	17,759	22,287	17,812	18,217	18,537	18,925	19,492	19,989	20,776	21,263	22,206	22,627	22,308	'22,287	22,959	
New orders, net (not seas. adj.), total..... do																
Durable goods industries, total..... do	2,081,200	2,299,182	178,284	194,643	207,903	190,601	193,010	199,212	177,480	187,247	197,613	193,225	190,615	'190,556	181,100	
Durable goods industries, total..... do	1,053,671	1,210,184	94,005	104,611	114,091	99,921	101,659	104,411	90,211	95,892	102,182	101,507	101,483	'101,304	97,632	
Non-durable goods industries, total..... do	1,027,529	1,088,998	84,279	90,032	93,812	90,680	91,351	94,801	87,269	91,355	95,431	91,718	89,132	'89,252	83,468	
New orders, net (seas. adj.), total..... do	'2,081,200	'2,299,182	188,671	191,336	196,477	189,715	193,680	190,620	194,037	192,578	189,817	185,856	194,168	'193,914	192,180	
By industry group:																
Durable goods industries, total..... do	'1,053,671	'1,210,184	99,439	102,345	105,183	98,317	102,256	99,171	101,704	102,015	98,876	96,067	104,037	'101,988	103,861	
Primary metals..... do	'123,394	'131,912	11,622	11,442	11,657	11,877	10,653	10,155	11,183	11,245	10,281	10,597	10,848	'10,067	11,329	
Blast furnaces, steel mills..... do	'51,282	'54,974	4,848	4,773	4,988	4,782	4,357	3,877	4,576	4,714	4,074	4,613	4,652	'4,585	4,969	
Nonferrous and other primary metals..... do	'59,618	'61,456	5,361	5,316	5,309	5,770	5,046	4,913	5,203	5,197	4,937	4,808	5,041	'4,415	4,984	
Fabricated metal products..... do	'119,455	'139,116	10,986	11,411	10,931	10,889	11,573	11,084	11,024	12,034	11,878	12,054	12,426	'13,003	12,906	
Machinery, except electrical..... do	'180,874	'212,165	17,159	17,215	18,303	16,873	18,797	18,512	18,149	17,549	18,049	16,962	18,082	'16,389	14,947	
Electrical machinery																

Units	Annual		1984												1985	
	1983	1984	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
GENERAL BUSINESS INDICATORS—Continued																
MANUFACTURERS' SALES, INVENTORIES, AND ORDERS †—Continued																
Unfilled orders, end of period (unadjusted), total.....mil. \$..	327,947	352,952	336,515	344,503	354,789	356,717	358,317	355,590	357,473	356,071	354,460	351,330	351,429	352,952	357,510	
Durable goods industries, total.....do.....	317,423	343,060	325,614	333,278	343,641	345,592	347,289	344,731	346,493	345,519	344,063	341,300	341,688	343,060	347,293	
Nondurable goods industries with unfilled orders ‡.....do.....	10,524	9,892	10,901	11,225	11,148	11,125	11,028	10,859	10,980	10,552	10,397	10,030	9,741	9,892	10,217	
Unfilled orders, end of period (seasonally adjusted) total.....mil. \$..	330,122	355,184	334,385	340,725	348,717	351,099	355,398	355,625	358,990	359,564	359,232	354,566	356,756	355,184	355,278	
By industry group:																
Durable goods industries, total #.....do.....	319,303	344,989	323,457	329,512	337,702	340,320	344,631	344,765	348,065	349,048	348,782	344,422	346,678	344,989	345,055	
Primary metals.....do.....	20,817	18,939	21,656	22,127	22,213	22,899	22,210	20,877	20,696	20,333	20,038	19,490	19,232	18,939	19,539	
Blast furnaces, steel mills.....do.....	10,094	8,753	10,607	10,816	11,053	11,116	10,442	9,413	9,076	8,942	8,484	8,314	8,390	8,753	9,120	
Nonferrous and other primary metals.....do.....	8,195	7,221	8,392	8,533	8,275	8,765	8,706	8,269	8,298	8,120	8,270	7,985	7,744	7,221	7,321	
Fabricated metal products.....do.....	20,534	22,006	20,616	20,942	20,896	20,854	21,208	21,146	20,709	21,187	21,629	21,749	21,691	22,006	21,845	
Machinery, except electrical.....do.....	58,363	61,193	59,195	59,930	61,205	61,309	62,400	63,095	63,949	64,191	63,821	62,842	62,755	61,193	59,505	
Electrical machinery.....do.....	69,996	78,642	71,325	73,254	75,020	75,129	77,662	78,214	79,254	80,239	81,300	80,818	80,059	78,642	80,663	
Transportation equipment.....do.....	134,467	147,554	135,174	137,621	142,845	144,527	145,107	145,534	147,224	146,824	145,599	143,195	146,696	147,554	146,747	
Aircraft, missiles, and parts.....do.....	103,890	119,916	104,419	105,846	111,450	113,463	113,849	114,309	116,329	116,810	116,774	115,156	118,532	119,916	119,515	
Nondurable goods industries with unfilled orders ‡.....do.....	10,819	10,195	10,928	11,213	11,015	10,779	10,767	10,860	10,925	10,516	10,450	10,144	10,078	10,195	10,223	
By market category:																
Home goods and apparel *.....do.....	4,234	4,019	4,537	4,909	4,589	4,499	4,733	4,590	4,631	4,650	4,656	4,455	4,005	4,019	4,298	
Consumer staples *.....do.....	728	713	711	735	672	663	682	670	646	679	675	713	706	713	705	
Equip. and defense prod., excl. auto *.....do.....	196,656	219,541	198,240	202,168	208,444	208,951	212,164	213,950	215,960	218,093	218,346	217,110	221,215	219,541	219,746	
Automotive equipment *.....do.....	7,618	6,349	7,842	8,039	7,913	8,121	8,010	7,888	7,863	7,540	7,077	6,650	6,336	6,349	6,217	
Construction materials, supplies, and intermediate products.....do.....	12,276	13,042	12,254	12,385	12,489	12,471	12,570	12,561	12,403	12,660	12,661	12,790	12,762	13,042	12,882	
Other materials, supplies, and intermediate products.....do.....	108,610	111,520	110,801	112,489	114,277	116,394	117,239	115,966	117,487	115,942	115,817	112,848	111,732	111,520	111,430	
Supplementary series:																
Household durables.....do.....	3,715	3,619	4,026	4,346	4,012	3,911	4,154	4,043	4,069	4,115	4,152	4,013	3,590	3,619	3,863	
Capital goods industries.....do.....	236,708	263,448	238,591	242,889	250,319	251,670	254,663	256,817	259,820	261,729	262,274	259,679	263,586	263,448	263,817	
Nondefense.....do.....	123,942	133,671	124,941	127,802	129,425	130,512	133,575	134,717	136,501	136,955	137,051	135,889	135,729	133,671	131,084	
Defense.....do.....	112,761	129,777	113,650	115,087	120,894	121,158	121,088	122,100	123,319	124,774	125,223	123,790	127,857	129,777	132,733	
BUSINESS INCORPORATIONS @																
New incorporations (50 States and Dist. Col.):																
Unadjusted.....number.....	600,400		52,885	51,501	57,003	54,257	54,338	55,878	52,040	53,326	47,170					
Seasonally adjusted.....do.....			53,044	53,591	53,424	53,933	51,166	54,729	52,092	51,723	51,892					
INDUSTRIAL AND COMMERCIAL FAILURES @																
Failures, total.....number.....	31,334															
Commercial service.....do.....	8,627															
Construction.....do.....	5,247															
Manufacturing and mining.....do.....	4,433															
Retail trade.....do.....	11,429															
Wholesale trade.....do.....	3,598															
Liabilities (current), total.....thous. \$..	(2)															
Commercial service.....do.....	3,038,790															
Construction.....do.....	1,548,554															
Manufacturing and mining.....do.....	6,371,932															
Retail trade.....do.....	2,329,134															
Wholesale trade.....do.....	2,784,450															
Failure annual rate (seasonally adjusted) No. per 10,000 concerns																

COMMODITY PRICES

PRICES RECEIVED AND PAID BY FARMERS †																
Prices received, all farm products.....1910-14=100..	613	649	661	659	663	665	663	657	661	654	634	632	625	618	619	617
Crops #.....do.....	550	599	600	593	601	605	628	625	623	621	588	597	563	542	546	585
Commercial vegetables.....do.....	652	667	807	834	768	677	607	586	599	700	637	687	528	571	639	634
Cotton.....do.....	531	553	529	549	592	567	614	574	556	569	545	545	522	471	440	404
Feed grains and hay.....do.....	452	460	475	471	482	496	505	498	482	461	434	409	399	403	410	409
Food grains.....do.....	407	394	399	391	399	412	414	393	375	391	390	390	393	385	385	383
Fruit.....do.....	454	736	503	506	488	518	658	745	867	912	907	1,070	912	743	729	716
Tobacco.....do.....	1,429	1,513	1,469	1,457	1,448	1,444	1,444	1,444	1,444	1,521	1,635	1,605	1,635	1,609	1,574	1,430
Livestock and products #.....do.....	679	701	724	726	727	725	699	689	699	687	680	667	690	697	696	702
Dairy products.....do.....	830	821	832	820	807	801	795	783	789	801	832	856	875	856	856	844
Meat animals.....do.....	831	854	853	869	890	881	863	860	872	855	826	799	823	852	856	879
Poultry and eggs.....do.....	269	308	373	364	339	353	303	286	294	273	280	267	289	277	266	258
Prices paid:																
Production items.....do.....	883	899	900	903	910	912	909	907	901	897	892	885	887	885	892	892
All commodities and services, interest, taxes, and wage rates (parity index).....1910-14=100..	1,104	1,130	1,123	1,127	1,133	1,136	1,135	1,134	1,131	1,130	1,128	1,125	1,127	1,125	1,130	1,131
Parity ratio \$.....do.....	56	57	59	58	59	59	58	58	58	58	56	56	55	55	55	55
CONSUMER PRICES (U.S. Department of Labor Indexes)																
Not Seasonally Adjusted																
ALL ITEMS, WAGE EARNERS AND CLERICAL WORKERS, REVISED (CPI-W) ◇.....1967=100..																
	297.4	307.6	302.7	303.3	303.3	304.1	305.4	306.2	307.5	310.3	312.1	312.2	311.9	312.2	312.6	313.9
ALL ITEMS, ALL URBAN CONSUMERS (CPI-U) ◇.....1967=100..																
	298.4	311.1	305.2	306.6	307.3	308.8	309.7	310.7	311.7	313.0	314.5	315.3	315.3	315.5	316.1	317.4
Special group indexes:																
All items less shelter.....do.....	283.5	295.1	289.8	291.4	291.9	293.2	294.0	294.9	295.6	296.7	298.1	298.7	298.6	298.6	298.9	300.0
All items less food ◇.....do.....	298.3	311.3	304.8	305.9	306.8	308.6	310.0	311.0	312.0	313.2	315.2	316.1	316.2	316.2	316.3	317.4
All items less medical care ◇.....do.....	295.1	307.3	301.6	302.9	303.6	305.1	306.0	306.9	307.9	309.2	310.7	311.4	311.3	311.5	311.9	313.1

See footnotes at end of tables.

Units	Annual		1984												1985	
	1983	1984	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
COMMODITY PRICES—Continued																
CONSUMER PRICES—Continued																
<i>(U.S. Department of Labor Indexes)—Continued</i>																
Not Seasonally Adjusted																
All items (CPI-U)—Continued																
Commodities ◊.....1967=100 ..	271.5	280.7	276.8	278.3	278.7	280.1	280.4	280.6	280.6	281.4	282.3	283.1	283.0	282.8	282.7	284.0
Nondurables.....do.....	279.0	286.6	283.2	285.3	285.5	286.3	286.1	286.0	286.0	287.1	288.0	288.8	288.5	288.3	288.0	289.2
Nondurables less food.....do.....	266.3	270.8	267.4	269.1	269.3	270.7	271.1	270.5	269.5	270.0	272.3	273.6	273.3	272.2	269.7	270.2
Durables ◊.....do.....	253.0	266.5	261.4	260.9	262.2	265.2	267.0	267.8	267.8	268.7	269.3	270.0	269.8	269.8	270.2	271.4
Commodities less food ◊.....do.....	259.0	267.0	263.0	263.8	264.4	266.5	267.4	267.4	266.8	267.1	268.8	269.8	269.9	269.2	267.8	268.6
Services ◊.....do.....	344.9	363.0	353.9	355.3	356.5	358.1	359.9	361.9	364.5	366.5	368.9	369.7	369.9	370.6	372.1	373.5
Food #.....do.....	291.7	302.9	299.4	302.1	302.2	302.3	301.4	302.0	303.2	304.8	304.2	304.4	304.1	305.1	307.3	309.5
Food at home.....do.....	282.2	292.6	290.2	293.6	293.1	292.8	290.7	291.4	292.5	294.4	293.4	293.4	292.4	293.2	296.1	298.6
Housing ◊.....do.....	323.1	336.5	329.2	331.0	331.5	333.2	334.6	336.2	338.1	339.5	341.4	341.2	340.9	341.2	342.0	343.6
Shelter # ◊.....do.....	344.8	361.7	353.2	354.0	355.5	357.8	358.9	360.2	362.7	364.6	366.5	367.8	368.9	370.1	371.2	373.3
Rent, residential.....do.....	236.9	249.3	242.9	243.6	244.8	246.4	247.2	248.4	249.7	251.1	252.4	253.8	254.8	256.1	257.1	258.4
Homeowners' cost *.....Dec. 1982=100.....	102.5	107.3	104.9	105.1	105.6	106.2	106.5	106.8	107.6	108.1	108.7	109.1	109.4	109.8	110.0	110.7
Used utilities #.....1967=100 ..	370.3	387.3	376.0	383.0	380.1	380.9	385.5	390.0	393.9	395.5	397.0	392.4	387.5	386.0	387.2	386.5
Fuel oil, coal, and bottled gas.....do.....	628.0	641.8	642.8	688.6	660.0	650.7	649.2	646.0	637.4	625.5	622.1	626.8	626.9	625.9	621.6	623.4
Gas (piped) and electricity.....do.....	428.7	445.2	427.3	429.0	429.5	432.3	441.4	450.6	459.1	463.9	466.4	456.0	444.7	442.2	444.1	443.3
Household furnishings and operation ◊.....do.....	238.5	242.5	240.4	240.4	241.2	242.3	242.4	242.3	241.9	242.2	244.1	244.3	244.2	244.2	244.2	246.2
Apparel and upkeep.....do.....	196.5	200.2	196.4	196.2	198.8	199.2	198.9	197.4	196.6	200.1	204.2	205.7	205.2	203.2	199.8	201.8
Transportation.....do.....	298.4	311.7	306.0	305.8	306.9	309.6	312.2	313.1	312.9	312.9	313.7	315.5	316.1	315.8	314.7	314.3
Private.....do.....	293.9	306.6	300.9	300.8	301.9	304.8	307.4	308.1	307.5	308.4	310.2	310.8	310.8	310.4	309.1	308.7
New cars.....do.....	202.6	208.5	207.2	207.2	207.2	207.4	207.6	207.7	208.1	208.2	209.6	211.4	212.0	213.1	213.9	
Used cars.....do.....	329.7	375.7	357.3	357.2	362.2	370.0	378.0	382.0	383.2	383.8	384.2	384.6	383.6	382.7	382.8	384.6
Public.....do.....	362.6	385.2	378.2	377.4	377.4	378.0	380.7	385.2	389.3	390.8	389.5	391.1	391.8	392.8	394.5	394.4
Medical care.....do.....	357.3	379.5	369.5	373.2	374.5	375.7	376.8	378.0	380.3	381.9	383.1	385.5	387.5	388.5	391.1	393.8
Seasonally Adjusted †																
All items, percent change from previous month ◊.....1967=100 ..			.6	.4	.3	.4	.2	.2	.3	.4	.4	.3	.2	.3	.2	.3
Commodities ◊.....do.....	*277.5	*278.5	279.1	*280.0	*279.9	*280.0	*280.0	*280.0	*280.7	*281.5	*282.2	*282.5	*283.1	*283.6	283.6	284.4
Commodities less food ◊.....do.....	*264.2	*264.6	*265.6	*267.1	*267.3	*267.1	*267.3	*267.1	*266.7	*268.9	*267.9	*268.4	*268.7	*268.9	269.0	269.4
Food.....do.....	*299.9	*302.0	*301.9	*301.6	*301.0	*301.5	*302.6	*304.2	*304.4	*305.9	*307.2	*307.2	*307.2	*307.2	307.3	309.3
Food at home.....do.....	*290.7	*293.1	*292.6	*291.9	*291.0	*290.4	*291.5	*293.4	*293.8	*294.4	*294.7	*295.8	*296.6	*296.6	296.7	298.3
Apparel and upkeep.....do.....	*198.9	*198.6	*198.8	*198.7	*198.8	*198.4	*198.9	*198.9	*200.5	*201.5	*203.0	*202.7	*202.4	*202.4	202.4	204.3
Transportation.....do.....	*307.1	*307.0	*309.8	*311.8	*312.4	*312.5	*311.8	*311.8	*311.8	*312.8	*313.9	*314.5	*315.0	*315.0	315.8	316.6
Private.....do.....	*302.1	*302.1	*305.0	*307.1	*307.6	*307.4	*306.5	*306.3	*307.4	*308.5	*309.1	*309.6	*309.6	*310.2	310.2	312.0
New cars.....do.....	*205.8	*206.6	*207.5	207.6	207.1	*207.4	*208.2	*209.1	*210.2	*210.8	*210.6	*210.9	*211.9	*211.9	213.3	
Services ◊.....do.....	*354.4	*355.9	*357.1	*358.9	*360.4	*361.8	*364.3	*366.2	*367.9	*369.1	*370.2	*371.4	*372.3	*373.8	373.8	
PRODUCER PRICES																
<i>(U.S. Department of Labor Indexes)</i>																
Not Seasonally Adjusted																
All commodities.....1967=100 ..	303.1	310.3	308.0	308.9	311.0	311.3	311.5	311.3	311.9	310.7	309.3	309.4	310.4	309.9	309.8	309.2
By stage of processing:																
Crude materials for further processing.....do.....	323.6	331.0	333.5	332.6	338.8	339.4	338.0	333.0	334.1	328.9	326.2	*319.6	323.7	323.1	319.4	318.3
Intermediate materials, supplies, etc.....do.....	312.3	320.0	316.3	317.6	319.7	320.3	320.9	321.6	321.7	321.1	320.3	*320.1	320.5	319.8	319.6	318.6
Finished goods #.....do.....	285.2	291.2	289.5	290.6	291.4	291.2	291.1	290.9	292.3	291.3	289.5	*291.5	292.3	292.4	292.7	292.5
Finished consumer goods.....do.....	284.6	290.4	288.9	290.1	291.1	290.3	290.3	290.1	291.6	290.4	288.7	*290.3	291.2	291.3	291.1	290.7
Capital equipment.....do.....	287.2	294.1	291.6	292.3	292.3	294.5	293.9	293.9	294.6	294.6	292.5	*295.9	296.3	296.4	298.1	299.1
By durability of product:																
Durable goods.....do.....	286.7	293.5	291.0	292.2	293.2	294.2	293.8	293.8	293.8	293.9	292.7	*294.4	294.8	294.8	295.7	296.3
Nondurable goods.....do.....	315.7	323.3	321.2	321.9	324.8	324.7	325.3	324.9	326.0	323.7	322.3	*320.9	322.3	321.5	320.5	319.3
Total manufactures.....do.....	295.7	302.9	300.0	301.2	302.8	303.2	303.8	303.9	304.3	303.3	302.2	*303.2	303.9	303.5	303.9	303.2
Durable manufactures.....do.....	287.3	293.9	291.3	292.4	293.3	294.3	293.9	294.0	294.2	294.5	293.2	*295.1	295.5	295.5	296.4	296.9
Nondurable manufactures.....do.....	304.4	312.3	309.1	310.4	312.7	312.5	314.1	314.2	314.8	312.6	311.7	*311.6	312.5	311.8	311.6	309.6
Farm products, processed foods and feeds.....do.....	253.9	262.6	264.4	263.4	267.9	267.3	265.8	262.8	264.9	261.4	259.4	*255.3	258.4	259.2	258.0	257.8
Farm products.....do.....	248.2	255.7	263.4	261.6	267.4	266.8	257.1	258.7	253.3	249.8	*240.2	245.5	245.7	243.2	244.6	244.6
Foods and feeds, processed.....do.....	255.9	265.3	263.8	263.4	267.1	267.2	267.5	264.8	267.3	264.8	263.6	*262.6	264.4	265.5	263.9	263.9
Industrial commodities.....do.....	315.7	322.6	319.1	320.6	321.9	322.6	323.2	323.8	323.9	323.3	322.2	*323.4	323.8	323.0	323.2	322.5
Chemicals and allied products.....do.....	293.0	300.9	298.1	296.5	300.1	302.0	302.7	302.2	302.6	301.1	300.9	*301.3	301.6	301.0	301.7	302.2
Fuels and related prod., and power.....do.....	664.7	657.0	652.1	656.0	658.7	654.7	660.6	665.9	665.0	657.9	652.3	*654.4	655.3	648.9	637.6	625.9
Furniture and household durables.....do.....	214.0	218.6	217.2	217.4	218.2	219.1	219.2	219.2	219.2	219.2	219.0	*219.2	219.6	219.7	220.3	220.7
Hides, skins, and leather products.....do.....	271.1	286.5	279.1	283.3	286.7	288.8	288.5	290.1	288.9	288.7	288.7	*287.7	283.2	282.9	284.3	284.8
Lumber and wood products.....do.....	307.1	307.5	309.1	315.7	316.8	315.1	308.5	307.1	304.4	304.7	303.3	*300.3	301.1	303.3	304.3	303.3
Machinery and equipment.....do.....	286.4	293.1	289.7	290.2	291.0	292.2	292.6	293.1	294.0	294.1	294.3	*294.8	295.7	295.6	296.7	297.4
Metals and metal products.....do.....	307.2	316.0	312.9	314.8	316.8	317.9	317.4	317.3	316.1	316.2	315.6	*316.0	316.2	315.3	314.8	315.6
Nonmetallic mineral products.....do.....	325.2	337.3	330.1	332.2	333.4	335.8	337.6	338.3	339.8	340.8	340.5	*340.0	339.5	339.9	342.3	342.7
Pulp, paper, and allied products.....do.....	298.1	318.3	309.1	312.0	314.0	316.3	317.7	318.4	319.8	321.3	322.0	*323.1	323.8	323.2	326.6	326.9
Rubber and plastics products.....do.....	243.2	247.2	244.8	246.2	246.4	247.3	247.5	247.6	247.5	247.7	248.3	*246.6	247.7	247.5	248.4	246.7
Textile products and apparel.....do.....	205.1	209.9	208.2	209.6	209.9	209.9	210.5	210.2	210.5	210.1	210.7	*210.4	21			

Unless otherwise stated in footnotes below, data through 1982 and methodological notes are as shown in BUSINESS STATISTICS, 1982

Units	Annual		1984												1985	
	1983	1984	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
CONSTRUCTION AND REAL ESTATE																
CONSTRUCTION PUT IN PLACE																
New construction (unadjusted), total.....mil. \$..	262,168	311,880	19,419	20,237	22,925	24,332	26,962	28,204	28,410	29,577	29,447	29,286	*27,829	*25,251	22,508	
Private, total #	211,370	256,110	16,277	17,068	19,338	20,362	22,348	22,951	22,927	23,611	23,361	23,719	*22,854	*21,294	18,964	
Residential.....do	111,729	135,220	8,435	8,860	10,437	11,035	12,052	12,400	12,571	12,779	12,504	12,279	*11,687	*10,183	9,174	
New housing units.....do	86,102	102,831	6,735	6,696	7,725	8,068	8,965	9,413	9,668	9,852	9,586	9,418	*8,971	*7,736	7,109	
Nonresidential buildings, except farm and public utilities, total #	60,309	76,425	4,957	5,130	5,661	5,947	6,554	6,664	6,494	6,794	6,854	7,271	7,185	*6,913	6,522	
Industrial.....do	12,861	14,427	961	1,010	1,182	1,077	1,224	1,267	1,181	1,321	1,299	1,370	1,310	*1,274	1,158	
Commercial.....do	35,793	49,272	3,010	3,141	3,476	3,804	4,179	4,263	4,240	4,406	4,504	4,810	4,819	*4,620	4,418	
Public utilities:																
Telephone and telegraph.....do	6,471	7,007	391	464	531	530	593	637	616	695	612	686	647	606		
Public, total #	50,798	55,770	3,142	3,169	3,587	3,970	4,614	5,253	5,483	5,967	6,087	5,568	4,975	*3,957	3,544	
Buildings (excl. military) #	17,276	17,783	1,255	1,236	1,312	1,346	1,476	1,640	1,564	1,674	1,697	1,579	1,573	*1,430	1,414	
Housing and redevelopment.....do	1,700	1,628	109	121	128	111	134	153	127	158	161	142	149	*134	114	
Industrial.....do	1,809	1,828	121	136	138	155	155	176	154	167	192	139	144	*151	164	
Military facilities.....do	2,544	2,786	196	178	253	219	227	217	211	249	346	220	245	*226	235	
Highways and streets.....do	14,225	16,883	578	602	718	994	1,429	1,745	2,018	2,174	2,058	2,029	1,581	*955	758	
New construction (seasonally adjusted at annual rates), total.....bil. \$			230.0	300.4	309.7	308.6	316.4	315.3	314.2	318.0	318.7	317.9	*316.4	*318.4	324.9	
Private, total #			230.0	248.1	255.0	254.1	261.2	257.8	258.2	261.2	260.9	261.2	*260.3	*262.2	267.9	
Residential.....do			121.9	137.4	141.1	136.6	138.4	136.4	137.8	138.9	137.1	135.2	*132.6	*131.5	133.6	
New housing units.....do			96.9	102.3	102.4	102.7	106.4	105.0	104.6	105.0	103.2	103.4	*102.5	*101.7	103.0	
Nonresidential buildings, except farm and public utilities, total #			66.7	69.0	72.8	74.3	78.7	76.3	75.0	76.2	77.9	80.6	82.0	*84.5	87.3	
Industrial.....do			12.9	14.0	14.4	13.6	15.2	14.1	13.8	14.6	14.9	14.9	*15.3	*15.4	15.5	
Commercial.....do			41.1	42.1	45.3	47.4	49.7	48.9	48.4	49.5	50.9	53.5	54.6	*56.8	59.6	
Public utilities:																
Telephone and telegraph.....do			5.9	6.4	6.3	6.8	6.8	7.2	7.3	7.5	7.2	7.2	7.2	7.6		
Public, total #			50.9	52.3	54.8	54.5	55.2	57.5	56.0	56.9	57.8	56.7	*56.2	*56.2	57.0	
Buildings (excl. military) #			17.1	17.0	17.0	17.1	17.7	19.0	*17.6	18.1	18.1	18.2	*18.2	18.0	18.6	
Housing and redevelopment.....do			1.4	1.6	1.5	1.4	1.7	1.8	1.6	1.7	1.8	1.6	1.7	1.5	1.5	
Industrial.....do			1.5	1.8	1.6	1.8	1.8	2.0	1.8	2.0	1.8	1.8	1.9	2.0	2.0	
Military facilities.....do			2.6	2.5	2.9	2.8	2.6	2.7	2.3	2.9	3.5	2.9	2.7	2.8	3.1	
Highways and streets.....do			14.2	15.0	16.2	16.8	16.9	16.8	17.1	17.3	17.2	16.8	*17.5	*17.7	18.2	
CONSTRUCTION CONTRACTS																
Construction contracts in 50 States (F.W. Dodge Division, McGraw-Hill):																
Valuation, total.....mil. \$..	193,603	209,861	*14,023	*14,442	17,577	17,425	22,326	20,005	19,523	19,580	16,755	18,388	16,930	13,950	14,810	13,343
Index (mo. data seas. adj.).....1977=100	*1137	*1149	150	*149	*145	*147	*163	*144	*150	*148	*146	*145	*151	*150	153	145
Public ownership.....mil. \$..	45,338	49,116	*2,756	*3,766	3,860	3,716	5,608	4,828	4,784	4,483	4,122	4,618	3,895	3,488	3,755	3,453
Private ownership.....do	148,264	160,744	*11,266	*10,676	13,716	13,710	16,719	15,177	14,738	15,097	12,633	13,771	13,035	10,463	11,055	9,890
By type of building:																
Nonresidential.....do	62,284	73,226	*5,295	*4,357	5,849	5,405	7,212	6,746	6,896	6,766	5,750	7,402	6,400	5,583	5,528	4,774
Residential.....do	93,567	100,763	*6,809	*6,989	8,806	9,330	10,799	9,859	9,093	9,364	8,090	8,340	7,614	5,774	6,354	5,881
Non-building construction.....do	37,762	35,872	*1,918	*3,096	2,921	2,690	4,315	3,400	3,534	3,449	2,914	2,646	2,915	2,594	2,928	2,689
New construction planning (Engineering News-Record) §.....do	162,576	193,603	12,685	17,259	16,851	13,619	14,955	12,211	13,515	15,079	12,739	16,168	26,851	21,670	17,612	16,730
HOUSING STARTS AND PERMITS																
New housing units started:																
Unadjusted:																
Total (private and public).....thous.	1,712.4	1,755.8	109.2	130.4	138.1	173.0	182.1	184.4	163.1	147.8	149.5	152.7	126.4	*99.0	105.3	95.3
Privately owned.....do	1,703.0	1,749.5	109.1	130.0	137.5	172.7	180.7	184.0	162.1	147.4	148.5	152.3	126.2	*98.9	*105.3	95.0
One-family structures.....do	1,067.6	1,084.2	67.7	81.0	87.8	106.4	115.2	111.0	97.9	91.9	90.5	91.9	80.0	*62.8	*59.6	62.4
Seasonally adjusted at annual rates: †																
Total privately owned.....do			1,933	2,208	1,700	1,949	1,787	1,837	1,730	1,590	1,669	1,564	1,600	*1,630	*1,841	1,638
One-family structures.....do			1,256	1,440	1,076	1,163	1,118	1,077	996	962	1,009	979	1,043	*1,112	*1,065	1,121
New private housing units authorized by building permits (17,000 permit-issuing places): ‡																
Monthly data are seas. adj. at annual rates:																
Total.....thous.	*1,605	1,678	1,871	1,969	1,765	1,802	1,774	1,819	1,590	1,508	1,481	1,436	1,613	1,627	*1,676	1,598
One-family structures.....do	*902	925	1,050	1,149	1,004	983	943	941	849	835	865	817	838	852	*924	943
Manufacturers' shipments of mobile homes @																
Unadjusted.....thous.	295.7	295.2	20.0	22.2	25.5	25.8	28.9	27.7	24.5	30.0	24.3	27.7	21.8	16.6	18.6	
Seasonally adjusted at annual rates.....do			*311	*296	*290	287	295	*298	301	*302	*282	*302	291	282	273	
CONSTRUCTION COST INDEXES																
Dept. of Commerce composite.....1977=100	157.1	163.0	159.3	159.6	160.8	163.4	163.6	162.7	163.3	163.8	164.4	163.7	164.0	164.9	165.8	
American Appraisal Co., The:																
Average, 30 cities.....1913=100																
Atlanta.....do																
New York.....do																
San Francisco.....do																
St. Louis.....do																
Boeckh indexes:																
Average, 20 cities:																
Apartments, hotels, office buildings.....1977=100	159.6	166.8	164.9		165.1		166.4		167.8		168.1		168.3		168.5	
Commercial and factory buildings.....do	159.9	166.2	164.1		164.6		166.1		167.3		167.5		167.6		167.8	
Residences.....do	156.2	165.1	162.7		162.8		163.3		166.4		167.5		167.8		168.3	
Engineering News-Record:																
Building.....1967=100	352.9	357.9	355.5	356.2	357.1	358.5	358.1	357.8	357.9	359.3	359.7	358.7	358.3	357.9	*358.3	*359.0
Construction.....do	378.6	386.2	382.5	382.9	383.4	384.7	385.6	387.3	387.9	388.1	388.7	387.4	387.1	388.3	388.4	*388.8
Federal Highway Adm.—Highway construction: Composite (avg. for year or qtr.).....1977=100	146.5	155.0			149.3				152.1		154.4			166.0		

See footnotes at end of tables.

Units	Annual		1984												1985	
	1983	1984	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
CONSTRUCTION AND REAL ESTATE—Continued																
REAL ESTATE ◊																
Mortgage applications for new home construction:																
FHA net applications.....thous. units.....	176.1	115.6	9.7	10.3	12.9	11.4	11.1	8.2	8.0	7.8	7.4	9.7	9.8	9.2	11.1	11.5
Seasonally adjusted annual rates.....do.....	(2)		136	134	139	128	116	94	94	84	92	115	134	137	145	156
Requests for VA appraisals.....do.....	262.8	198.7	15.0	21.2	24.3	17.8	19.5	14.8	12.6	15.2	13.8	16.7	14.5	13.3	17.1	16.4
Seasonally adjusted annual rates.....do.....			201	260	263	193	214	167	143	164	188	185	193	213		
Home mortgages insured or guaranteed by:																
Fed. Hous. Adm.: Face amount.....mil. \$.....	26,571.82	14,524.93	1,169.61	1,516.84	2,431.43	1,184.70	1,229.58	1,401.64	1,116.60	1,220.14	997.56	824.38	595.22	837.22	1,497.47	753.79
Vet. Adm.: Face amount \$.....do.....	17,896.60	12,728.42	1,543.78	1,449.02	1,201.61	1,113.53	1,080.92	1,059.60	1,131.31	997.60	775.49	861.28	667.57	846.71	723.44	866.69
Federal Home Loan Banks, outstanding advances to member institutions, end of period.....mil. \$.....	58,953	74,621	57,397	57,171	57,608	59,424	61,627	65,859	66,900	70,523	73,005	73,201	73,509	74,621	73,361	74,489
New mortgage loans of all savings and loan associations, estimated total.....mil. \$.....	135,290	157,021	10,276	10,394	13,630	13,697	15,896	17,576	14,706	14,363	11,428	11,214	11,035	12,806	9,453	
By purpose of loan:																
Home construction.....do.....	26,096	25,542	1,793	1,909	2,374	2,333	2,759	2,734	2,132	2,339	1,892	1,833	1,619	1,825	1,524	
Home purchase.....do.....	53,982	65,427	3,963	3,711	5,018	5,547	6,933	7,586	6,882	6,757	4,819	4,925	4,633	4,653	3,668	
All other purposes.....do.....	55,212	66,052	4,520	4,774	6,238	5,817	6,204	7,256	5,692	5,267	4,717	4,456	4,783	6,328	4,261	
DOMESTIC TRADE																
ADVERTISING																
Magazine advertising (Leading National Advertisers):																
Cost, total.....mil. \$.....	4,005.7	4,668.0	265.2	325.1	374.2	425.1	419.5	360.5	333.8	303.1	404.5	504.7	503.7	437.8	283.7	
Apparel and accessories.....do.....	206.2	240.0	7.4	17.4	26.1	26.6	17.0	10.4	7.9	24.7	35.6	24.8	22.2	19.8	7.9	
Automotive, incl. accessories.....do.....	410.4	473.5	33.0	34.9	41.1	49.5	44.7	41.8	37.0	23.9	21.4	43.3	56.0	47.0	38.0	
Building materials.....do.....	35.5	68.7	3.3	2.6	5.1	8.8	11.5	5.0	6.2	3.0	8.3	6.5	5.7	2.6	2.7	
Drugs and toiletries.....do.....	385.7	463.6	27.7	34.1	35.7	40.6	44.9	41.6	33.0	36.9	45.8	46.0	39.6	37.7	24.4	
Foods, soft drinks, confectionery.....do.....	292.3	334.9	18.4	23.7	26.2	26.0	26.3	29.1	27.4	20.3	26.8	38.7	40.7	31.3	18.4	
Beer, wine, liquors.....do.....	230.2	242.1	8.6	13.6	16.4	20.5	19.0	20.0	17.4	12.6	14.8	22.3	28.1	48.8	8.5	
Household equip., supplies, furnishings.....do.....	171.1	191.6	7.8	8.0	13.9	21.7	22.6	16.4	11.9	9.5	14.8	24.8	22.8	17.5	7.4	
Industrial materials.....do.....	42.5	48.0	2.5	3.4	3.2	5.1	4.1	3.8	3.0	2.7	4.9	5.6	5.1	4.6	2.4	
Soaps, cleansers, etc.....do.....	25.1	34.6	2.1	1.7	3.6	2.9	2.6	1.8	2.5	2.6	4.4	4.0	3.9	2.5	2.9	
Smoking materials.....do.....	403.4	422.6	32.0	25.3	33.7	37.6	37.5	33.6	38.3	33.2	33.0	42.5	38.1	37.9	31.4	
All other.....do.....	1,784.7	2,148.5	122.4	160.4	167.3	185.9	193.2	158.1	149.0	132.9	193.7	246.3	241.0	198.2	139.7	
Newspaper advertising expenditures (Newspaper Advertising Bureau, Inc.):																
Total.....mil. \$.....	20,582		1,628	1,723	1,863	2,102	2,051	1,908								
Classified.....do.....	6,006		543	562	619	681	660									
National.....do.....	2,734		233	237	240	272	246									
Retail.....do.....	11,841		852	924	1,003	1,150	1,116									
WHOLESALE TRADE †																
Merchant wholesalers sales (unadj.):																
total.....mil. \$.....	1,183,790	1,343,668	103,878	103,183	115,399	108,662	120,765	115,692	110,345	115,117	107,592	118,584	114,201	109,790	110,038	
Durable goods establishments.....do.....	504,810	599,871	43,165	44,848	50,634	48,774	53,133	52,943	49,908	53,034	49,488	54,388	51,106	47,875	48,191	
Nondurable goods establishments.....do.....	678,980	743,797	60,713	58,335	64,765	59,888	67,632	62,749	60,437	62,083	58,104	63,696	63,095	61,915	61,847	
Merchant wholesalers inventories, book value, end of period (unadj.), total.....mil. \$.....	119,421	130,686	119,818	121,319	122,637	124,008	123,235	122,912	123,786	124,642	127,439	129,641	131,683	130,686	130,744	
Durable goods establishments.....do.....	75,432	84,174	75,185	76,295	78,266	78,752	79,369	80,652	81,272	82,217	83,826	83,496	83,691	84,174	83,891	
Nondurable goods establishments.....do.....	43,989	46,512	44,633	45,024	44,371	45,256	43,866	42,260	42,514	42,425	43,613	46,145	47,992	46,512	46,853	
RETAIL TRADE ‡																
All retail stores:																
Estimated sales (unadj.), total.....mil. \$.....	1,173,966	1,293,997	93,089	93,686	104,294	104,344	111,312	111,980	106,553	110,650	103,932	109,229	113,276	131,790	138,666	139,806
Durable goods stores #.....do.....	385,141	451,363	31,170	32,381	36,667	37,277	40,765	41,202	38,497	39,046	35,695	38,880	38,252	41,217	34,232	34,147
Building materials, hardware, garden supply, and mobile home dealers.....mil. \$.....	59,873	68,772	4,141	4,329	5,070	5,735	6,704	6,695	6,391	6,428	6,051	6,175	5,749	5,329	4,476	4,216
Automotive dealers.....do.....	221,687	264,374	18,792	20,607	22,801	22,853	24,698	24,812	22,993	22,825	20,134	22,669	21,349	19,943	20,799	21,316
Furniture, home furnishings, and equipment.....do.....	51,774	59,321	4,279	4,129	4,594	4,407	4,663	4,926	4,701	5,042	4,953	5,167	5,593	6,899	4,721	4,461
Nondurable goods stores.....do.....	788,825	842,634	61,919	60,755	67,627	67,067	70,547	70,778	68,056	71,604	68,237	70,349	75,024	90,573	64,434	61,659
General merch. group stores.....do.....	142,997	157,503	8,853	9,150	11,174	11,766	12,848	12,805	11,243	12,790	12,202	12,932	16,505	24,992	9,284	9,494
Food stores.....do.....	259,441	274,809	21,110	20,845	22,985	21,936	23,375	23,767	23,376	23,789	22,773	22,860	23,168	24,825	22,738	21,332
Gasoline service stations.....do.....	103,121	104,729	8,340	7,943	8,579	8,615	9,121	9,173	9,106	9,091	8,635	8,881	8,643	8,550	8,250	7,656
Apparel and accessory stores.....do.....	54,005	59,273	3,765	3,630	4,413	4,857	4,846	4,811	4,296	4,970	4,789	4,889	5,680	6,367	3,902	3,613
Eating and drinking places.....do.....	115,710	125,254	9,210	9,232	10,207	10,248	10,677	10,962	11,159	11,605	10,633	10,527	10,191	10,664	9,605	9,490
Drug and proprietary stores.....do.....	38,766	42,411	3,249	3,231	3,383	3,412	3,500	3,454	3,366	3,499	3,334	3,501	3,617	4,910	3,586	3,446
Liquor stores.....do.....	19,690	19,956	1,481	1,404	1,529	1,495	1,616	1,721	1,734	1,739	1,602	1,630	1,689	2,366	1,492	
Estimated sales (seas. adj.), total.....do.....			106,602	105,482	103,873	107,505	108,237	109,322	107,442	106,606	108,240	108,733	110,397	110,042	110,588	112,125
Durable goods stores #.....do.....			37,127	36,909	35,306	37,436	37,912	38,687	37,452	36,781	37,046	38,413	39,158	39,074	39,620	39,963
Bldg. materials, hardware, garden supply, and mobile home dealers#.....mil. \$.....			5,494	5,630	5,523	5,702	5,796	5,823	5,808	5,793	5,720	5,604	5,883	5,978	5,825	5,736
Building materials and supply stores.....do.....			4,042	4,215	4,098	4,205	4,280	4,227	4,227	4,191	4,204	4,120	4,325	4,492	4,294	
Hardware stores.....do.....			874	830	814	839	836	872	861	892	874	837	869	846	897	
Automotive dealers.....do.....			22,033	21,983	20,505	22,071	22,419	22,976	22,016	21,179	21,277	22,522	22,991	22,789	23,723	23,817
Motor vehicle and miscellaneous auto dealers.....do.....			20,041	20,060	18,650	20,166	20,501	21,011	20,081	19,296	19,376	20,608	21,168	20,884	21,846	21,897
Auto and home supply stores.....do.....			1,992	1,923	1,855	1,905	1,918	1,965	1,935	1,883	1,901	1,914	1,823	1,905	1,877	
Furniture, home furnishings, and equipment #.....do.....			4,791	4,644	4,660	4,873	4,806	4,951	4,822	4,886	5,123	5,124	5,192	5,290	5,112	5,230
Furniture, home furnishings stores.....do.....			2,829	2,707	2,723	2,902	2,854	2,918	2,857	2,877	2,954	2,961	2,982	3,001	2,876	
Household appliance, radio, and TV stores.....do.....			1,622	1,592	1,593	1,610	1,589	1,665	1,609	1,674	1,830	1,814	1,853	1,938	1,867	

See footnotes at end of tables.

Units	Annual		1984												1985	
	1983	1984	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
DOMESTIC TRADE—Continued																
RETAIL TRADE †—Continued																
All retail stores—Continued																
Estimated sales (seas. adj.)—Continued																
Nondurable goods stores.....mil. \$.....	69,475	68,573	68,567	70,069	70,325	70,635	69,990	69,825	71,194	70,320	71,239	'70,968	'70,968	'72,162		
General merch. group stores.....do.....	12,835	12,786	12,374	12,838	12,988	13,320	12,784	12,906	13,354	13,042	13,490	'13,630	'13,116	'13,676		
Department stores.....do.....	10,546	10,489	10,152	10,546	10,661	10,955	10,519	10,609	10,731	10,731	11,098	'11,180	'10,764	'11,167		
Variety stores.....do.....	836	830	792	801	808	836	797	786	834	798	869	'819	799			
Food stores.....do.....	22,468	22,266	22,444	22,908	22,839	22,984	23,177	22,817	23,449	23,155	23,347	'22,962	'23,574	'23,672		
Grocery stores.....do.....	21,189	20,958	21,086	21,497	21,445	21,614	21,835	21,452	22,064	21,760	21,913	'21,623	'22,242	'22,273		
Gasoline service stations.....do.....	8,751	8,667	8,835	8,863	9,022	8,736	8,526	8,568	8,635	8,698	8,713	'8,507	'8,603	'8,583		
Apparel and accessory stores #.....do.....	4,704	4,747	4,794	4,988	5,032	5,117	4,891	4,771	4,989	4,859	5,108	'5,110	'4,769	'4,909		
Men's and boys' clothing and furnishings stores.....do.....	698	678	702	748	764	730	688	674	694	702	756	'734	699			
Women's clothing, specialty stores, and furreries.....do.....	1,901	1,955	1,950	2,026	2,042	2,127	1,997	1,910	2,038	1,986	2,097	'2,082	1,928			
Shoe stores.....do.....	814	807	809	795	808	832	801	804	827	785	816	'822	799			
Eating and drinking places.....do.....	10,268	10,281	10,156	10,289	10,217	10,351	10,488	10,676	10,549	10,412	10,660	'10,728	'10,649	'10,896		
Drug and proprietary stores.....do.....	3,434	3,405	3,400	3,525	3,490	3,507	3,521	3,531	3,624	3,598	3,650	'3,706	'3,724	'3,758		
Liquor stores.....do.....	1,689	1,583	1,608	1,637	1,631	1,694	1,722	1,697	1,674	1,698	1,672	'1,663	1,656			
Estimated inventories, end of period:																
Book value (unadjusted), total.....mil. \$.....	132,302	147,331	132,916	138,310	142,913	145,689	145,850	144,413	143,798	145,025	149,018	156,792	'159,539	147,331		
Durable goods stores #.....do.....	62,820	70,095	63,218	65,990	67,432	69,110	69,077	67,782	66,094	64,965	65,956	68,909	'70,628	70,095		
Bldg. materials, hardware, garden supply, and mobile home dealers.....do.....	10,327	10,760	10,433	10,923	11,250	11,701	11,673	11,404	11,163	11,154	11,077	11,154	'10,933	10,760		
Automotive dealers.....do.....	29,643	34,211	30,200	31,969	32,552	33,343	33,058	31,989	30,441	28,947	29,402	31,285	'32,904	34,211		
Furniture, home furnishings, and equipment.....do.....	10,132	11,420	10,017	10,230	10,288	10,549	10,704	11,072	10,936	11,110	11,236	11,643	'11,914	11,420		
Nondurable goods stores #.....do.....	69,482	77,236	69,698	72,320	75,481	76,579	76,773	76,631	77,704	80,060	83,062	87,883	'88,911	77,236		
General merch. group stores.....do.....	24,467	28,994	24,609	26,498	28,450	29,493	29,722	29,477	30,230	31,763	33,690	36,339	'36,559	28,994		
Department stores.....do.....	18,290	22,193	18,437	19,880	21,537	22,374	22,653	22,324	22,882	24,030	25,556	27,491	'27,918	22,193		
Food stores.....do.....	14,501	15,488	14,293	14,275	14,540	14,604	14,630	14,865	14,575	14,564	14,715	15,370	'15,873	15,488		
Apparel and accessory stores.....do.....	10,715	11,839	10,744	11,384	12,154	12,321	12,191	12,024	12,497	12,952	13,323	13,936	'13,963	11,839		
Book value (seas. adj.), total.....do.....	135,843	151,626	137,977	142,731	143,910	146,883	146,951	145,359	145,120	146,318	147,400	148,661	'149,193	151,626		
Durable goods stores #.....do.....	63,447	70,733	63,749	66,513	66,946	69,010	68,277	66,896	66,141	66,602	67,458	68,330	'68,946	70,733		
Bldg. materials, hardware, garden supply, and mobile home dealers.....do.....	10,713	11,162	10,800	10,956	10,933	11,327	11,311	11,169	11,174	11,176	11,200	11,335	'11,099	11,162		
Automotive dealers.....do.....	29,350	33,905	29,695	31,842	31,976	33,276	32,220	30,889	30,110	30,567	31,346	31,956	'32,806	33,905		
Furniture, home furn., and equip.....do.....	10,286	11,582	10,337	10,449	10,381	10,656	10,769	11,072	11,069	11,077	11,059	11,195	'11,467	11,582		
Nondurable goods stores #.....do.....	72,396	80,893	74,228	76,218	76,964	77,873	78,674	78,463	78,979	79,716	79,582	80,331	'80,247	80,893		
General merch. group stores.....do.....	27,060	32,112	27,605	29,015	29,405	29,993	30,425	30,220	30,658	31,317	31,402	31,634	'31,556	32,112		
Department stores.....do.....	20,143	24,496	20,623	21,798	22,226	22,623	23,092	22,943	23,397	23,910	23,974	24,947	'25,882	24,496		
Food stores.....do.....	14,329	15,335	14,266	14,404	14,482	14,633	14,763	14,955	14,857	14,953	14,834	15,980	'16,175	15,335		
Apparel and accessory stores.....do.....	11,208	12,384	11,716	12,098	12,389	12,611	12,673	12,525	12,752	12,624	12,451	12,578	'12,591	12,384		
Firms with 11 or more stores:																
Estimated sales (unadjusted), total.....mil. \$.....	415,631	450,646	30,668	30,871	35,399	35,196	37,582	37,426	35,132	37,680	36,105	37,336	'42,156	55,095		
Durable goods stores.....do.....	32,795	37,700	2,317	2,366	2,775	2,885	3,249	3,250	3,119	3,154	3,024	3,124	3,558	4,879		
Auto and home supply stores.....do.....	4,416	4,687	316	311	368	381	421	427	410	416	386	423	420	408		
Nondurable goods stores #.....do.....	382,836	412,946	28,351	28,505	32,624	32,311	34,333	34,176	32,013	34,526	33,081	34,212	'38,598	50,216		
General merchandise group stores.....do.....	129,045	142,556	7,952	8,253	10,124	10,617	11,645	11,601	10,117	11,577	11,037	11,656	'15,014	22,963		
Food stores.....do.....	141,353	148,993	11,584	11,486	12,685	11,833	12,602	12,684	12,841	12,692	12,240	12,298	'12,694	13,854		
Grocery stores.....do.....	139,424	147,017	11,439	11,331	12,532	11,662	12,449	12,533	12,192	12,541	12,093	12,144	'12,529	13,572		
Apparel and accessory stores.....do.....	22,237	25,311	1,429	1,440	1,866	2,081	2,023	2,036	1,776	2,168	2,068	2,067	'2,510	3,847		
Eating places.....do.....	24,354	26,996	1,971	2,030	2,263	2,221	2,292	2,305	2,368	2,449	2,269	2,285	'2,225	2,318		
Drug stores and proprietary stores.....do.....	21,582	24,348	1,781	1,785	1,883	1,921	2,001	1,973	1,916	1,993	1,912	1,970	'2,117	3,096		
Estimated sales(seas. adj.), total #.....do.....	37,047	36,803	36,233	37,183	37,528	37,571	37,181	37,063	37,313	37,063	38,118	37,551	'38,446	38,795		
Auto and home supply stores.....do.....	381	386	378	376	398	396	387	392	392	392	392	398	402	392		
Department stores.....do.....	10,099	10,061	9,705	10,095	10,223	10,498	10,072	10,158	10,516	10,263	10,611	10,386	'10,610	10,386		
Variety stores.....do.....	650	651	612	624	640	648	609	612	654	611	667	648	'648	648		
Grocery stores.....do.....	12,143	12,093	11,992	12,289	12,301	12,121	12,353	12,129	12,493	12,404	12,507	12,492	'12,492	12,361		
Apparel and accessory stores.....do.....	2,050	2,035	2,051	2,056	2,106	2,170	2,064	2,005	2,164	2,056	2,164	2,056	'2,204	2,217		
Women's clothing, specialty stores, and furreries.....do.....	907	896	902	912	921	964	887	858	953	894	971	'971	970			
Shoe stores.....do.....	436	428	419	400	421	435	423	419	422	422	435	440	'440	440		
Drug stores and proprietary stores.....do.....	1,930	1,938	1,910	1,989	1,997	2,026	2,004	2,036	2,099	2,089	2,134	2,138	'2,138	2,138		

LABOR FORCE, EMPLOYMENT, AND EARNINGS

LABOR FORCE AND POPULATION																
Not Seasonally Adjusted																
Noninstitutional population, persons 16 years of age and over *.....thous..																
Labor force @.....do.....	175,891	178,080	177,219	177,363	177,510	177,662	177,813	177,974	178,138	178,295	178,483	178,661	178,834	179,004	179,081	179,219
Resident Armed Forces *.....do.....	1,676	1,697	1,686	1,684	1,686	1,693	1,690	1,690	1,698	1,712	1,720	1,705	1,699	1,698	1,697	1,703
Civilian noninstitutional population *.....do.....																
Civilian labor force, total.....do.....	174,215	176,383	175,533	175,679	175,824	175,969	176,123	176,284	176,440	176,583	176,763	176,956	177,135	177,306	177,384	177,516
Employed.....do.....	111,550	113,544	111,025	111,368	111,828	112,152	113,251	115,393	116,198	115,076	113,843	114,250	114,115	114,028	113,475	113,592
Unemployed.....do.....	100,834	105,005	101,270	101,961	102,770	103,628	105,096	106,812	107,484	106,694	105,792	106,262	106,246	106,409	104,344	104,690
Unemployed.....do.....	10,717	8,539	9,755	9,407	9,057	8,525	8,154	8,582	8,714	8,382	8,051	7,989	7,869	7,978	9,131	8,902

Unless otherwise stated in footnotes below, data through 1982 and methodological notes are as shown in BUSINESS STATISTICS: 1982

Units	Annual		1984												1985	
	1983	1984	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
LABOR FORCE, EMPLOYMENT, AND EARNINGS—Continued																
LABOR FORCE—Continued																
Seasonally Adjusted ◊																
Civilian labor force—Continued																
Unemployed—Continued																
Rates(unemployed in each group as percent of civilian labor force in the group):																
All civilian workers.....	9.6	7.5	8.0	7.8	7.8	7.8	7.5	7.2	7.5	7.5	7.4	7.3	7.1	7.2	7.4	7.3
Men, 20 years and over.....	8.9	6.6	7.2	7.0	6.8	6.9	6.6	6.4	6.5	6.4	6.4	6.2	6.2	6.3	6.3	6.3
Women, 20 years and over.....	8.1	6.8	7.1	6.9	6.9	6.9	6.8	6.5	6.8	7.0	6.6	6.9	6.5	6.4	6.8	6.7
Both sexes, 16-19 years.....	22.4	18.9	19.5	19.4	19.8	19.3	19.0	18.1	18.4	18.4	19.0	18.7	17.8	18.8	18.9	18.4
White.....	8.4	6.5	6.9	6.8	6.7	6.7	6.5	6.3	6.3	6.4	6.3	6.3	6.1	6.2	6.4	6.2
Black *.....	19.5	15.9	17.0	16.5	16.6	16.7	16.0	15.2	16.6	15.8	15.1	15.3	15.1	15.0	14.9	16.3
Hispanic origin *.....	13.7	10.7	11.4	10.3	11.4	11.5	10.7	10.3	10.5	10.7	10.6	11.0	10.3	10.4	10.6	9.7
Married men, spouse present.....	6.5	4.6	5.0	4.9	4.7	4.7	4.6	4.6	4.5	4.5	4.6	4.5	4.4	4.4	4.6	4.4
Married women, spouse present.....	7.0	5.7	6.0	5.9	5.8	5.8	5.8	5.7	5.8	5.8	5.7	5.7	5.4	5.4	5.4	5.4
Women who maintain families.....	12.2	10.3	10.7	10.8	10.8	10.5	10.0	9.8	9.8	10.3	10.1	10.4	10.8	9.6	10.0	11.0
Industry of last job:																
Private nonagricultural wage and salary workers.....																
Construction.....	9.9	7.4	7.9	7.8	7.7	7.7	7.3	7.0	7.4	7.4	7.3	7.2	7.2	7.2	7.3	7.3
Manufacturing.....	18.4	14.3	15.2	14.9	13.6	14.4	14.7	14.6	14.6	14.1	13.9	13.7	14.2	13.7	13.4	13.4
Durable goods.....	11.2	7.5	8.2	7.7	7.6	7.7	7.2	7.3	7.5	7.4	7.4	7.3	7.2	7.2	7.6	7.5
Agricultural wage and salary workers *.....	12.1	7.2	8.0	7.5	7.7	7.5	7.1	7.2	6.9	6.9	6.9	6.9	7.0	7.1	7.2	7.1
Total.....	16.0	13.5	15.1	14.1	14.6	12.7	13.8	12.3	14.8	13.1	14.7	13.7	12.2	12.2	15.5	13.6
Not Seasonally Adjusted																
Occupation: *																
Managerial and professional specialty.....	3.3		3.0	2.7	2.4	2.2	2.5	2.4	3.0	3.1	2.8	2.5	2.4	2.2	2.6	2.3
Technical, sales, and administrative support.....	6.3		5.7	5.6	5.2	5.0	4.7	4.9	4.8	5.0	5.0	4.8	4.6	4.6	5.3	5.1
Service occupations.....	10.9		9.9	9.5	9.6	9.2	8.7	8.4	9.2	9.3	8.9	9.1	8.8	8.5	9.0	8.9
Precision production, craft, and repair.....	10.7		10.0	10.0	9.1	8.1	7.4	7.0	6.7	6.0	6.2	5.9	6.6	6.6	9.2	8.9
Operators, fabricators, and laborers.....	15.5		13.9	13.7	12.8	11.9	10.9	10.5	10.8	10.5	10.2	10.6	10.7	11.7	13.4	13.1
Farming, forestry, and fishing.....	10.0		13.6	11.5	11.2	8.6	6.8	5.9	6.0	5.8	7.4	7.9	8.4	11.8	13.4	12.8
EMPLOYMENT †																
Employees on payrolls of nonagricultural estab.:																
Total, not adjusted for seas. variation.....thous.	90,138	94,156	91,065	91,612	92,234	93,229	94,164	95,003	94,239	94,500	95,358	95,902	96,260	96,308	94,575	94,799
Private sector (excl. government).....do.	74,287	78,187	75,209	75,477	76,030	77,013	77,913	78,973	79,033	79,401	79,597	79,686	79,887	80,029	78,543	78,497
Seasonally Adjusted †																
Total employees, nonagricultural																
payrolls.....do.	90,138	94,156	92,391	92,846	93,058	93,449	93,786	94,135	94,350	94,523	94,807	95,157	95,497	95,681	95,993	96,112
Private sector (excl. government).....do.	74,287	78,187	76,533	76,971	77,185	77,546	77,864	78,241	78,422	78,566	78,698	79,054	79,371	79,618	79,957	80,072
Nonmanufacturing industries.....do.	55,790	58,597	57,279	57,598	57,719	58,016	58,294	58,612	58,726	58,841	59,082	59,368	59,653	59,817	60,152	60,344
Goods-producing.....do.	23,394	24,904	24,383	24,577	24,695	24,760	24,851	24,974	25,059	25,098	25,101	25,080	25,123	25,258	25,332	25,196
Mining.....do.	957	998	975	978	978	984	995	1,002	1,007	1,017	1,020	1,012	1,009	1,000	995	988
Construction.....do.	3,940	4,316	4,154	4,226	4,151	4,246	4,286	4,343	4,356	4,356	4,374	4,382	4,396	4,457	4,532	4,480
Manufacturing.....do.	18,497	19,590	19,254	19,373	19,466	19,530	19,570	19,629	19,696	19,725	19,616	19,686	19,718	19,801	19,805	19,728
Durable goods.....do.	10,774	11,635	11,343	11,440	11,513	11,551	11,598	11,652	11,702	11,758	11,696	11,752	11,776	11,834	11,840	11,785
Lumber and wood products.....do.	658	710	702	706	712	714	711	712	708	706	703	710	713	717	716	707
Furniture and fixtures.....do.	447	484	475	480	483	482	485	485	484	481	487	492	495	495	497	499
Stone, clay and glass products.....do.	573	605	595	604	606	604	605	605	606	608	608	606	606	612	613	608
Primary metal industries.....do.	838	874	871	877	877	879	887	884	880	879	865	866	865	859	860	858
Fabricated metal products.....do.	1,374	1,476	1,440	1,447	1,456	1,459	1,469	1,479	1,490	1,491	1,485	1,495	1,498	1,502	1,491	1,491
Machinery, except electrical.....do.	2,038	2,214	2,137	2,151	2,166	2,189	2,203	2,226	2,242	2,252	2,243	2,255	2,251	2,258	2,246	2,236
Electric and electronic equip.....do.	2,024	2,234	2,152	2,175	2,202	2,212	2,228	2,237	2,252	2,267	2,263	2,269	2,274	2,281	2,282	2,280
Transportation equipment.....do.	1,756	1,928	1,876	1,898	1,905	1,905	1,906	1,917	1,926	1,961	1,939	1,945	1,957	1,993	2,009	1,992
Instruments and related products.....do.	695	723	711	715	718	719	722	723	727	726	726	729	731	732	732	735
Miscellaneous manufacturing.....do.	371	387	384	387	388	388	385	384	386	389	388	390	389	390	386	379
Nondurable goods.....do.	7,724	7,954	7,911	7,933	7,953	7,979	7,972	7,977	7,994	7,967	7,920	7,934	7,942	7,967	7,965	7,943
Food and kindred products.....do.	1,622	1,643	1,638	1,637	1,638	1,648	1,644	1,644	1,655	1,642	1,630	1,640	1,644	1,658	1,665	1,655
Tobacco manufactures.....do.	69	67	66	65	66	67	67	67	66	65	69	69	67	69	70	71
Textile mill products.....do.	744	753	768	767	769	766	762	759	755	751	744	735	731	727	728	720
Apparel and other textile products.....do.	1,164	1,202	1,207	1,213	1,218	1,226	1,217	1,209	1,206	1,200	1,181	1,178	1,178	1,186	1,185	1,175
Paper and allied products.....do.	662	682	676	680	680	680	681	685	687	686	680	684	683	684	685	686
Printing and publishing.....do.	1,296	1,361	1,328	1,333	1,339	1,348	1,356	1,362	1,368	1,371	1,375	1,380	1,386	1,386	1,389	1,391
Chemicals and allied products.....do.	1,047	1,061	1,053	1,054	1,054	1,057	1,057	1,062	1,064	1,067	1,063	1,065	1,066	1,068	1,064	1,060
Petroleum and coal products.....do.	195	188	191	190	190	189	188	187	187	186	185	185	185	184	184	183
Rubber and plastics products, nec.....do.	718	796	774	784	790	790	795	797	801	800	798	805	810	814	813	814
Leather and leather products.....do.	208	202	210	210	209	208	206	204	205	198	194	193	192	191	187	188
Service-producing.....do.	66,744	69,254	68,008	68,269	68,463	68,689	68,935	69,161	69,291	69,425	69,797	70,077	70,374	70,423	70,661	70,916
Transportation and public utilities.....do.	4,958	5,170	5,095	5,105	5,112	5,129	5,144	5,163	5,175	5,202	5,213	5,225	5,226	5,249	5,257	5,264
Wholesale trade.....do.	5,259	5,526	5,406	5,438	5,457	5,473	5,492	5,502	5,528	5,544	5,568	5,612	5,623	5,641	5,669	5,686
Retail trade.....do.	15,545	16,261	15,914	15,980	16,030	16,095	16,166	16,245	16,283	16,295	16,342	16,468	16,644	16,626	16,708	16,805
Finance, insurance, and real estate.....do.	5,467	5,665	5,573	5,593	5,613	5,640	5,662	5,676	5,676	5,679	5,684	5,705	5,725	5,749	5,760	5,790
Services.....do.	19,665	20,662	20,162	20,278	20,378	20,449	20,549	20,681	20,701	20,748	20,861	20,964	21,030	21,095	21,231	21,331
Government.....do.	15,851	15,969	15,858	15,875	15,873	15,903	15,922	15,894	15,928	15,957	16,109	16,103	16,126	16,063	16,086	16,040
Federal.....do.	2,752	2,783	2,760	2,763	2,770	2,771	2,785	2,777	2,779	2,785	2,804	2,793	2,804	2,809	2,794	2,805
State *.....do.	3,660	3,702	3,670	3,682	3,686	3,693	3,699	3,699	3,697	3,714	3,725	3,719	3,724	3,711	3,701	3,688
Local *.....do.	9,439	9,483	9,428	9,430	9,417	9,439	9,438	9,418	9,452	9,458	9,580	9,591	9,598	9,543	9,541	9,547
Production or nonsupervisory workers on private nonagric. payrolls, not seas. adjusted.....thous.	60,021	63,300	60,699	60,909	61,384	62,301	63,121	64,043	64,034	64,339	64,524	64,610	64,769	64,864	63,399	63,333
Manufacturing.....do.	12,581	13,455	13,034	13,163	13,250	13,368	13,459	13,610	13,461</							

Units	Annual		1984												1985	
	1983	1984	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.

LABOR FORCE, EMPLOYMENT, AND EARNINGS—Continued

EMPLOYMENT †—Continued																
Seasonally Adjusted †																
Production or nonsupervisory workers—Continued																
Nondurable goods.....	thous.	5,430	5,610	5,591	5,608	5,619	5,644	5,639	5,632	5,642	5,613	5,572	5,582	5,580	5,609	5,598
Food and kindred products.....	do	1,118	1,140	1,134	1,133	1,133	1,143	1,142	1,142	1,152	1,140	1,131	1,137	1,140	1,157	1,155
Tobacco manufactures.....	do	52	51	49	49	50	50	50	50	50	49	53	51	52	53	54
Textile mill products.....	do	641	651	666	665	666	665	661	658	652	649	642	634	629	628	621
Apparel and other textile products.....	do	984	1,017	1,023	1,028	1,031	1,039	1,033	1,021	1,018	1,013	998	996	995	1,003	994
Paper and allied products.....	do	495	513	508	511	512	512	515	516	516	510	514	513	515	517	519
Printing and publishing.....	do	710	751	732	734	737	744	748	752	757	757	758	762	765	766	768
Chemicals and allied products.....	do	581	589	587	588	588	589	588	590	591	592	590	590	588	588	584
Petroleum and coal products.....	do	118	110	112	112	111	111	111	110	110	110	110	110	110	109	113
Rubber and plastics products, nec.....	do	556	621	604	612	616	616	621	623	624	622	619	626	630	634	634
Leather and leather products.....	do	174	168	176	176	175	175	173	171	172	165	161	160	159	158	156
Service-producing.....	do	43,737	45,774	44,793	45,009	45,146	45,354	45,553	45,763	45,840	45,945	46,127	46,366	46,643	46,691	47,120
Transportation and public utilities.....	do	4,073	4,260	4,189	4,198	4,207	4,228	4,236	4,265	4,265	4,298	4,295	4,305	4,310	4,390	4,337
Wholesale trade.....	do	4,220	4,452	4,349	4,375	4,383	4,406	4,425	4,430	4,458	4,466	4,502	4,529	4,531	4,551	4,589
Retail trade.....	do	13,951	14,565	14,264	14,317	14,341	14,434	14,493	14,558	14,586	14,592	14,626	14,735	14,920	14,883	15,032
Finance, insurance, and real estate.....	do	4,066	4,209	4,149	4,161	4,165	4,175	4,195	4,217	4,217	4,233	4,227	4,240	4,252	4,269	4,289
Services.....	do	17,428	18,288	17,842	17,958	18,038	18,111	18,204	18,305	18,314	18,361	18,477	18,557	18,630	18,658	18,873

See footnotes at end of tables.

Unless otherwise stated in footnotes below, data through 1982 and methodological notes are as shown in Business Statistics, 1982

Table with columns: Units, Annual (1983, 1984), 1984 (Jan, Feb, Mar, Apr, May, June, July, Aug, Sept, Oct, Nov, Dec), and 1985 (Jan, Feb)

METALS AND MANUFACTURES—Continued

NONFERROUS METALS AND PRODUCTS—Continued

Main data table containing rows for Copper-base mill and foundry products, Lead, Tin, Zinc, and Machinery and Equipment, with columns for units and time periods.

See footnotes at end of tables.

Table header with columns for Units, Annual (1983, 1984), 1984 (Jan-Feb-Dec), and 1985 (Jan-Feb). Includes a note about footnotes for 1982 data.

METALS AND MANUFACTURES—Continued

Main table for METALS AND MANUFACTURES. Categories include Machinery and Equipment (tractors, wheel loaders), Electrical Equipment (batteries, radio sets, household appliances), and Gas Equipment (furnaces, water heaters).

PETROLEUM, COAL, AND PRODUCTS

Main table for PETROLEUM, COAL, AND PRODUCTS. Categories include Coal (anthracite, bituminous), Coke (beehive and oven), and Petroleum and Products (crude oil, refined products, stocks).

See footnotes at end of tables.

Unless otherwise stated in footnotes below, data through 1982 and methodological notes are as shown in BUSINESS STATISTICS: 1982

Table with columns for Units, Annual (1983, 1984), and 1984 (Jan-Feb-Mar-Apr-May-June-July-Aug-Sept-Oct-Nov-Dec), and 1985 (Jan-Feb). Rows include COTTON AND MANUFACTURES, MANMADE FIBERS AND MANUFACTURES, WOOL AND MANUFACTURES, and APPAREL.

See footnotes at end of tables.

FOOTNOTES FOR PAGES S-1 THROUGH S-32

General Notes for all Pages:

r Revised.
p Preliminary.
e Estimated.
c Corrected.

Page S-1

† Revised series. See Tables 2.6-2.9 in the July 1984 SURVEY for revised estimates for 1981-84.

‡ Includes inventory valuation and capital consumption adjustments.

§ Monthly estimates equal the centered three-month average of personal saving as a percentage of the centered three-month moving average of disposable personal income.

Page S-2

1. Based on data not seasonally adjusted.

Includes data not shown separately.

‡ See note "‡" for p. S-8.

† See note "†" for p. S-8.

†† See note "††" for p. S-3.

@ Revised series. For manufacturing see note "††" for p. S-3. For retail see note "‡" for p. S-8. For wholesale see note "†" for p. S-8.

§ Revised series. Data have revised back to 1981, effective with the August 1984 SURVEY. Revisions are available upon request.

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Includes data for items not shown separately.

‡ See note "‡" for p. S-8.

† See note "†" for p. S-8.

†† Effective May 1984 SURVEY, data have been revised for Jan. 1977-Dec. 1983. A detailed description of this revision and data appear in the report "Manufacturers' Shipments, Inventories, and Orders" M3-1.13 (1977-1983), copies of this report can be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402. A computer tape of the report, including data back to 1958 can be purchased from the Data User Services Division, Customer Services Branch, Bureau of the Census, Washington, DC 20233.

@ See note "@" for p. S-2.

§ See note "§" for p. S-2.

Page S-4

1. Based on data not seasonally adjusted.

Includes data for items not shown separately.

‡ Includes textile mill products, leather and products, paper and allied products, and printing and publishing industries; unfilled orders for other nondurable goods industries are zero.

† See note "†" for p. S-3.

◇ For these industries (food and kindred products, tobacco, apparel and other textile products, petroleum and coal, chemicals and allied products, and rubber and plastics products) sales are considered equal to new orders.

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1. Based on unadjusted data.

2. The annual liabilities figure for 1983 is \$16,072,860,000.

3. See note "◇" for this page.

@ Compiled by Dun & Bradstreet, Inc. Monthly data are now available through 1982, and are available upon request. The 1983 annual figure for the failure annual rate and the 1983 monthly data will be available at a later date.

Includes data for items not shown separately.

§ Ratio of prices received to prices paid (parity index).

‡ See note "‡" for p. S-4.

† Effective with the Feb. 1984 SURVEY, data (back to 1981 for some commodities) have been revised. Effective with July 1984 SURVEY, data for 1982-83 have been revised. Effective with the Feb. 1985 SURVEY, data (back to 1982, for some commodities) have been revised. These revisions are available upon request.

◇ Beginning with data for Jan. 1983 (Jan. 1985, for CPI-W), the index is affected by a change in methodology used to compute the homeownership component. For additional information regarding this change, see p. S-36 of the Feb. 1983 SURVEY.

* New series.

†† See note "††" for p. S-3.

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§ For actual producer prices or price indexes of individual commodities, see respective commodities in the Industry section beginning p. S-19. All indexes subject to revision four months after original publication.

Includes data for items not shown separately.

* New series. This index (first shown in the Feb. 1984 SURVEY) reflects costs associated with homeowners' consumption of shelter service. This new index combines the subindexes of owners' equivalent rent and household insurance. Indexes prior to Dec. 1982 are not available. For additional information, see p. S-36 of the Feb. 1983 SURVEY.

‡ Effective with the Feb. 1984 SURVEY, data have been revised back to 1979. Effective with the Mar. 1985 SURVEY, data have been revised back to 1980. These revisions are available upon request.

† Effective with the Feb. 1984 SURVEY, data back to 1979 have been revised. Effective with the Feb. 1985 SURVEY, data back to 1980 have been revised. These revisions are available upon request.

◇ See note "◇" for p. S-5.

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1. Computed from cumulative valuation total.

2. Index as of Mar. 1, 1985: building, 359.4; construction, 389.2.

3. Data are for 16,000 permit-issuing places.

Includes data for items not shown separately.

§ Data for Mar., May, Aug., and Nov. 1984, and Jan. 1985 are for five weeks; other months four weeks.

† Effective Feb. 1984 SURVEY, data for seasonally adjusted housing starts have been revised back to 1981. Effective Feb. 1985 SURVEY, data have been revised from 1982-84. These revisions are available upon request.

‡ Effective Feb. 1985 SURVEY, data for building permit authorizations are based on 17,000 permit-issuing places beginning with Jan. 1984. These revisions are available upon request.

@ Effective Feb. 1984 SURVEY, data for seasonally adjusted manufacturer's shipments of mobile homes have been revised back to 1981. Effective Feb. 1985 SURVEY, unadjusted data for Jan. 1982 through June 1984, and seasonally adjusted data from Jan. 1982 through Nov. 1984 have been revised. These revisions are available upon request.

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1. Advance estimate.

2. Direct endorsement cases are included beginning with June data.

3. January and February 1983 revised monthly figures are not available from source, but they are included in the 1983 revised annual total.

◇ Home mortgage rates (conventional first mortgages) are under money and interest rates on p. S-14.

§ Data include guaranteed direct loans sold.

Includes data for items not shown separately.

† Effective April 1984 SURVEY, wholesale trade data have been revised for Jan. 1978-Dec. 1983. A detailed description and the revised series appear in the report "Revised Monthly Wholesale Trade" BW-13-83s, available from the Bureau of the Census, Washington, DC 20233; \$2.50 per copy.

‡ Effective April 1984 SURVEY, retail trade data have been revised for Jan. 1978-Dec. 1983. Revised data and a summary of changes appear in the report "Revised Monthly Retail Sales and Inventories" BR-13-83s, available from the Bureau of the Census, Washington, DC 20233; \$2.75 per copy.

* New series. Annual data for earlier periods are available upon request. Monthly data for earlier periods will be available later.

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1. Advance estimate.

Includes data for items not shown separately.

◇ Effective with the January 1985 SURVEY, the seasonally adjusted labor force series have been revised back to January 1980. Effective with the January 1984 SURVEY, the seasonally adjusted labor force series have been revised back to January 1979. Revised monthly data back to 1980 appear in the January 1985 issue of *Employment and Earnings*. Revised monthly data for 1979 appear in the February 1984 issue of *Employment and Earnings*.

† The participation rate is the percent of the civilian noninstitutional population in the civilian labor force. The employment-population ratio is civilian employment as a percent of the civilian noninstitutional population, 16 years and over.

‡ See note "‡" for p. S-8.

* New series.

@ Data include resident armed forces.

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◇ See note "◇" for p. S-9.

* New series.

† Effective June 1984 SURVEY, data have been revised back to April 1982 (not seasonally adjusted) and January 1979 (seasonally adjusted) based on the March 1983 benchmark, an improved method for estimating the employment effect of new firms entering the economy, and revised seasonal factors. The June 1984 issue of *Employment and Earnings* contains a detailed discussion of the effects of the revisions.

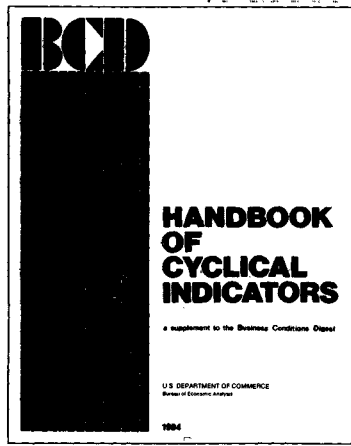
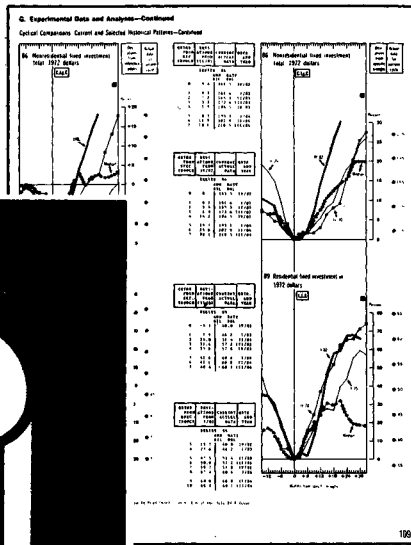
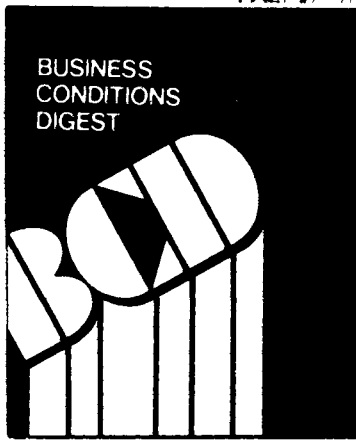
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‡ This series is not seasonally adjusted because the seasonal component is small relative to the trend-cycle and/or irregular components and consequently cannot be separated with sufficient precision.

◇ Production and nonsupervisory workers.

* New series.

† See note "†" for p. S-10.



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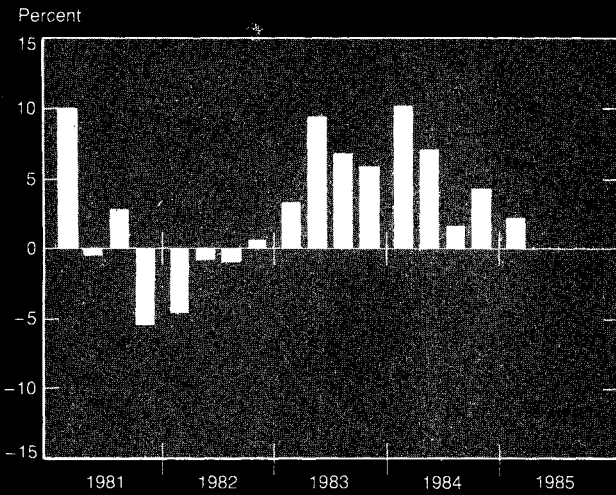
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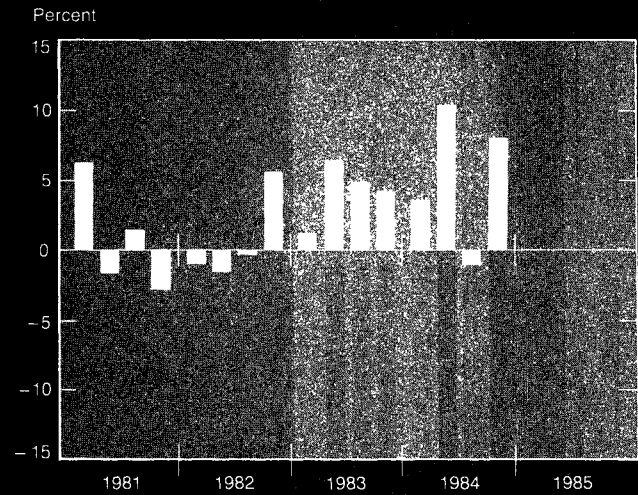
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- GNP fixed-weighted price index increased 4 percent

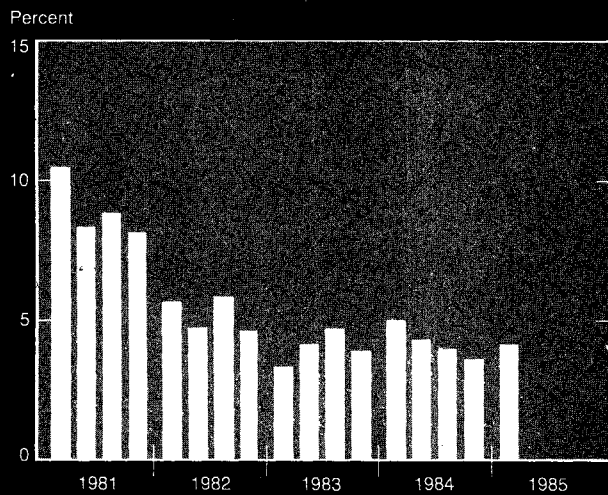
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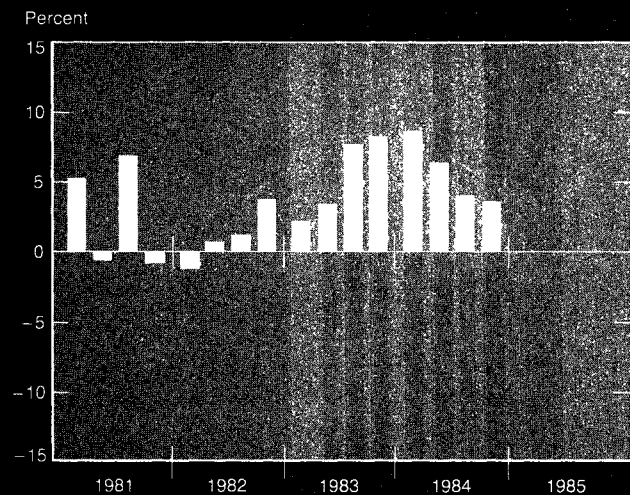
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GNP Fixed-Weighted Price Index



Real Disposable Personal Income



Percent change at an annual rate from preceding quarter, based on seasonally adjusted estimates