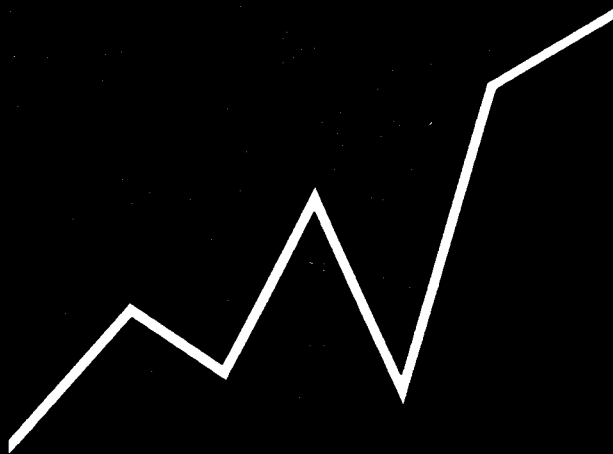


MARCH 1987 / VOLUME 67 NUMBER

3

**SURVEY OF CURRENT BUSINESS**



**UNITED STATES DEPARTMENT OF COMMERCE / BUREAU OF ECONOMIC ANALYSIS**

**SURVEY OF CURRENT BUSINESS**

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**SURVEY OF CURRENT BUSINESS.** Published monthly by the Bureau of Economic Analysis of the U.S. Department of Commerce. Editorial correspondence should be addressed to the Editor-in-Chief, Survey of Current Business, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

Annual subscription: *second-class mail*—\$25.00 domestic, \$31.25 foreign; *first-class mail*—\$50.00. Single copy—\$5.00 domestic, \$6.25 foreign.

Mail subscription orders and address changes to the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402. Make checks payable to Superintendent of Documents.

Second-class postage paid at Washington, DC and at additional mailing offices. (USPS 337-790).

The Secretary of Commerce has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through September 30, 1987.

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# the BUSINESS SITUATION

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SOURCE data that became available by mid-March rounded out the view of economic developments in the fourth quarter of 1986 provided by the national income and product accounts (NIPA's). Data on domestic corporate profits become available for the fourth quarter at the time of the second revision of the NIPA's, rather than the first revision, because most corporations' fiscal years end in the fourth quarter and additional time is needed to complete their end-of-year reports. This information, in combination with information on international investment income from BEA surveys and other quarterly reports, provided the basis for the first direct estimate of fourth-quarter corporate profits on a NIPA basis. The corporate profits estimates, in turn, made it possible to estimate profits taxes and thus to complete the estimates of the receipts side of the government sector accounts, providing—in conjunction with the expenditures side—a full view of the government fiscal position.

## Corporate profits

Profits from current production—profits before tax plus inventory valuation adjustment (IVA) and capital consumption adjustment (CCAdj)—increased \$8½ billion to \$310½ billion in the fourth quarter, following a \$9 billion increase in the third.<sup>1</sup>

Domestic profits of nonfinancial corporations increased \$3 billion in the fourth quarter, following a \$7 billion increase in the third. Real gross corporate product increased more than twice as fast in the fourth quarter as in the third, but profits per

unit of product leveled off in the fourth after an increase in the third. The leveling-off of unit profits reflected unchanged unit prices and unit costs (a small increase in unit labor costs was offset by a decline in unit nonlabor costs).

Domestic profits of financial corporations increased \$4 billion in the fourth quarter, following a \$½ billion increase in the third. Profits from the rest of the world increased \$1½ billion, following an increase of \$2 billion.

Profits before tax (PBT) increased \$18½ billion to \$259 billion in the fourth quarter, following a \$12½ billion increase. The \$10 billion difference between the increase in PBT and the increase in profits from current

production was more than accounted for by the IVA, which declined \$13½ billion to negative \$7 billion. The IVA converts the value of inventory withdrawals from the predominantly historical costs that underlie PBT to current replacement costs. When, as in the fourth quarter, current replacement cost of inventory withdrawals are higher than the costs that underlie PBT, the IVA is negative in order to remove the resulting capital-gains-like element from profits.

Profits with IVA but without CCAdj—the quarterly measure of profits available by industry—increased \$5 billion in the fourth quarter, following an \$8 billion increase.

A \$1 billion increase in the profits of nonfinancial corporations was more

## Looking Ahead . . .

- **State Personal Income.** Estimates of fourth quarter 1986 personal income and preliminary 1986 total and disposable personal income will be presented in the April issue of the SURVEY.
- **County and Metropolitan Area Personal Income.** Estimates of 1985 personal income, which would normally be presented in the April SURVEY, have been delayed while a comprehensive revision is in progress. Revised estimates for 1969-84, as well as the 1985 and 1986 estimates, will be presented in the April 1988 SURVEY.
- **Plant and Equipment Expenditures.** The regular article in the April SURVEY will be limited to estimates of plant and equipment expenditures for the industries surveyed quarterly. Estimates for the industries surveyed only annually will be included in the June SURVEY.
- **U.S. Affiliates of Foreign Companies: Operations in 1985.** Data and analysis of the operations in 1985 of foreign-owned U.S. companies, by industry and by country of foreign owner, will be presented in the May SURVEY. Key measures by State will also be presented.
- **U.S. Business Enterprises Acquired or Established by Foreign Direct Investors in 1986.** Data, by industry and by country, on the cost to foreign direct investors of the ownership interests acquired or established in U.S. business enterprises in 1986 will be presented in the May SURVEY. Selected operating data of the U.S. business enterprises will also be presented.
- **Pollution Abatement and Control Expenditures.** Estimates of U.S. expenditures for pollution abatement and control for 1982-85 will be presented in an upcoming issue of the SURVEY.

1. Quarterly estimates in the NIPA's are expressed at seasonally adjusted annual rates, and quarterly changes in them are differences between these rates. Quarter-to-quarter percent changes are annualized. Real, or constant-dollar, estimates are expressed in 1982 dollars.

than accounted for by a large increase in profits in nondurable manufacturing; a substantial drop in trade profits was the major offset. Within nondurable manufacturing, chemicals and petroleum registered large increases. In chemicals, the increase was the fourth in succession and took profits to a level four times as high as in the depressed fourth quarter of 1985. In petroleum, the increase was a rebound following a third-quarter drop of similar magnitude; petroleum profits, which include profits from exploration and development by refiners engaged in such activities, were buffeted by changes in the price of crude oil throughout the year. In trade, lower profits was traceable to increased inventory prices; without the IVA, profits would have increased.

A \$2½ billion increase in the profits of financial corporations was largely due to increased profits of insurance carriers, particularly property and casualty insurers, and reflected reduced underwriting losses.

Profits from the rest of the world increased \$1½ billion, largely reflecting increased profits of foreign petroleum affiliates of U.S. corporations.

In general, fourth-quarter profits in the NIPA's show more strength than profits in corporate financial reports, even though the NIPA estimates are based on tabulations of financial reports. A major reason for the disparity is that the NIPA measures exclude (while financial reports include) charges not attributable to current production. In the fourth quarter, these charges—for items such as asset writedowns and anticipated expenses associated with plant closings and corporate restructurings—were unusually large.

#### Government sector

The fiscal position of the government sector in the NIPA's improved in the fourth quarter of 1986, as the combined deficit of the Federal Government and of State and local governments decreased \$3½ billion (table 1). The deficit of the Federal Government declined \$8 billion, and the surplus of State and local governments declined \$4½ billion.

*The Federal sector.*—The Federal Government deficit declined to \$189 billion, as receipts increased more than expenditures.

Receipts increased \$21 billion, compared with \$19½ billion in the third

quarter. Increases in personal tax and nontax receipts and in contributions for social insurance reflected gains in wages and salaries; a sizable increase in corporate profits tax accruals reflected the strong increase in profits before tax. A fourth-quarter decline of \$1 billion in indirect business tax and nontax accruals occurred mainly because the third quarter had included a one-time payment from a number of petroleum companies for earlier violations of Federal pricing regulations.

Expenditures increased \$13 billion, in contrast to a \$15½ billion decline in the third quarter. Subsidies less the current surplus of government enterprises more than accounted for the increase in total expenditures; a \$14 billion increase included a \$9 billion increase in the deficit of the Commodity Credit Corporation (CCC) and a \$5½ billion increase in subsidies to farmers. Government purchases of

goods and services increased \$3 billion; a \$10½ billion increase in nondefense purchases was partly offset by an \$8 billion decline in defense purchases. Purchases of agricultural commodities (primarily corn) by the CCC accounted for the increase in nondefense purchases. Much of the recent pattern in defense purchases is explained by the pattern of deliveries of military equipment and purchases of services other than compensation; both increased sharply in the second and third quarters and declined sharply in the fourth.

Dominated by grants-in-aid to State and local governments, all other expenditures combined declined \$4 billion. In grants, a \$7 billion decline attributable to the expiration of the revenue sharing program was partly offset by a \$2½ billion one-time payment to Louisiana in settlement of

Table 1.—Government Sector Receipts and Expenditures

(Billions of dollars, seasonally adjusted at annual rates)

	Change from preceding quarter					Level 1986:IV
	1985	1986				
	IV	I	II	III	IV	
<b>Government sector</b>						
Receipts.....	20.3	14.5	6.6	36.1	30.7	1,384.9
Expenditures.....	37.5	-15.6	54.9	-3.9	27.2	1,514.7
Surplus or deficit (-).....	-17.1	30.1	-48.3	40.0	3.5	-129.8
<b>Federal Government</b>						
Receipts.....	13.2	.8	6.9	19.6	21.1	854.2
Personal tax and nontax receipts.....	6.0	-5.3	5.1	10.4	10.2	376.1
Corporate profits tax accruals.....	4	.6	2.4	4.1	8.4	92.7
Indirect business tax and nontax accruals.....	2.0	-3.3	-2.0	2.7	-9	52.5
Contributions for social insurance.....	4.8	8.8	1.4	2.4	3.3	332.9
Expenditures.....	33.3	-21.9	44.2	-15.3	12.9	1,043.4
Purchases of goods and services.....	20.0	-25.2	11.9	1.8	2.3	372.1
National defense.....	2.6	-1.6	12.0	8.4	-7.9	278.8
Nondefense.....	17.4	-23.6	-1	-6.6	10.7	93.3
Of which: Commodity Credit Corporation inventory change.....	17.3	-23.1	-1	-5.9	10.8	10.4
Transfer payments.....	1.8	3.4	7.4	6.3	-1.1	401.8
To persons.....	.9	8.4	2.8	5.9	0	387.5
To foreigners.....	.9	-5.0	4.6	.4	-1.2	14.3
Grants-in-aid to State and local governments.....	1.4	1.9	3.4	1.1	-4.0	104.1
Net interest paid.....	4.1	1.1	3.1	-3.4	1.1	135.9
Subsidies less current surplus of government enterprises.....	6.0	-3.1	18.5	-21.1	14.1	29.5
Subsidies.....	2.4	.1	19.1	-17.7	5.5	26.4
Of which: Agricultural subsidies.....	2.1	.1	19.1	-17.6	5.8	11.2
Less: Current surplus of government enterprises.....	-3.6	3.2	.6	3.4	-8.6	-3.1
Less: Wage accruals less disbursements.....	0	0	0	0	0	0
Surplus or deficit (-).....	-20.1	22.7	-37.3	34.9	8.2	-189.2
<b>State and local governments</b>						
Receipts.....	8.5	15.7	3.2	17.7	5.7	634.8
Personal tax and nontax receipts.....	3.4	2.2	2.1	3.8	5.8	158.9
Corporate profits tax accruals.....	.2	-1.2	1.0	1.3	1.8	21.9
Indirect business tax and nontax accruals.....	3.0	12.3	-4.0	10.8	-4	300.4
Contributions for social insurance.....	.6	.6	.7	.7	2.5	49.5
Federal grants-in-aid.....	1.4	1.9	3.4	1.1	-4.0	104.1
Expenditures.....	5.5	8.2	14.1	12.5	10.3	575.4
Purchases of goods and services.....	5.9	6.2	12.3	11.4	8.5	513.2
Of which: Structures.....	-2.6	.4	7.1	4.3	-1.9	64.6
Transfer payments to persons.....	1.0	2.2	2.0	1.9	2.3	110.2
Net interest paid.....	.2	.3	.3	-.2	-.3	-26.2
Less: Dividends received by government.....	.4	.4	.3	.3	.3	7.0
Subsidies less current surplus of government enterprises.....	-1.2	-.2	-.2	-.3	-.3	-14.7
Subsidies.....	0	0	0	0	0	.9
Less: Current surplus of government enterprises.....	1.3	.2	.3	.3	.3	15.6
Less: Wage accruals less disbursements.....	0	0	0	0	0	0
Surplus or deficit (-).....	2.9	7.5	-10.9	5.1	-4.7	59.4
Social insurance funds.....	.6	.6	.7	.7	2.6	58.3
Other.....	2.3	6.9	-11.6	4.4	-7.3	1.0

NOTE.—Dollar levels are found in the National Income and Product Accounts Tables, tables 3.2 and 3.3.

disputed outer continental shelf oil revenues.

*Cyclically adjusted surplus or deficit.*—When measured using cyclical adjustments based on middle-expansion trend GNP, the Federal fiscal position moved from a deficit of \$208 billion in the third quarter to a deficit of \$197 billion in the fourth. The cyclically adjusted deficit as a percentage of middle-expansion trend GNP decreased from 4.9 percent in the third to 4.7 percent in the fourth.

*The State and local sector.*—The State and local government surplus declined \$4½ billion in the fourth quarter to \$59½ billion, as expenditures increased more than receipts. The decline in the surplus reflected a \$2½ billion increase in the social insurance funds surplus and a \$7½ billion decline in the other funds surplus.

Receipts increased \$5½ billion, compared with a \$17½ billion increase in the third quarter. Personal tax and nontax receipts included about \$2 billion (at an annual rate) for State and local income taxes paid in the fourth quarter, rather than in early 1987, in order to take the Federal income tax deduction for these payments against higher 1986 marginal tax rates. Contributions for social insurance included a large one-time employer contribution (\$1.8 billion at an annual rate) to the retirement system of Los Angeles County. The increase in corporate profits tax accruals reflected an increase in the tax base, in line with the Federal change. The decline in indirect business tax and nontax accruals occurred largely because the third quarter had included a one-time oil-related payment (\$3 billion at an annual rate) similar to the payment made to the Federal govern-

ment. As noted earlier, Federal grants-in-aid to State and local governments declined \$4 billion.

Expenditures increased \$10½ billion, compared with \$12½ billion in the third quarter. As in other quarters of 1986, the quarter-to-quarter fluctuation was largely attributable to purchases of structures; they declined \$2 billion in the fourth quarter, following a \$4½ billion increase in the third. The pattern of change in struc-

tures largely reflected highway construction, which declined \$2½ billion in the fourth quarter after two quarters of increases totaling \$7 billion.

\* \* \*

#### Fourth-quarter NIPA revisions

The second revisions of the NIPA estimates for the fourth quarter of 1986 are shown in table 2.

Table 2.—Revisions in Selected Component Series of the NIPA's, Fourth Quarter of 1986

	Seasonally adjusted at annual rates			Percent change from preceding quarter at annual rates	
	First revision	Second revision	Difference	First revision	Second revision
Billions of current dollars					
GNP .....	4,260.6	4,258.7	-1.9	1.9	1.7
Personal consumption expenditures.....	2,822.5	2,820.4	-2.1	3.3	3.0
Nonresidential fixed investment.....	461.4	464.3	2.9	2.1	4.7
Residential investment.....	226.3	226.0	-3	9.3	8.8
Change in business inventories.....	-22.5	-27.1	-4.6		
Net exports.....	-113.6	-110.2	3.4		
Government purchases.....	886.5	885.3	-1.2	5.8	5.3
National income.....		3,431.5			4.2
Compensation of employees.....	2,542.8	2,542.8	0	5.8	5.8
Corporate profits with inventory valuation and capital consumption adjustments.....		310.4			11.6
Other.....	581.2	578.3	-2.9	-3.6	-5.5
Personal income.....	3,529.6	3,527.9	-1.7	3.6	3.4
Billions of constant (1982) dollars					
GNP .....	3,698.3	3,696.1	-2.2	1.3	1.1
Personal consumption expenditures.....	2,447.4	2,445.8	-1.6	-1	-4
Nonresidential fixed investment.....	455.9	457.8	1.9	1.3	3.0
Residential investment.....	200.2	199.7	-5	6.2	5.2
Change in business inventories.....	-24.4	-28.5	-4.1		
Net exports.....	-151.1	-148.0	3.1		
Government purchases.....	770.3	769.3	-1.0	11.0	10.5
Index numbers, 1982=100 <sup>1</sup>					
GNP price index (fixed weights).....	116.4	116.4	0	2.6	2.7
GNP price index (chained weights).....				2.4	2.5
GNP implicit price deflator.....	115.2	115.2	0	.7	.7

1. Not at annual rates.

NOTE.—For the fourth quarter of 1986, the following revised or additional major source data became available: For *personal consumption expenditures*, revised retail sales for December, used car sales for the quarter, 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 partial information on actual plant and equipment expenditures for the quarter; 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 statistical month merchandise exports and imports for December, 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*, 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.

## National Income and Product Accounts Tables

New estimates in this issue: Fourth quarter and annual 1986, revised (\*).

Estimates for 1929-82 are in *The National Income and Product Accounts, 1929-82: Statistical Tables* (GPO Stock No. 003-010-00174-7, price \$23.00). Estimates for 1983-85 are in the July 1986 SURVEY. These publications are available from the Superintendent of Documents and Commerce Department District Offices; see addresses inside front cover.

The full set of national income and product accounts estimates shown regularly in this part of the SURVEY are now available on diskette for \$240 per year (12 updates). For more information, write to the Bureau of Economic Analysis (BE-54), U.S. Department of Commerce, Washington, DC 20230.

Table 1.1.—Gross National Product

	[Billions of dollars]		Seasonally adjusted at annual rates					
	1985	1986*	1985		1986			
			III	IV	I	II	III	IV'
<b>Gross national product</b> .....	3,998.1	4,206.1	4,030.5	4,087.7	4,149.2	4,175.6	4,240.7	4,258.7
<b>Personal consumption expenditures</b> .....	2,600.5	2,762.5	2,627.1	2,667.9	2,697.9	2,732.0	2,799.8	2,820.4
Durable goods.....	359.3	388.1	373.3	362.0	360.8	373.9	414.5	403.1
Nondurable goods.....	905.1	932.7	907.4	922.6	929.7	928.4	932.8	940.1
Services.....	1,336.1	1,441.7	1,346.4	1,383.2	1,407.4	1,429.8	1,452.4	1,477.2
<b>Gross private domestic investment</b> .....	661.1	683.6	657.4	669.5	708.3	687.3	675.8	663.2
Fixed investment.....	650.0	677.0	654.3	672.6	664.4	672.8	680.3	690.3
Nonresidential.....	458.2	460.0	459.8	474.0	459.2	457.5	459.0	464.3
Structures.....	154.8	143.3	155.0	157.2	154.6	141.5	139.5	137.5
Producers' durable equipment.....	303.4	316.7	304.7	316.8	304.6	316.0	319.5	326.8
Residential.....	191.8	217.0	194.5	198.6	205.3	215.3	221.3	226.0
Change in business inventories.....	11.1	6.7	3.1	-3.1	43.8	14.5	-4.5	-27.1
Nonfarm.....	12.2	7.7	3.2	16.7	41.2	10.5	-10.3	-10.8
Farm.....	-1.1	-1.0	-1	-19.9	2.7	3.9	5.8	-16.3
<b>Net exports of goods and services</b> .....	-78.9	-104.3	-83.7	-105.3	-93.7	-104.5	-108.9	-110.2
Exports.....	369.8	373.0	362.3	368.2	374.8	363.0	370.8	383.5
Imports.....	448.6	477.3	446.0	473.6	468.5	467.5	479.7	493.7
<b>Government purchases of goods and services</b> .....	815.4	864.2	829.7	855.6	836.7	860.8	874.0	885.3
Federal.....	354.1	366.2	360.9	380.9	355.7	367.6	369.3	372.1
National defense.....	259.4	277.6	265.5	268.0	266.4	278.4	286.8	278.8
Nondefense.....	94.7	88.6	95.5	112.9	89.3	89.2	82.6	93.3
State and local.....	461.3	498.0	468.8	474.7	480.9	493.3	504.7	513.2

NOTE.—Percent changes from preceding period for selected items in this table are shown in table 8.1.

Table 1.2.—Gross National Product in Constant Dollars

	[Billions of 1982 dollars]		Seasonally adjusted at annual rates					
	1985	1986*	1985		1986			
			III	IV	I	II	III	IV'
<b>Gross national product</b> .....	3,585.2	3,674.9	3,603.8	3,622.3	3,655.9	3,661.4	3,686.4	3,696.1
<b>Personal consumption expenditures</b> .....	2,324.5	2,418.7	2,342.0	2,351.7	2,372.7	2,408.4	2,448.0	2,445.8
Durable goods.....	349.9	368.6	357.4	347.0	345.4	357.1	391.6	380.4
Nondurable goods.....	841.6	872.1	843.8	847.2	860.6	877.3	875.4	875.1
Services.....	1,139.0	1,178.0	1,140.8	1,157.5	1,166.6	1,174.0	1,181.0	1,190.2
<b>Gross private domestic investment</b> .....	647.7	657.2	643.8	653.2	684.0	664.7	651.3	629.0
Fixed investment.....	638.6	650.7	643.1	658.4	644.1	649.6	651.6	657.4
Nonresidential.....	461.4	456.7	463.1	476.9	457.8	456.8	454.4	457.8
Structures.....	152.2	134.5	152.3	152.4	148.1	132.9	129.5	127.7
Producers' durable equipment.....	309.2	322.1	310.9	324.5	309.7	323.9	324.9	330.1
Residential.....	177.2	194.0	180.0	181.5	186.3	192.7	197.2	199.7
Change in business inventories.....	9.0	6.6	.7	-5.2	39.9	15.1	-3	-28.5
Nonfarm.....	10.9	7.4	1.4	16.1	37.0	11.0	-8.6	-9.8
Farm.....	-1.9	-9	-7	-21.3	2.9	4.1	8.3	-18.7
<b>Net exports of goods and services</b> .....	-108.2	-147.8	-113.8	-132.0	-125.9	-153.9	-163.3	-148.0
Exports.....	362.3	371.5	355.8	362.9	369.2	359.8	371.2	385.8
Imports.....	470.5	519.3	469.6	494.8	495.1	513.6	534.5	533.8
<b>Government purchases of goods and services</b> .....	721.2	746.8	731.8	749.4	725.2	742.2	750.4	769.3
Federal.....	323.6	332.2	329.9	347.2	320.4	328.9	330.9	348.6
National defense.....	235.7	250.0	242.2	239.3	238.7	249.3	259.4	252.5
Nondefense.....	87.8	82.2	87.6	107.9	81.7	79.5	71.5	96.1
State and local.....	397.6	414.6	401.9	402.2	404.8	413.3	419.5	420.7

NOTE.—Percent changes from preceding period for selected items in this table are shown in table 8.1.

Table 1.3.—Gross National Product by Major Type of Product

	[Billions of dollars]		Seasonally adjusted at annual rates					
	1985	1986*	1985		1986			
			III	IV	I	II	III	IV'
<b>Gross national product</b> .....	3,998.1	4,206.1	4,030.5	4,087.7	4,149.2	4,175.6	4,240.7	4,258.7
Final sales.....	3,987.0	4,199.4	4,027.4	4,090.8	4,105.4	4,161.2	4,245.2	4,285.8
Change in business inventories.....	11.1	6.7	3.1	-3.1	43.8	14.5	-4.5	-27.1
<b>Goods</b> .....	1,630.2	1,670.5	1,642.7	1,644.1	1,669.0	1,661.5	1,680.2	1,671.2
Final sales.....	1,619.1	1,663.8	1,639.7	1,647.2	1,625.2	1,647.1	1,684.7	1,698.3
Change in business inventories.....	11.1	6.7	3.1	-3.1	43.8	14.5	-4.5	-27.1
Durable goods.....	703.5	716.8	713.3	711.8	710.6	703.1	730.1	723.5
Final sales.....	696.9	717.8	716.0	702.3	682.0	703.2	745.7	740.4
Change in business inventories.....	6.6	-1.0	-2.7	9.5	28.6	-1	-15.6	-16.9
Nondurable goods.....	926.7	953.7	929.4	932.3	958.4	958.5	950.1	947.8
Final sales.....	922.2	946.0	923.7	945.0	943.1	943.9	939.0	957.9
Change in business inventories.....	4.5	7.7	5.8	-12.7	15.3	14.6	11.1	-10.2
<b>Services</b> .....	1,959.8	2,105.6	1,971.9	2,025.5	2,057.7	2,087.4	2,125.2	2,152.1
<b>Structures</b> .....	408.1	430.0	415.9	418.1	422.6	426.7	435.3	435.3

NOTE.—Percent changes from preceding period for selected items in this table are shown in table 8.1.

Table 1.4.—Gross National Product by Major Type of Product in Constant Dollars

	[Billions of 1982 dollars]		Seasonally adjusted at annual rates					
	1985	1986*	1985		1986			
			III	IV	I	II	III	IV'
<b>Gross national product</b> .....	3,585.2	3,674.9	3,603.8	3,622.3	3,655.9	3,661.4	3,686.4	3,696.1
Final sales.....	3,576.2	3,668.4	3,603.1	3,627.5	3,616.1	3,646.3	3,686.7	3,724.5
Change in business inventories.....	9.0	6.6	.7	-5.2	39.9	15.1	-3	-28.5
<b>Goods</b> .....	1,533.2	1,567.1	1,544.2	1,541.7	1,563.6	1,562.8	1,568.0	1,574.1
Final sales.....	1,524.2	1,560.5	1,543.6	1,546.9	1,523.7	1,547.6	1,568.3	1,602.6
Change in business inventories.....	9.0	6.6	.7	-5.2	39.9	15.1	-3	-28.5
Durable goods.....	679.0	700.2	689.4	691.3	688.6	687.5	714.2	710.7
Final sales.....	673.2	701.4	692.3	682.8	662.6	688.3	728.6	726.2
Change in business inventories.....	5.9	-1.2	-2.9	8.4	26.0	-7	-14.4	-15.5
Nondurable goods.....	854.2	866.9	854.8	850.4	875.0	875.2	853.8	863.4
Final sales.....	851.1	859.1	851.3	864.0	861.1	859.4	839.7	876.4
Change in business inventories.....	3.2	7.7	3.5	-13.6	13.9	15.9	14.1	-13.0
<b>Services</b> .....	1,667.6	1,718.6	1,668.7	1,692.1	1,703.0	1,712.0	1,727.2	1,732.2
<b>Structures</b> .....	384.4	389.3	390.9	388.5	389.4	386.6	391.3	389.7

NOTE.—Percent changes from preceding period for selected items in this table are shown in table 8.1.

**Table 1.5.—Relation of Gross National Product, Gross Domestic Purchases, and Final Sales to Domestic Purchasers**

[Billions of dollars]

	1985	1986 <sup>r</sup>	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV <sup>r</sup>
Gross national product.....	3,998.1	4,206.1	4,030.5	4,087.7	4,149.2	4,175.6	4,240.7	4,258.7
Less: Exports of goods and services.....	369.8	373.0	362.3	368.2	374.8	363.0	370.8	383.5
Plus: Imports of goods and services.....	448.6	477.3	446.0	473.6	468.5	467.5	479.7	493.7
<b>Equals: Gross domestic purchases<sup>1</sup>.....</b>	<b>4,077.0</b>	<b>4,310.4</b>	<b>4,114.2</b>	<b>4,193.0</b>	<b>4,242.9</b>	<b>4,280.1</b>	<b>4,349.5</b>	<b>4,368.9</b>
Less: Change in business inventories.....	11.1	6.7	3.1	-3.1	43.8	14.5	-4.5	-27.1
<b>Equals: Final sales to domestic purchasers<sup>2</sup>.....</b>	<b>4,065.9</b>	<b>4,303.7</b>	<b>4,111.1</b>	<b>4,196.1</b>	<b>4,199.0</b>	<b>4,265.7</b>	<b>4,354.1</b>	<b>4,396.0</b>

1. Purchases in the United States of goods and services wherever produced.  
 2. Final sales in the United States of goods and services wherever produced.  
 NOTE.—Percent changes from preceding period for selected items in this table are shown in table 8.1.

**Table 1.7.—Gross National Product by Sector**

[Billions of dollars]

	1985	1986 <sup>r</sup>	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV <sup>r</sup>
Gross national product.....	3,998.1	4,206.1	4,030.5	4,087.7	4,149.2	4,175.6	4,240.7	4,258.7
Gross domestic product.....	3,957.0	4,168.9	3,991.4	4,045.8	4,106.0	4,140.7	4,203.2	4,225.7
Business.....	3,394.0	3,570.0	3,424.7	3,468.4	3,519.9	3,546.3	3,600.7	3,613.0
Nonfarm.....	3,324.0	3,498.5	3,357.8	3,389.4	3,451.7	3,470.1	3,524.0	3,548.2
Nonfarm less housing.....	3,010.9	3,157.8	3,040.9	3,065.4	3,121.5	3,132.4	3,180.1	3,197.4
Housing.....	313.1	340.6	316.9	322.9	330.2	337.7	343.9	350.8
Farm.....	75.5	68.3	72.4	77.5	71.8	71.6	66.4	63.5
Statistical discrepancy.....	-5.5	3.2	-5.5	1.6	-3.6	4.6	10.3	1.3
Households and institutions.....	142.1	153.1	143.4	146.2	149.5	152.0	154.4	156.6
Private households.....	9.3	9.8	9.3	9.4	9.5	9.6	9.9	10.1
Nonprofit institutions.....	132.8	143.3	134.1	136.8	140.0	142.3	144.5	146.5
Government.....	420.9	445.9	423.3	431.2	436.7	442.5	448.1	456.2
Federal.....	140.7	145.1	140.5	143.4	144.0	144.7	145.2	146.3
State and local.....	280.1	300.8	282.8	287.8	292.6	297.8	302.9	309.8
Rest of the world.....	41.2	37.1	39.1	41.9	43.2	34.9	37.4	33.0
<b>Addendum:</b>								
Gross domestic business product less housing.....	3,072.2							

NOTE.—Percent changes from preceding period for selected items in this table are shown in table 8.1.

**Table 1.8.—Gross National Product by Sector in Constant Dollars**

[Billions of 1982 dollars]

	1985	1986 <sup>r</sup>	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV <sup>r</sup>
Gross national product.....	3,585.2	3,674.9	3,603.8	3,622.3	3,655.9	3,661.4	3,686.4	3,696.1
Gross domestic product.....	3,548.3	3,642.4	3,568.8	3,585.2	3,617.9	3,630.6	3,653.8	3,667.2
Business.....	3,071.5	3,157.4	3,090.8	3,105.4	3,135.8	3,146.9	3,168.0	3,179.0
Nonfarm.....	2,998.9	3,081.1	3,016.9	3,025.0	3,061.6	3,067.5	3,087.3	3,108.0
Nonfarm less housing.....	2,735.3	2,810.9	2,752.5	2,759.2	2,794.2	2,798.3	2,816.2	2,834.9
Housing.....	263.6	270.2	264.4	265.7	267.4	269.2	271.2	273.1
Farm.....	77.6	73.5	78.9	79.0	77.4	75.3	71.5	69.8
Statistical discrepancy.....	-5.0	2.8	-4.9	1.4	-3.2	4.0	9.1	1.2
Households and institutions.....	121.2	125.5	121.8	122.9	124.1	125.1	126.0	127.0
Private households.....	9.1	9.4	9.1	9.1	9.2	9.3	9.5	9.7
Nonprofit institutions.....	112.2	116.1	112.7	113.7	114.9	115.7	116.5	117.3
Government.....	355.5	359.4	356.2	356.9	357.9	358.7	359.8	361.3
Federal.....	122.6	123.2	122.8	122.6	122.9	123.0	123.2	123.8
State and local.....	232.9	236.2	233.4	234.3	235.0	235.7	236.6	237.5
Rest of the world.....	37.0	32.6	35.1	37.1	38.1	30.8	32.7	28.9
<b>Addendum:</b>								
Gross domestic business product less housing.....	2,798.1							

NOTE.—Percent changes from preceding period for selected items in this table are shown in table 8.1.

**Table 1.6.—Relation of Gross National Product, Gross Domestic Purchases, and Final Sales to Domestic Purchasers in Constant Dollars**

[Billions of 1982 dollars]

	1985	1986 <sup>r</sup>	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV <sup>r</sup>
Gross national product.....	3,585.2	3,674.9	3,603.8	3,622.3	3,655.9	3,661.4	3,686.4	3,696.1
Less: Exports of goods and services.....	362.3	371.5	355.8	362.9	369.2	359.8	371.2	385.8
Plus: Imports of goods and services.....	470.5	519.3	469.6	494.8	495.1	513.6	534.5	533.8
<b>Equals: Gross domestic purchases<sup>1</sup>.....</b>	<b>3,693.4</b>	<b>3,822.7</b>	<b>3,717.6</b>	<b>3,754.3</b>	<b>3,781.9</b>	<b>3,815.3</b>	<b>3,849.7</b>	<b>3,844.0</b>
Less: Change in business inventories.....	9.0	6.6	.7	-5.2	39.9	15.1	-.3	-28.5
<b>Equals: Final sales to domestic purchasers<sup>2</sup>.....</b>	<b>3,684.4</b>	<b>3,816.2</b>	<b>3,716.9</b>	<b>3,759.5</b>	<b>3,742.0</b>	<b>3,800.1</b>	<b>3,850.0</b>	<b>3,872.5</b>

1. Purchases in the United States of goods and services wherever produced.  
 2. Final sales in the United States of goods and services wherever produced.  
 NOTE.—Percent changes from preceding period for selected items in this table are shown in table 8.1.

**Table 1.9.—Relation of Gross National Product, Net National Product, National Income, and Personal Income**

[Billions of dollars]

Gross national product.....	3,998.1	4,206.1	4,030.5	4,087.7	4,149.2	4,175.6	4,240.7	4,258.7
Less: Capital consumption allowances with capital consumption adjustment.....	437.2	455.4	441.3	446.7	447.1	453.3	457.6	463.7
Capital consumption allowances without capital consumption adjustment.....	467.3	488.1	474.7	478.5	480.0	483.3	489.4	499.8
Less: Capital consumption adjustment.....	30.1	32.7	33.4	31.9	32.9	30.0	31.8	36.1
<b>Equals: Net national product.....</b>	<b>3,560.9</b>	<b>3,750.6</b>	<b>3,589.3</b>	<b>3,641.0</b>	<b>3,702.1</b>	<b>3,722.3</b>	<b>3,783.1</b>	<b>3,795.0</b>
Less: Indirect business tax and nontax liability.....	331.4	348.6	332.7	337.7	346.7	340.8	354.2	352.8
Business transfer payments.....	20.9	23.2	21.2	21.7	22.3	22.9	23.5	24.1
Statistical discrepancy.....	-5.5	3.2	-5.5	1.6	-3.6	4.6	10.3	1.3
Plus: Subsidies less current surplus of government enterprises.....	8.2	10.6	2.6	7.4	4.1	22.4	1.0	14.8
<b>Equals: National income.....</b>	<b>3,222.3</b>	<b>3,386.2</b>	<b>3,243.4</b>	<b>3,287.3</b>	<b>3,340.7</b>	<b>3,376.4</b>	<b>3,396.1</b>	<b>3,431.5</b>
Less: Corporate profits with inventory valuation and capital consumption adjustments.....	280.7	300.5	296.3	285.6	296.4	293.1	302.0	310.4
Net interest.....	311.4	294.0	309.7	307.6	304.9	297.7	292.9	280.4
Contributions for social insurance.....	355.7	376.0	356.8	362.1	371.5	373.5	376.6	382.5
Wage accruals less disbursements.....	-2	0	0	0	0	0	0	0
Plus: Government transfer payments to persons.....	466.2	490.6	469.9	471.8	482.4	487.2	495.0	497.8
Personal interest income.....	476.2	475.0	475.2	480.6	480.8	480.1	473.8	465.2
Personal dividend income.....	76.4	81.2	76.3	76.7	79.1	81.1	82.0	82.7
Business transfer payments.....	20.9	23.2	21.2	21.7	22.3	22.9	23.5	24.1
<b>Equals: Personal income.....</b>	<b>3,314.5</b>	<b>3,485.7</b>	<b>3,323.2</b>	<b>3,382.9</b>	<b>3,432.6</b>	<b>3,483.3</b>	<b>3,498.8</b>	<b>3,527.9</b>

**Table 1.10.—Relation of Gross National Product, Net National Product, and National Income in Constant Dollars**

[Billions of 1982 dollars]

Gross national product.....	3,585.2	3,674.9	3,603.8	3,622.3	3,655.9	3,661.4	3,686.4	3,696.1
Less: Capital consumption allowances with capital consumption adjustment.....	425.6	441.0	429.4	433.7	434.8	439.1	443.2	447.1
<b>Equals: Net national product.....</b>	<b>3,159.6</b>	<b>3,233.9</b>	<b>3,174.4</b>	<b>3,188.6</b>	<b>3,221.1</b>	<b>3,222.3</b>	<b>3,243.3</b>	<b>3,248.9</b>
Less: Indirect business tax and nontax liability plus business transfer payments less subsidies plus current surplus of government enterprises.....	297.7	313.6	299.3	300.6	303.3	312.7	319.3	319.1
Statistical discrepancy.....	-5.0	2.8	-4.9	1.4	-3.2	4.0	9.1	1.2
<b>Equals: National income.....</b>	<b>2,866.8</b>	<b>2,917.5</b>	<b>2,880.0</b>	<b>2,886.5</b>	<b>2,920.9</b>	<b>2,905.6</b>	<b>2,914.9</b>	<b>2,928.6</b>

Table 1.11 is on the next page.

Table 1.14.—National Income by Type of Income

	[Billions of dollars]							
	1985	1986 <sup>r</sup>	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV <sup>r</sup>
National income .....	3,222.3	3,386.2	3,243.4	3,287.3	3,340.7	3,376.4	3,396.1	3,431.5
Compensation of employees .....	2,368.2	2,498.0	2,380.9	2,423.6	2,461.5	2,480.2	2,507.4	2,542.8
Wages and salaries .....	1,965.8	2,073.5	1,976.0	2,012.8	2,044.1	2,058.8	2,081.1	2,109.8
Government and government enterprises .....	371.9	395.7	374.2	381.6	387.2	392.5	398.4	404.4
Other .....	1,593.9	1,677.8	1,601.8	1,631.1	1,656.8	1,666.3	1,682.7	1,705.4
Supplements to wages and salaries .....	402.4	424.5	404.9	410.9	417.4	421.3	426.3	433.0
Employer contributions for social insurance .....	205.5	215.7	206.1	209.1	212.9	214.1	215.9	220.1
Other labor income .....	196.9	208.8	198.8	201.7	204.5	207.3	210.4	213.0
Proprietors' income with inventory valuation and capital consumption adjustments .....	254.4	278.8	249.3	262.1	265.3	289.1	277.5	283.2
Farm .....	29.2	26.1	21.6	29.4	24.4	39.5	19.6	21.0
Proprietors' income with inventory valuation adjustment .....	38.0	34.3	30.3	37.9	32.7	47.9	27.7	29.0
Capital consumption adjustment .....	-8.8	-8.2	-8.7	-8.5	-8.4	-8.3	-8.2	-8.0
Nonfarm .....	225.2	252.7	227.7	232.7	240.9	249.6	258.0	262.2
Proprietors' income with inventory valuation adjustment .....	193.5	217.6	194.4	199.1	206.6	215.5	222.8	225.6
Capital consumption adjustment .....	-2	-9	1	-3	-4	-1.0	-1.1	-1.0
Rental income of persons with capital consumption adjustment .....	31.9	35.9	33.2	34.0	34.7	35.1	36.2	37.6
Rental income of persons .....	7.6	15.0	7.3	8.3	12.8	16.3	16.2	14.8
Capital consumption adjustment .....	52.4	60.2	53.0	54.7	57.2	61.3	61.5	60.6
Corporate profits with inventory valuation and capital consumption adjustments .....	-44.8	-45.2	-45.7	-46.4	-44.4	-45.1	-45.3	-45.9
Corporate profits with inventory valuation adjustment .....	280.7	300.5	296.3	285.6	296.4	293.1	302.0	310.4
Profits before tax .....	222.6	243.9	235.3	226.4	239.0	238.3	246.5	251.6
Profits tax liability .....	223.2	237.4	229.2	235.8	222.5	227.7	240.4	258.8
Profits after tax .....	91.8	103.4	95.8	96.4	95.7	99.0	104.4	114.6
Dividends .....	131.4	133.9	133.4	139.4	126.9	128.8	135.9	144.2
Undistributed profits .....	81.6	87.8	81.6	82.5	85.2	87.5	88.8	89.7
Inventory valuation adjustment .....	49.8	46.1	51.8	57.0	41.7	41.2	47.2	54.5
Capital consumption adjustment .....	-6	6.5	6.1	-9.4	16.5	10.6	6.1	-7.2
Net interest .....	58.1	56.6	61.0	59.2	57.3	54.8	55.5	58.8
Addenda:	311.4	294.0	309.7	307.6	304.9	297.7	292.9	280.4
Corporate profits after tax with inventory valuation and capital consumption adjustments .....	188.9	197.1	200.5	189.2	200.7	194.2	197.6	195.8
Net cash flow with inventory valuation and capital consumption adjustments .....	375.4	389.6	388.9	380.0	390.8	385.5	390.4	391.6
Undistributed profits with inventory valuation and capital consumption adjustments .....	107.3	109.3	118.8	106.8	115.5	106.6	108.8	106.1
Capital consumption allowances with capital consumption adjustment .....	268.2	280.3	270.1	273.3	275.3	278.9	281.6	285.5
Less: Inventory valuation adjustment .....	-6	6.5	6.1	-9.4	16.5	10.6	6.1	-7.2
Equals: Net cash flow .....	376.0	383.1	382.8	389.4	374.3	374.9	384.3	398.8

Table 1.16.—Gross Domestic Product of Corporate Business in Current Dollars and Gross Domestic Product of Nonfinancial Corporate Business in Current and Constant Dollars

	1985	1986 <sup>r</sup>	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV <sup>r</sup>
			Billions of dollars					
Gross domestic product of corporate business .....	2,414.1	2,529.4	2,441.5	2,459.0	2,501.5	2,506.2	2,541.2	2,568.7
Capital consumption allowances with capital consumption adjustment .....	268.2	280.3	270.1	273.3	275.3	278.9	281.6	285.5
Net domestic product .....	2,145.9	2,249.0	2,171.5	2,185.8	2,226.2	2,227.3	2,259.6	2,283.1
Indirect business tax and nontax liability plus business transfer payments less subsidies .....	230.2	240.7	231.8	235.0	241.8	234.2	244.9	242.0
Domestic income .....	1,915.7	2,008.3	1,939.7	1,950.8	1,984.4	1,993.1	2,014.7	2,041.1
Compensation of employees .....	1,602.8	1,683.2	1,611.0	1,638.4	1,664.7	1,672.0	1,687.7	1,708.4
Wages and salaries .....	1,336.7	1,403.7	1,343.0	1,366.7	1,388.9	1,394.4	1,406.9	1,424.7
Supplements to wages and salaries .....	266.1	279.5	268.0	271.7	275.8	277.6	280.8	283.7
Corporate profits with inventory valuation and capital consumption adjustments .....	248.8	265.0	266.3	250.5	257.9	260.2	267.3	274.4
Profits before tax .....	191.3	201.8	199.2	200.7	184.1	194.8	205.6	222.8
Profits tax liability .....	91.8	103.4	95.8	96.4	95.7	99.0	104.4	114.6
Profits after tax .....	99.5	98.4	103.4	104.3	88.4	95.8	101.2	108.2
Dividends .....	69.4	76.2	68.3	69.9	70.4	82.3	77.0	75.1
Undistributed profits .....	30.2	22.2	35.1	34.3	18.0	13.5	24.2	33.1
Inventory valuation adjustment .....	-6	6.5	6.1	-9.4	16.5	10.6	6.1	-7.2
Capital consumption adjustment .....	58.1	56.6	61.0	59.2	57.3	54.8	55.5	58.8
Net interest .....	64.1	60.2	62.4	61.9	61.8	60.9	59.7	58.4
Gross domestic product of financial corporate business .....	138.9	167.3	140.2	144.9	157.9	164.7	171.2	175.6
Gross domestic product of nonfinancial corporate business .....	2,275.1	2,362.0	2,301.3	2,314.1	2,343.6	2,341.5	2,370.0	2,393.0
Capital consumption allowances with capital consumption adjustment .....	252.2	263.1	253.9	256.8	258.7	261.9	264.2	267.5
Net domestic product .....	2,023.0	2,099.0	2,047.4	2,057.3	2,084.9	2,079.6	2,105.8	2,125.6
Indirect business tax and nontax liability plus business transfer payments less subsidies .....	216.8	226.7	218.2	221.1	227.6	220.1	230.0	229.1
Domestic income .....	1,806.1	1,872.3	1,829.2	1,836.2	1,857.4	1,859.5	1,875.8	1,896.5
Compensation of employees .....	1,491.5	1,555.5	1,498.4	1,523.5	1,542.8	1,545.7	1,557.0	1,576.4
Wages and salaries .....	1,244.1	1,297.4	1,249.4	1,271.0	1,287.4	1,289.2	1,298.2	1,314.8
Supplements to wages and salaries .....	247.4	258.1	249.1	252.5	255.4	256.5	258.9	261.6
Corporate profits with inventory valuation and capital consumption adjustments .....	224.2	230.0	240.8	223.3	225.5	225.9	232.7	235.9
Profits before tax .....	170.3	172.5	177.5	177.5	156.3	165.7	176.8	191.3
Profits tax liability .....	66.5	76.1	70.5	70.3	68.7	71.7	77.9	86.3
Profits after tax .....	103.8	96.4	107.0	107.2	87.6	94.0	98.9	105.1
Dividends .....	74.3	79.4	72.8	74.6	74.8	85.6	79.8	77.5
Undistributed profits .....	29.5	16.9	34.1	32.6	12.8	8.3	19.1	27.6
Inventory valuation adjustment .....	-6	6.5	6.1	-9.4	16.5	10.6	6.1	-7.2
Capital consumption adjustment .....	54.5	51.0	57.2	55.2	52.7	49.7	49.7	51.8
Net interest .....	90.4	86.8	89.9	89.3	89.1	87.3	86.1	84.2
Gross domestic product of nonfinancial corporate business .....	2,105.5	2,145.4	2,124.6	2,127.3	2,141.0	2,135.3	2,142.2	2,163.1
Capital consumption allowances with capital consumption adjustment .....	249.1	259.4	250.6	253.3	255.7	258.3	260.7	263.0
Net domestic product .....	1,856.4	1,886.0	1,874.0	1,874.0	1,885.3	1,877.0	1,881.6	1,900.1
Indirect business tax and nontax liability plus business transfer payments less subsidies .....	189.6	200.2	190.8	191.9	192.9	199.3	204.5	204.0
Domestic income .....	1,666.7	1,685.8	1,683.3	1,682.2	1,692.4	1,677.7	1,677.1	1,696.0



**Table 1.11.—Command-Basis Gross National Product in Constant Dollars**

[Billions of 1982 dollars]

	1985	1986'	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV'
<b>Gross national product</b> .....	3,585.2	3,674.9	3,603.8	3,622.3	3,655.9	3,661.4	3,686.4	3,696.1
<b>Less: Net exports of goods and services</b> .....	-108.2	-147.8	-113.8	-132.0	-125.9	-153.9	-163.3	-148.0
Exports.....	362.3	371.5	355.3	362.9	369.2	359.8	371.2	385.8
Imports.....	470.5	519.3	469.6	494.8	495.1	513.6	534.5	533.8
<b>Equals: Gross domestic purchases</b> .....	3,693.4	3,822.7	3,717.6	3,754.3	3,781.9	3,815.3	3,849.7	3,844.0
<b>Plus: Command-basis net exports of goods and services</b> .....	-82.7	-113.5	-88.1	-110.1	-99.0	-114.8	-121.3	-119.2
Command-basis exports <sup>1</sup> .....	387.8	405.8	381.5	384.8	396.1	398.8	413.2	414.6
Imports.....	470.5	519.3	469.6	494.8	495.1	513.6	534.5	533.8
<b>Equals: Command-basis gross national product</b> .....	3,610.6	3,709.2	3,629.5	3,644.2	3,682.9	3,700.4	3,728.4	3,724.8
<b>Addendum:</b>								
Terms of trade <sup>2</sup> .....	107.0	109.2	107.2	106.1	107.3	110.9	111.4	107.5

1. Exports of goods and services deflated by the implicit price deflator for imports of goods and services.  
 2. Ratio of the implicit price deflator for exports of goods and services to the implicit price deflator for imports of goods and services with the decimal point shifted two places to the right.  
 NOTE.—Percent changes from preceding period for selected items in this table are shown in table 8.1.

**Table 1.19.—Truck Output**

[Billions of dollars]

	1985	1986'	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV'
<b>Truck output<sup>1</sup></b> .....	54.2	56.7	55.5	57.8	54.7	56.5	57.2	58.4
<b>Final sales</b> .....	54.0	56.5	55.1	57.0	49.6	55.8	62.2	58.5
Personal consumption expenditures.....	22.6	26.3	24.2	23.2	21.2	25.4	32.2	26.6
Producers' durable equipment.....	32.3	32.0	31.4	35.2	29.9	32.4	33.6	32.0
Net exports of goods and services.....	-6.7	-7.5	-6.3	-7.4	-7.6	-7.4	-8.8	-6.0
Exports.....	2.7	3.0	2.3	3.0	2.3	3.1	2.8	3.2
Imports.....	9.4	10.4	9.2	10.5	10.4	10.6	11.6	9.2
Government purchases of goods and services.....	5.8	5.7	5.7	6.1	6.1	5.4	5.3	5.9
<b>Change in business inventories</b> .....	.1	.2	.4	.8	5.1	.7	-5.0	-.1

1. Includes new trucks only.

**Table 1.20.—Truck Output in Constant Dollars**

[Billions of 1982 dollars]

	1985	1986'	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV'
<b>Truck output<sup>1</sup></b> .....	49.2	49.4	50.4	51.6	48.4	49.5	49.8	49.8
<b>Final sales</b> .....	49.1	49.2	50.0	50.9	44.0	48.9	54.1	49.9
Personal consumption expenditures.....	20.7	23.1	22.2	21.0	19.0	22.4	28.1	22.9
Producers' durable equipment.....	29.3	27.7	28.4	31.2	26.4	28.3	29.0	27.2
Net exports of goods and services.....	-6.1	-6.5	-5.8	-6.7	-6.8	-6.6	-7.7	-5.1
Exports.....	2.5	2.6	2.6	2.7	2.5	2.7	2.4	2.7
Imports.....	8.6	9.1	8.3	9.4	9.3	9.3	10.1	7.9
Government purchases of goods and services.....	5.3	4.9	5.2	5.4	5.4	4.8	4.6	5.0
<b>Change in business inventories</b> .....	.1	.2	.4	.7	4.4	.6	-4.2	-.1

1. Includes new trucks only.

**Table 1.17.—Auto Output**

[Billions of dollars]

	1985	1986'	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV'
<b>Auto output</b> .....	114.1	114.8	116.9	113.3	113.2	112.7	112.0	121.4
<b>Final sales</b> .....	110.1	112.9	123.1	100.6	105.3	106.2	126.8	113.3
Personal consumption expenditures.....	115.3	123.5	126.4	111.6	111.1	115.2	140.1	127.6
New autos.....	87.2	99.7	99.5	82.7	85.7	90.8	118.3	103.8
Net purchases of used autos.....	28.1	23.8	26.9	28.9	25.4	24.4	21.8	23.8
Producers' durable equipment.....	23.2	26.7	26.6	22.6	24.1	26.6	28.0	28.0
New autos.....	42.7	45.6	47.5	39.7	41.7	45.8	48.0	46.9
Net purchases of used autos.....	-19.5	-18.9	-21.0	-17.1	-17.6	-19.3	-20.0	-18.8
Net exports of goods and services.....	-30.0	-39.0	-31.3	-35.3	-32.1	-37.1	-42.7	-44.1
Exports.....	6.1	6.3	6.4	6.2	6.6	6.6	6.1	5.9
Imports.....	36.1	45.3	37.7	41.4	38.7	43.7	48.8	50.1
Government purchases of goods and services.....	1.6	1.8	1.4	1.6	2.2	1.5	1.5	1.8
<b>Change in business inventories of new and used autos</b> .....	4.0	1.9	-6.2	12.7	7.9	6.5	-14.8	8.1
New.....	4.1	-6	-9.0	16.4	7.8	3.5	-20.8	7.1
Used.....	-1	2.5	2.8	-3.7	.1	3.0	5.9	1.0
<b>Addenda:</b>								
Domestic output of new autos <sup>1</sup> .....	95.3	98.2	96.3	94.8	98.8	95.7	94.4	104.0
Sales of imported new autos <sup>2</sup> .....	45.0	52.7	49.7	49.5	44.7	48.3	57.4	60.2

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

**Table 1.18.—Auto Output in Constant Dollars**

[Billions of 1982 dollars]

	1985	1986'	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV'
<b>Auto output</b> .....	104.6	102.4	107.6	102.7	103.2	101.6	98.3	106.4
<b>Final sales</b> .....	101.5	102.5	113.4	92.0	97.1	97.3	115.1	100.6
Personal consumption expenditures.....	103.3	108.0	113.9	99.4	98.7	101.5	122.4	109.5
New autos.....	80.1	87.6	91.2	75.0	77.2	80.5	103.6	89.3
Net purchases of used autos.....	23.2	20.4	22.7	24.3	21.5	21.0	18.8	20.2
Producers' durable equipment.....	24.1	24.7	26.9	22.5	23.7	25.1	25.4	24.6
New autos.....	39.2	40.1	43.6	36.0	37.5	40.6	42.0	40.3
Net purchases of used autos.....	-15.1	-15.4	-16.6	-13.5	-13.8	-15.6	-16.6	-15.7
Net exports of goods and services.....	-27.5	-31.8	-28.8	-31.4	-27.4	-30.6	-34.1	-35.2
Exports.....	5.4	5.4	5.7	5.5	5.8	5.7	5.1	5.0
Imports.....	32.9	37.2	34.5	36.9	33.2	36.3	39.2	40.1
Government purchases of goods and services.....	1.5	1.6	1.4	1.5	2.1	1.4	1.4	1.6
<b>Change in business inventories of new and used autos</b> .....	3.1	-.1	-5.8	10.7	6.1	4.3	-16.8	5.9
New.....	3.2	-2.2	-8.0	13.6	6.0	1.8	-21.7	5.0
Used.....	-1	2.1	2.3	-3.0	.1	2.4	4.9	.8
<b>Addenda:</b>								
Domestic output of new autos <sup>1</sup> .....	87.0	85.3	88.5	85.1	88.6	84.2	80.0	88.5
Sales of imported new autos <sup>2</sup> .....	41.3	46.3	45.6	45.0	40.3	42.8	50.3	51.8

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

Table 2.1.—Personal Income and Its Disposition

	[Billions of dollars]							
	1985	1986 <sup>r</sup>	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV <sup>r</sup>
<b>Personal income</b> .....	3,314.5	3,485.7	3,323.2	3,382.9	3,432.6	3,483.3	3,498.8	3,527.9
<b>Wage and salary disbursements</b> .....	1,966.1	2,073.5	1,976.0	2,012.8	2,044.1	2,058.8	2,081.1	2,109.8
Commodity-producing industries.....	607.7	623.2	608.3	617.7	622.0	620.8	621.8	628.3
Manufacturing.....	460.1	471.2	460.7	467.5	470.5	468.8	470.0	475.4
Distributive industries.....	469.8	487.9	472.4	478.9	485.2	484.3	488.3	493.9
Service industries.....	516.4	566.7	521.1	534.6	549.6	561.3	572.6	583.2
Government and government enterprises.....	372.2	395.7	374.2	381.6	387.2	392.5	398.4	404.4
<b>Other labor income</b> .....	196.9	208.8	198.8	201.7	204.5	207.3	210.4	213.0
<b>Proprietors' income with inventory valuation and capital consumption adjustments</b> .....	254.4	278.8	249.3	262.1	265.3	289.1	277.5	283.2
Farm.....	29.2	26.1	21.6	29.4	24.4	39.5	19.6	21.0
Nonfarm.....	225.2	252.7	227.7	232.7	240.9	249.6	258.0	262.2
<b>Rental income of persons with capital consumption adjustment</b> .....	7.6	15.0	7.3	8.3	12.8	16.3	16.2	14.8
<b>Personal dividend income</b> .....	76.4	81.2	76.3	76.7	79.1	81.1	82.0	82.7
<b>Personal interest income</b> .....	476.2	475.0	475.2	480.6	480.8	480.1	473.8	465.2
<b>Transfer payments</b> .....	487.1	513.8	491.1	493.6	504.7	510.1	518.5	521.8
Old-age, survivors, disability, and health insurance benefits.....	253.4	266.8	256.5	256.8	263.2	264.1	269.6	270.2
Government unemployment insurance benefits.....	15.7	16.3	15.1	15.3	15.5	16.3	16.9	16.5
Veterans benefits.....	16.7	16.8	16.7	16.4	17.0	17.0	16.7	16.4
Government employees retirement benefits.....	66.6	70.6	67.0	68.0	69.1	70.1	71.0	72.1
Other transfer payments.....	134.6	143.4	135.9	137.1	140.0	142.7	144.3	146.7
Aid to families with dependent children.....	15.4	16.2	15.6	15.7	16.0	16.2	16.3	16.4
Other.....	119.2	127.2	120.3	121.3	124.0	126.5	127.9	130.2
<b>Less: Personal contributions for social insurance</b> .....	150.2	160.3	150.7	152.9	158.6	159.5	160.8	162.4
<b>Less: Personal tax and nontax payments</b> .....	486.5	514.1	491.2	500.7	497.5	504.8	519.0	534.9
<b>Equals: Disposable personal income</b> .....	2,828.0	2,971.6	2,832.0	2,882.2	2,935.1	2,978.5	2,979.9	2,993.0
<b>Less: Personal outlays</b> .....	2,684.7	2,857.4	2,712.4	2,756.4	2,789.4	2,825.5	2,895.8	2,918.8
<b>Personal consumption expenditures</b> .....	2,600.5	2,762.5	2,627.1	2,667.9	2,697.9	2,732.0	2,799.8	2,820.4
Interest paid by consumers to business.....	82.6	93.5	83.8	87.0	89.8	92.3	94.9	96.9
Personal transfer payments to foreigners (net).....	1.6	1.4	1.5	1.6	1.7	1.2	1.2	1.4
<b>Equals: Personal saving</b> .....	143.3	114.2	119.6	125.8	145.6	153.1	84.1	74.2
<b>Addenda:</b>								
<b>Disposable personal income: Total, billions of 1982 dollars</b> .....	2,528.0	2,602.0	2,524.7	2,540.7	2,581.2	2,625.8	2,605.5	2,595.4
<b>Per capita:</b>								
Current dollars.....	11,817	12,304	11,819	11,999	12,193	12,348	12,324	12,348
1982 dollars.....	10,563	10,773	10,537	10,577	10,723	10,886	10,776	10,708
<b>Population (mid-period, millions)</b> .....	239.3	241.5	239.6	240.2	240.7	241.2	241.8	242.4
<b>Personal saving as percentage of disposable personal income</b> .....	5.1	3.8	4.2	4.4	5.0	5.1	2.8	2.5

Note.—Percent changes from preceding period for selected items in this table are shown in table 8.1.

Table 2.2.—Personal Consumption Expenditures by Major Type of Product

	[Billions of dollars]							
	1985	1986 <sup>r</sup>	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV <sup>r</sup>
<b>Personal consumption expenditures</b> .....	2,600.5	2,762.5	2,627.1	2,667.9	2,697.9	2,732.0	2,799.8	2,820.4
<b>Durable goods</b> .....	359.3	388.1	373.3	362.0	360.8	373.9	414.5	403.1
Motor vehicles and parts.....	169.2	181.7	182.8	166.4	163.5	172.0	204.7	186.6
Furniture and household equipment.....	126.8	137.3	126.8	130.9	132.1	135.8	140.0	141.2
Other.....	63.3	69.1	63.7	64.7	65.3	66.0	69.8	75.3
<b>Nondurable goods</b> .....	905.1	932.7	907.4	922.6	929.7	928.4	932.8	940.1
Food.....	469.3	492.8	470.4	477.4	484.6	490.3	494.0	502.1
Clothing and shoes.....	155.2	164.9	155.4	158.7	161.3	165.0	166.6	166.8
Gasoline and oil.....	91.9	78.6	92.4	93.0	87.6	78.1	74.2	74.3
Other nondurable goods.....	188.7	196.5	189.1	193.5	196.2	194.9	198.0	196.9
Fuel oil and coal.....	15.7	13.9	15.5	16.2	14.9	13.7	13.7	13.3
Other.....	172.9	182.6	173.6	177.3	181.3	181.2	184.3	183.6
<b>Services</b> .....	1,336.1	1,441.7	1,346.4	1,383.2	1,407.4	1,429.8	1,452.4	1,477.2
Housing.....	403.9	438.4	408.6	417.4	424.8	434.7	442.8	451.6
Household operation.....	175.0	178.4	175.1	178.3	174.3	177.6	181.7	180.1
Electricity and gas.....	89.9	87.6	88.7	91.3	86.3	86.9	89.2	87.9
Other.....	85.1	90.8	86.4	87.0	88.0	90.6	92.5	92.2
Transportation.....	88.7	96.0	88.9	90.9	93.5	95.0	96.8	98.6
Medical care.....	290.1	316.0	291.5	302.5	307.9	312.3	318.1	325.6
Other.....	378.4	412.9	382.1	394.1	406.9	410.3	413.0	421.4

Table 2.3.—Personal Consumption Expenditures by Major Type of Product in Constant Dollars

	[Billions of 1982 dollars]							
	1985	1986 <sup>r</sup>	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV <sup>r</sup>
<b>Personal consumption expenditures</b> .....	2,324.5	2,418.7	2,342.0	2,351.7	2,372.7	2,408.4	2,448.0	2,445.8
<b>Durable goods</b> .....	343.9	368.6	357.4	347.0	345.4	357.1	391.6	380.4
Motor vehicles and parts.....	156.2	163.6	168.9	152.9	149.6	156.0	183.5	165.3
Furniture and household equipment.....	127.7	140.5	128.4	133.0	134.3	139.1	143.3	145.2
Other.....	59.9	64.6	60.1	61.2	61.5	62.1	64.9	70.0
<b>Nondurable goods</b> .....	841.6	872.1	843.8	847.2	860.6	877.3	875.4	875.1
Food.....	423.4	440.5	435.3	435.1	441.1	444.2	437.9	438.7
Clothing and shoes.....	146.0	155.6	146.5	147.5	152.4	157.1	157.7	155.3
Gasoline and oil.....	95.7	104.9	95.6	96.4	96.9	105.4	107.3	110.2
Other nondurable goods.....	166.5	171.1	166.4	168.2	170.2	170.5	172.6	170.9
Fuel oil and coal.....	17.0	18.7	17.1	17.0	17.0	18.3	19.9	19.6
Other.....	149.5	152.4	149.3	151.2	153.2	152.3	152.7	151.4
<b>Services</b> .....	1,139.0	1,178.0	1,140.8	1,157.5	1,166.6	1,174.0	1,181.0	1,190.2
Housing.....	342.7	351.4	343.8	345.5	347.6	350.2	352.6	355.1
Household operation.....	151.4	150.9	150.3	153.6	148.5	150.1	152.4	152.6
Electricity and gas.....	73.3	76.6	76.9	80.1	75.1	75.8	77.4	78.0
Other.....	73.1	74.4	73.5	73.5	73.4	74.3	75.1	74.7
Transportation.....	81.0	85.0	81.4	82.6	83.3	84.3	86.0	86.3
Medical care.....	237.8	245.9	238.0	241.3	243.0	245.0	246.7	248.8
Other.....	326.2	344.9	327.2	334.5	344.3	344.5	343.2	347.4

Table 3.2.—Federal Government Receipts and Expenditures

[Billions of dollars]

	1985	1986 <sup>1</sup>	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV <sup>2</sup>
<b>Receipts</b> .....	786.8	826.8	792.6	805.8	806.6	813.5	833.1	854.2
Personal tax and nontax receipts <sup>1</sup> .....	345.6	361.9	349.6	355.6	350.3	355.5	365.8	376.1
Income taxes.....	338.4	354.0	342.1	348.6	343.1	347.1	357.7	368.1
Estate and gift taxes.....	6.5	7.1	6.8	6.3	6.4	7.6	7.4	7.0
Nontaxes.....	7	9	7	8	8	8	8	1.0
Corporate profits tax accruals.....	73.6	83.7	76.8	77.2	77.8	80.1	84.3	92.7
Federal Reserve banks.....	17.8	15.9	17.5	17.3	16.6	15.8	15.2	15.7
Other.....	55.8	67.9	59.3	59.9	61.1	64.3	69.1	77.0
Indirect business tax and nontax accruals <sup>2</sup> .....	56.1	52.3	53.9	56.0	52.7	50.7	53.4	52.5
Excise taxes.....	35.5	31.8	35.2	36.6	32.9	31.1	31.5	31.7
Customs duties.....	12.2	13.6	12.0	12.6	13.1	13.3	14.2	13.9
Nontaxes.....	8.4	6.8	6.8	6.8	6.6	6.3	7.6	6.9
Contributions for social insurance.....	311.5	328.9	312.2	317.0	325.8	327.2	329.6	332.9
<b>Expenditures</b> .....	984.9	1,030.3	990.1	1,023.4	1,001.5	1,045.7	1,030.5	1,043.4
Purchases of goods and services.....	354.1	366.2	360.9	380.9	355.7	367.6	369.3	372.1
National defense.....	259.4	277.6	265.5	268.0	266.4	278.4	286.8	278.8
Nondefense.....	94.7	88.6	95.5	112.9	89.3	89.2	82.6	93.3
Transfer payments.....	380.3	397.7	384.1	385.9	389.3	396.7	408.0	401.8
To persons.....	367.0	383.9	369.6	370.4	378.8	381.6	387.5	387.5
To foreigners.....	13.4	13.8	14.5	15.4	10.5	15.0	15.5	14.3
Grants-in-aid to State and local governments.....	99.0	105.6	100.2	101.6	103.5	106.9	108.0	104.1
Net interest paid.....	130.5	135.9	129.8	133.9	135.0	138.1	134.7	135.9
Interest paid.....	152.1	158.1	152.3	155.7	157.8	160.2	157.8	156.7
To persons and business.....	130.8	135.7	130.8	134.2	134.9	138.0	135.0	135.0
To foreigners.....	21.3	22.4	21.5	21.5	22.8	22.2	22.8	21.7
Less: Interest received by government.....	21.6	22.2	22.5	21.8	22.8	22.1	23.0	20.8
Subsidies less current surplus of government enterprises.....	20.7	24.9	15.1	21.1	18.0	36.5	15.4	29.5
Subsidies.....	22.2	26.4	17.1	19.5	19.6	38.7	20.9	26.4
Less: Current surplus of government enterprises.....	1.5	1.5	2.0	-1.6	1.6	2.2	5.5	-3.1
Less: Wage accruals less disbursements.....	-2	0	0	0	0	0	0	0
<b>Surplus or deficit (-), national income and product accounts</b> .....	-198.0	-203.4	-197.5	-217.6	-195.0	-232.2	-197.4	-189.2
Social insurance funds.....	11.0	19.2	9.7	15.1	18.5	19.3	17.3	21.8
Other.....	-209.1	-222.7	-207.2	-232.7	-213.5	-251.5	-214.6	-211.0

Table 3.3.—State and Local Government Receipts and Expenditures

[Billions of dollars]

	1985	1986 <sup>1</sup>	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV <sup>2</sup>
<b>Receipts</b> .....	577.5	620.9	584.2	592.7	608.3	611.5	629.1	634.8
Personal tax and nontax receipts.....	140.9	152.1	141.6	145.1	147.2	149.3	153.1	158.9
Income taxes.....	72.2	76.9	72.1	74.0	74.5	74.9	77.1	81.2
Nontaxes.....	56.8	62.5	57.5	59.0	60.4	61.8	63.2	64.5
Other.....	11.8	12.7	12.1	12.1	12.4	12.6	12.8	13.1
Corporate profits tax accruals.....	18.2	19.7	19.0	19.2	17.9	18.8	20.1	21.9
Indirect business tax and nontax accruals.....	275.4	296.3	278.8	281.8	294.1	290.1	300.8	300.4
Sales taxes.....	129.0	138.1	131.2	131.4	133.4	135.7	141.4	141.7
Property taxes.....	107.2	115.6	108.2	110.4	112.5	114.6	116.6	118.8
Other.....	39.1	42.6	39.4	39.9	48.1	39.8	42.7	39.9
Contributions for social insurance.....	44.2	47.1	44.5	45.1	45.7	46.3	47.0	49.5
Federal grants-in-aid.....	99.0	105.6	100.2	101.6	103.5	106.9	108.0	104.1
<b>Expenditures</b> .....	515.8	557.9	524.7	530.2	538.5	552.6	565.1	575.4
Purchases of goods and services.....	461.3	498.0	468.8	474.7	480.9	493.3	504.7	513.2
Compensation of employees.....	230.1	300.8	282.8	287.8	292.6	297.8	302.9	309.8
Other.....	181.1	197.2	186.0	186.9	188.3	195.5	201.8	203.3
Transfer payments to persons.....	99.2	106.7	100.4	101.4	103.6	105.6	107.5	110.2
Net interest paid.....	-26.9	-26.0	-26.6	-26.4	-26.1	-25.7	-25.9	-26.2
Interest paid.....	42.6	48.4	43.3	44.8	46.2	47.6	49.1	50.6
Less: Interest received by government.....	69.5	74.4	69.9	71.2	72.2	73.4	75.0	76.9
Less: Dividends received by government.....	5.2	6.6	5.4	5.7	6.1	6.4	6.8	7.0
Subsidies less current surplus of government enterprises.....	-12.6	-14.3	-12.5	-13.7	-13.9	-14.1	-14.4	-14.7
Subsidies.....	7	8	7	7	8	8	8	9
Less: Current surplus of government enterprises.....	13.2	15.1	13.2	14.5	14.7	14.9	15.2	15.6
Less: Wage accruals less disbursements.....	0	0	0	0	0	0	0	0
<b>Surplus or deficit (-), national income and product accounts</b> .....	61.7	63.0	59.5	62.5	69.9	58.9	64.0	59.4
Social insurance funds.....	52.7	55.8	53.1	53.7	54.3	55.0	55.7	58.3
Other.....	9.0	7.2	6.5	8.8	15.6	3.9	8.3	1.0

Table 3.7B.—Government Purchases of Goods and Services by Type

[Billions of dollars]

	1985	1986 <sup>1</sup>	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV <sup>2</sup>
<b>Government purchases of goods and services</b> .....	815.4	864.2	829.7	855.6	836.7	860.8	874.0	885.3
<b>Federal</b> .....	354.1	366.2	360.9	380.9	355.7	367.6	369.3	372.1
National defense.....	259.4	277.6	265.5	268.0	266.4	278.4	286.8	278.8
Durable goods.....	74.9	82.5	78.9	76.6	75.7	83.6	86.3	84.3
Nondurable goods.....	12.2	10.9	13.0	11.8	11.8	11.0	10.5	10.1
Services.....	166.1	177.5	166.6	173.4	172.5	177.3	182.4	177.6
Compensation of employees.....	101.1	104.6	100.8	103.4	103.9	104.4	104.7	105.5
Military.....	67.8	70.4	67.4	69.7	70.0	70.3	70.5	71.0
Civilian.....	33.3	34.2	33.4	33.7	33.8	34.1	34.3	34.5
Other services.....	65.0	72.9	65.8	70.0	68.7	72.9	77.7	72.1
Structures.....	6.1	6.8	7.0	6.1	6.3	6.5	7.6	6.7
Nondefense.....	94.7	88.6	95.5	112.9	89.3	89.2	82.6	93.3
Durable goods.....	4.1	4.2	3.9	4.5	4.3	4.3	4.2	4.1
Nondurable goods.....	17.2	10.8	17.5	33.2	11.1	11.2	5.1	15.9
Commodity Credit Corporation inventory change.....	11.3	5.3	11.4	28.7	5.6	5.5	-4	10.4
Other nondurables.....	5.9	5.5	6.1	4.5	5.5	5.7	5.5	5.5
Services.....	66.0	66.6	66.5	68.0	66.7	66.4	66.7	66.6
Compensation of employees.....	39.6	40.5	39.7	40.0	40.2	40.3	40.5	40.8
Other services.....	26.4	26.2	26.8	28.0	26.5	26.1	26.2	25.8
Structures.....	7.4	6.9	7.5	7.2	7.2	7.2	6.5	6.7
<b>State and local</b> .....	461.3	498.0	468.8	474.7	480.9	493.3	504.7	513.2
Durable goods.....	20.8	22.7	20.9	21.5	21.9	22.4	22.9	23.6
Nondurable goods.....	38.7	37.4	38.7	40.0	38.7	36.7	36.6	37.6
Services.....	348.3	375.9	351.9	358.6	365.4	372.0	378.8	387.4
Compensation of employees.....	280.1	300.8	282.8	287.8	292.6	297.8	302.9	309.8
Other services.....	68.2	75.1	69.1	70.8	72.7	74.3	76.0	77.6
Structures.....	53.5	62.0	57.3	54.6	55.0	62.1	66.4	64.6

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

[Billions of 1982 dollars]

	1985	1986 <sup>1</sup>	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV <sup>2</sup>
<b>Government purchases of goods and services</b> .....	721.2	746.8	731.8	749.4	725.2	742.2	750.4	769.3
<b>Federal</b> .....	323.6	332.2	329.9	347.2	320.4	328.9	330.9	348.6
National defense.....	235.7	250.0	242.2	239.3	238.7	249.3	259.4	252.5
Durable goods.....	70.4	77.2	74.6	70.8	71.3	77.1	81.0	79.6
Nondurable goods.....	13.6	14.6	14.4	13.1	13.3	14.5	15.5	15.1
Services.....	146.3	152.3	146.9	150.0	148.5	152.1	156.4	152.0
Compensation of employees.....	88.3	88.8	88.5	88.4	88.6	88.6	88.8	89.2
Military.....	59.5	59.7	59.6	59.5	59.6	59.5	59.7	60.0
Civilian.....	28.9	29.1	28.9	28.9	28.9	29.1	29.1	29.2
Other services.....	58.0	63.4	58.4	61.6	60.0	63.5	67.6	62.8
Structures.....	5.5	5.9	6.3	5.4	5.6	5.7	6.5	5.8
Nondefense.....	87.8	82.2	87.6	107.9	81.7	79.5	71.5	96.1
Durable goods.....	4.6	5.3	4.5	5.2	5.2	5.4	5.4	5.3
Nondurable goods.....	18.2	13.0	17.7	36.6	11.8	10.0	2.6	27.5
Commodity Credit Corporation inventory change.....	12.3	7.7	11.5	32.3	6.4	4.5	-2.5	22.2
Other nondurables.....	5.9	5.3	6.2	4.3	5.4	5.4	5.1	5.3
Services.....	58.2	57.7	58.5	59.5	58.1	57.6	57.7	57.3
Compensation of employees.....	34.3	34.4	34.3	34.3	34.3	34.4	34.4	34.6
Other services.....	23.9	23.3	24.2	25.2	23.8	23.3	23.3	22.7
Structures.....	6.8	6.3	7.0	6.6	6.6	6.6	5.9	6.1
<b>State and local</b> .....	397.6	414.6	401.9	402.2	404.8	413.3	419.5	420.7
Durable goods.....	19.5	20.9	19.7	20.1	20.4	20.7	21.1	21.4
Nondurable goods.....	39.0	41.5	39.5	40.1	40.6	41.2	41.8	42.4
Services.....	290.9	297.4	291.8	293.6	295.0	296.5	298.2	299.9
Compensation of employees.....	232.9	236.2	233.4	234.3	235.0	235.7	236.6	

Table 3.9.—National Defense Purchases of Goods and Services

[Billions of dollars]

	1985	1986 <sup>r</sup>	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV <sup>r</sup>
<b>National defense purchases</b> .....	<b>259.4</b>	<b>277.6</b>	<b>265.5</b>	<b>268.0</b>	<b>266.4</b>	<b>278.4</b>	<b>286.8</b>	<b>278.8</b>
<b>Durable goods</b> .....	<b>74.9</b>	<b>82.5</b>	<b>78.9</b>	<b>76.6</b>	<b>75.7</b>	<b>83.6</b>	<b>86.3</b>	<b>84.3</b>
Military equipment.....	64.0	70.8	67.5	65.6	64.2	71.6	74.4	73.0
Aircraft.....	25.9	31.6	25.0	28.1	28.1	30.6	32.4	35.4
Missiles.....	9.7	12.2	10.2	10.4	10.7	13.2	13.3	11.8
Ships.....	8.5	8.7	9.0	8.8	8.0	9.1	9.3	8.3
Vehicles.....	4.7	4.9	5.2	4.4	4.5	4.9	4.9	5.4
Electronic equipment.....	4.9	5.0	5.4	4.9	4.6	5.0	5.0	5.4
Other.....	10.4	8.3	12.7	9.0	8.3	8.7	9.5	6.7
Other durable goods.....	10.9	11.7	11.4	11.0	11.6	12.0	11.9	11.4
<b>Nondurable goods</b> .....	<b>12.2</b>	<b>10.9</b>	<b>13.0</b>	<b>11.8</b>	<b>11.8</b>	<b>11.0</b>	<b>10.5</b>	<b>10.1</b>
Petroleum products.....	6.6	4.3	7.2	6.2	6.3	4.1	3.5	3.3
Ammunition.....	3.2	4.0	3.3	3.2	3.2	4.3	4.4	4.3
Other nondurable goods.....	2.4	2.5	2.5	2.4	2.3	2.6	2.6	2.5
<b>Services</b> .....	<b>166.1</b>	<b>177.5</b>	<b>166.6</b>	<b>173.4</b>	<b>172.5</b>	<b>177.3</b>	<b>182.4</b>	<b>177.6</b>
Compensation of employees.....	101.1	104.6	100.8	103.4	103.9	104.4	104.7	105.5
Military.....	67.8	70.4	67.4	69.7	70.0	70.3	70.5	71.0
Civilian.....	33.3	34.2	33.4	33.7	33.8	34.1	34.3	34.5
Other services.....	65.0	72.9	65.8	70.0	68.7	72.9	77.7	72.1
Contractual research and development.....	27.3	31.7	27.7	29.7	28.7	32.2	33.9	31.9
Installation support <sup>1</sup> .....	16.9	18.0	17.1	17.2	17.4	17.8	19.2	17.5
Weapons support <sup>2</sup> .....	7.5	8.2	7.7	8.2	7.7	7.8	8.9	8.1
Personnel support <sup>3</sup> .....	5.7	7.2	6.3	6.8	6.9	7.0	8.1	6.9
Transportation of materiel.....	3.8	4.0	3.6	4.3	4.1	3.9	4.1	3.9
Travel of persons.....	3.5	3.6	3.6	3.7	3.4	3.6	3.8	3.6
Other.....	.2	.2	-.1	.2	.5	.5	-.3	.2
<b>Structures</b> .....	<b>6.1</b>	<b>6.8</b>	<b>7.0</b>	<b>6.1</b>	<b>6.3</b>	<b>6.5</b>	<b>7.6</b>	<b>6.7</b>
Military facilities.....	3.5	4.1	4.0	3.7	3.6	3.7	4.9	4.3
Other.....	2.6	2.7	3.0	2.4	2.8	2.7	2.6	2.5

1. Includes utilities, communications, rental payments, maintenance and repair, and payments to contractors to operate installations.
2. Includes depot maintenance and contractual services for weapons systems, other than research and development.
3. Includes compensation of foreign personnel, consulting, training, and education.

Table 4.1.—Foreign Transactions in the National Income and Product Accounts

[Billions of dollars]

	1985	1986 <sup>r</sup>	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV <sup>r</sup>
<b>Receipts from foreigners</b> .....	<b>369.8</b>	<b>373.0</b>	<b>362.3</b>	<b>368.2</b>	<b>374.8</b>	<b>363.0</b>	<b>370.8</b>	<b>383.5</b>
<b>Exports of goods and services</b> .....	<b>369.8</b>	<b>373.0</b>	<b>362.3</b>	<b>368.2</b>	<b>374.8</b>	<b>363.0</b>	<b>370.8</b>	<b>383.5</b>
Merchandise.....	219.6	220.2	215.0	216.2	219.7	212.5	219.2	229.6
Durable goods.....	133.3	136.0	132.8	131.0	133.3	132.5	136.1	142.1
Nondurable goods.....	86.3	84.2	82.2	85.2	86.3	79.9	83.1	87.4
Services.....	150.2	152.8	147.4	152.0	155.2	150.6	151.6	153.9
Factor income <sup>1</sup> .....	91.2	89.0	89.4	92.3	94.7	88.2	87.3	86.0
Other.....	58.9	63.8	57.9	59.7	60.5	62.4	64.3	67.9
Capital grants received by the United States (net).....	0	0	0	0	0	0	0	0
Payments to foreigners.....	369.8	373.0	362.3	368.2	374.8	363.0	370.8	383.5
<b>Imports of goods and services</b> .....	<b>448.6</b>	<b>477.3</b>	<b>446.0</b>	<b>473.6</b>	<b>468.5</b>	<b>467.5</b>	<b>479.7</b>	<b>493.7</b>
Merchandise.....	341.7	368.4	339.2	363.8	358.9	358.9	372.7	383.0
Durable goods.....	204.4	238.4	204.1	215.9	224.4	235.5	243.8	249.9
Nondurable goods.....	137.3	130.0	135.1	147.9	134.5	123.4	128.9	133.1
Services.....	106.9	109.0	106.8	109.8	109.6	108.7	106.9	110.7
Factor income <sup>1</sup> .....	50.1	51.9	50.3	50.5	51.5	53.3	49.9	53.0
Other.....	56.9	57.1	56.4	59.3	58.1	55.4	57.0	57.7
Transfer payments (net).....	15.0	15.2	16.0	17.0	12.2	16.3	16.6	15.7
From persons (net).....	1.6	1.4	1.5	1.6	1.7	1.2	1.2	1.4
From government (net).....	13.4	13.8	14.5	15.4	10.5	15.0	15.5	14.3
Interest paid by government to foreigners.....	21.3	22.4	21.5	21.5	22.8	22.2	22.8	21.7
<b>Net foreign investment</b> .....	<b>-115.2</b>	<b>-141.9</b>	<b>-121.2</b>	<b>-143.8</b>	<b>-128.6</b>	<b>-143.0</b>	<b>-148.3</b>	<b>-147.7</b>

1. Line 7 less line 16 equals rest-of-the-world product as shown in table 1.7.

Table 3.10.—National Defense Purchases of Goods and Services in Constant Dollars

[Billions of 1982 dollars]

	1985	1986 <sup>r</sup>	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV <sup>r</sup>
<b>National defense purchases</b> .....	<b>235.7</b>	<b>250.0</b>	<b>242.2</b>	<b>239.3</b>	<b>238.7</b>	<b>249.3</b>	<b>259.4</b>	<b>252.5</b>
<b>Durable goods</b> .....	<b>70.4</b>	<b>77.2</b>	<b>74.6</b>	<b>70.8</b>	<b>71.3</b>	<b>77.1</b>	<b>81.0</b>	<b>79.6</b>
Military equipment.....	58.8	63.6	62.5	58.6	58.0	63.2	67.0	66.1
Aircraft.....	22.6	26.3	22.0	23.3	23.4	24.4	27.5	29.8
Missiles.....	9.2	11.9	9.9	9.9	10.5	12.6	12.5	12.2
Ships.....	7.5	7.6	7.9	7.7	6.9	7.9	8.2	7.3
Vehicles.....	5.3	5.3	5.8	4.6	5.0	5.4	5.3	5.7
Electronic equipment.....	4.6	4.7	5.1	4.6	4.3	4.7	4.7	5.0
Other.....	9.7	7.8	11.8	8.5	7.8	8.2	8.9	6.2
Other durable goods.....	11.6	13.7	12.1	12.2	13.2	14.0	14.0	13.4
<b>Nondurable goods</b> .....	<b>13.6</b>	<b>14.6</b>	<b>14.4</b>	<b>13.1</b>	<b>13.3</b>	<b>14.5</b>	<b>15.5</b>	<b>15.1</b>
Petroleum products.....	8.4	8.5	9.1	7.9	8.1	8.0	9.0	8.8
Ammunition.....	2.9	3.8	3.0	2.9	3.0	4.1	4.2	4.1
Other nondurable goods.....	2.2	2.3	2.3	2.2	2.1	2.4	2.4	2.2
<b>Services</b> .....	<b>146.3</b>	<b>152.3</b>	<b>146.9</b>	<b>150.0</b>	<b>148.5</b>	<b>152.1</b>	<b>156.4</b>	<b>152.0</b>
Compensation of employees.....	88.3	88.8	88.5	88.4	88.6	88.6	88.8	89.2
Military.....	59.5	59.7	59.6	59.5	59.6	59.5	59.7	60.0
Civilian.....	28.9	29.1	28.9	28.9	28.9	29.1	29.1	29.2
Other services.....	58.0	63.4	58.4	61.6	60.0	63.5	67.6	62.8
Contractual research and development.....	24.1	27.6	24.4	26.0	24.9	28.1	29.6	27.9
Installation support <sup>1</sup> .....	14.4	14.9	14.5	14.5	14.5	14.7	15.9	14.6
Weapons support <sup>2</sup> .....	6.7	7.2	6.8	7.2	6.8	6.9	7.9	7.2
Personnel support <sup>3</sup> .....	5.2	5.9	5.6	5.8	5.7	5.7	6.6	5.5
Transportation of materiel.....	3.9	4.1	3.6	4.4	4.1	4.0	4.2	3.9
Travel of persons.....	3.4	3.6	3.5	3.6	3.4	3.6	3.8	3.5
Other.....	.2	.2	-.1	.1	.4	.4	-.3	.1
<b>Structures</b> .....	<b>5.5</b>	<b>5.9</b>	<b>6.3</b>	<b>5.4</b>	<b>5.6</b>	<b>5.7</b>	<b>6.5</b>	<b>5.8</b>
Military facilities.....	3.2	3.5	3.5	3.3	3.1	3.3	4.2	3.6
Other.....	2.4	2.3	2.8	2.2	2.5	2.4	2.3	2.2

1. Includes utilities, communications, rental payments, maintenance and repair, and payments to contractors to operate installations.
2. Includes depot maintenance and contractual services for weapons systems.
3. Includes compensation of foreign personnel, consulting, training, and education.

Table 4.2.—Exports and Imports of Goods and Services in Constant Dollars

[Billions of 1982 dollars]

	1985	1986 <sup>r</sup>	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV <sup>r</sup>
<b>Exports of goods and services</b> .....	<b>362.3</b>	<b>371.5</b>	<b>355.8</b>	<b>362.9</b>	<b>369.2</b>	<b>359.8</b>	<b>371.2</b>	<b>385.8</b>
Merchandise.....	227.4	237.4	223.9	227.8	232.0	227.2	238.8	251.8
Durable goods.....	138.5	147.0	138.3	138.1	142.1	142.7	148.0	155.2
Nondurable goods.....	88.8	90.5	85.5	89.7	89.9	84.5	90.8	96.6
Services.....	135.0	134.0	132.0	135.1	137.2	132.6	132.4	134.0
Factor income <sup>1</sup> .....	80.9	76.7	79.1	80.9	82.4	76.3	74.8	73.6
Other.....	54.0	57.3	52.9	54.3	54.8	56.3	57.6	60.4
<b>Imports of goods and services</b> .....	<b>470.5</b>	<b>519.3</b>	<b>469.6</b>	<b>494.8</b>	<b>495.1</b>	<b>513.6</b>	<b>534.5</b>	<b>533.8</b>
Merchandise.....	368.7	418.5	368.4	391.3	392.6	412.8	436.0	432.5
Durable goods.....	218.6	246.0	218.8	228.8	237.4	244.8	249.5	252.2
Nondurable goods.....	150.1	172.5	149.6	162.5	155.2	168.0	186.4	180.3
Services.....	101.8	100.8	101.3	103.6	102.5	100.8	98.5	101.3
Factor income <sup>1</sup> .....	44.0	44.2	44.0	43.7	44.3	45.5	42.2	44.7
Other.....	57.8	56.6	57.2	59.8	58.2	55.3	56.4	56.6

1. Line 6 less line 13 equals rest-of-the-world product as shown in table 1.8.

**Table 4.3.—Merchandise Exports and Imports by Type of Product and by End-Use Category**

[Billions of dollars]

	1985	1986*	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV*
<b>Merchandise exports.....</b>	<b>219.6</b>	<b>220.2</b>	<b>215.0</b>	<b>216.2</b>	<b>219.7</b>	<b>212.5</b>	<b>219.2</b>	<b>229.6</b>
Foods, feeds, and beverages.....	24.0	22.3	21.6	23.1	24.4	20.5	21.6	22.5
Industrial supplies and materials.....	58.3	57.1	57.2	57.7	58.1	54.3	56.3	59.9
Durable goods.....	16.0	16.3	16.1	15.3	16.7	15.4	15.8	17.1
Nondurable goods.....	42.3	40.9	41.1	42.4	41.4	38.9	40.4	42.8
Capital goods, except autos.....	75.6	78.1	75.0	74.3	75.7	76.0	80.0	80.9
Autos.....	24.5	23.6	25.0	24.4	23.7	23.8	22.4	24.6
Consumer goods.....	18.0	14.3	12.6	12.9	13.6	13.7	14.5	15.5
Durable goods.....	5.1	5.6	4.8	5.1	5.1	5.2	5.7	6.4
Nondurable goods.....	7.9	8.7	7.7	7.9	8.4	8.5	8.8	9.0
Other.....	24.1	24.7	23.6	23.8	24.2	24.1	24.4	26.2
Durable goods.....	12.0	12.4	11.8	11.9	12.1	12.0	12.2	13.1
Nondurable goods.....	12.0	12.4	11.8	11.9	12.1	12.0	12.2	13.1
<b>Merchandise imports.....</b>	<b>341.7</b>	<b>368.4</b>	<b>339.2</b>	<b>363.8</b>	<b>358.9</b>	<b>358.9</b>	<b>372.7</b>	<b>383.0</b>
Foods, feeds, and beverages.....	21.3	24.1	20.7	22.0	23.8	23.9	24.4	24.2
Industrial supplies and materials, excluding petroleum.....	59.7	61.9	58.9	59.5	62.3	60.3	61.3	63.7
Durable goods.....	30.6	32.5	30.2	29.9	32.4	32.7	31.6	33.3
Nondurable goods.....	29.1	29.4	28.7	29.6	29.9	27.6	29.7	30.4
Petroleum and products.....	50.5	38.9	49.5	56.5	40.1	31.3	32.0	32.2
Capital goods, except autos.....	64.0	75.7	62.3	67.5	71.8	75.3	77.1	78.5
Autos.....	65.1	78.3	66.9	71.8	73.3	75.4	82.6	82.9
Consumer goods.....	65.2	77.9	65.0	69.6	73.2	75.4	79.1	82.7
Durable goods.....	36.7	43.6	36.7	38.3	40.8	43.0	44.3	46.4
Nondurable goods.....	28.4	34.2	28.3	31.3	32.5	32.4	34.8	37.3
Other.....	15.9	16.7	15.9	16.9	16.5	16.3	16.3	17.7
Durable goods.....	7.9	8.3	8.0	8.4	8.2	8.1	8.1	8.8
Nondurable goods.....	7.9	8.3	8.0	8.4	8.2	8.1	8.1	8.8
<b>Addenda:</b>								
Exports of agricultural products.....	29.6	26.8	26.7	28.5	28.4	24.6	25.9	28.2
Exports of nonagricultural products.....	190.0	193.4	188.3	187.7	191.2	187.8	193.3	201.3
Imports of nonpetroleum products.....	291.2	334.5	289.8	307.3	318.8	327.5	340.8	350.8

1. Includes parts of line 2 and line 5.

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

[Billions of 1982 dollars]

	1985	1986*	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV*
<b>Merchandise exports.....</b>	<b>227.4</b>	<b>237.4</b>	<b>223.9</b>	<b>227.8</b>	<b>232.0</b>	<b>227.2</b>	<b>238.8</b>	<b>251.8</b>
Foods, feeds, and beverages.....	25.1	25.3	22.8	25.7	26.2	22.8	25.5	27.3
Industrial supplies and materials.....	60.9	62.4	60.7	60.7	61.4	59.1	62.3	66.7
Durable goods.....	16.7	17.8	17.1	16.1	17.7	16.7	17.5	19.1
Nondurable goods.....	44.2	44.6	43.6	44.6	43.7	42.3	44.8	47.7
Capital goods, except autos.....	82.1	89.9	81.7	82.7	85.8	87.2	92.3	94.4
Autos.....	22.4	21.0	22.7	22.0	21.3	21.3	19.9	21.7
Consumer goods.....	12.9	13.9	12.5	12.9	13.3	13.3	14.0	14.9
Durable goods.....	5.4	5.8	5.1	5.4	5.4	5.4	5.9	6.6
Nondurable goods.....	7.5	8.1	7.4	7.5	7.9	7.9	8.1	8.3
Other.....	23.8	24.9	23.4	23.8	24.0	24.1	24.7	26.7
Durable goods.....	11.9	12.4	11.7	11.9	12.0	12.0	12.4	13.4
Nondurable goods.....	11.9	12.4	11.7	11.9	12.0	12.0	12.4	13.4
<b>Merchandise imports.....</b>	<b>368.7</b>	<b>418.5</b>	<b>368.4</b>	<b>391.3</b>	<b>392.6</b>	<b>412.8</b>	<b>436.0</b>	<b>432.5</b>
Foods, feeds, and beverages.....	21.8	22.9	21.5	22.5	22.9	22.4	23.7	22.8
Industrial supplies and materials, excluding petroleum.....	68.2	73.3	67.5	69.5	73.4	72.0	73.1	74.6
Durable goods.....	35.0	38.4	34.6	34.9	38.1	39.0	37.3	38.7
Nondurable goods.....	33.2	34.9	32.8	34.6	35.3	33.0	35.4	35.9
Petroleum and products.....	59.8	74.6	60.1	67.1	58.1	74.2	87.4	79.0
Capital goods, except autos.....	76.2	90.8	74.7	81.1	87.1	90.1	92.5	93.4
Autos.....	60.8	66.4	62.9	64.9	62.9	65.5	69.2	68.1
Consumer goods.....	65.4	74.1	65.3	68.9	71.7	72.6	74.3	77.8
Durable goods.....	38.3	42.2	38.3	39.2	41.0	42.2	42.2	43.6
Nondurable goods.....	27.1	31.8	27.0	29.7	30.7	30.4	32.1	34.2
Other.....	16.4	16.3	16.5	17.2	16.6	16.1	15.8	16.9
Durable goods.....	8.2	8.2	8.3	8.6	8.3	8.0	7.9	8.4
Nondurable goods.....	8.2	8.2	8.2	8.6	8.3	8.0	7.9	8.4
<b>Addenda:</b>								
Exports of agricultural products.....	30.4	30.0	27.8	30.8	29.8	26.3	30.0	33.9
Exports of nonagricultural products.....	197.0	207.5	196.0	196.9	202.2	200.9	208.8	217.9
Imports of nonpetroleum products.....	308.9	343.8	308.3	324.2	334.6	338.6	348.6	353.6

1. Includes parts of line 2 and line 6.

**Table 5.1.—Gross Saving and Investment**

[Billions of dollars]

	1985	1986*	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV*
<b>Gross saving.....</b>	<b>551.5</b>	<b>538.6</b>	<b>541.7</b>	<b>524.1</b>	<b>583.2</b>	<b>539.7</b>	<b>517.2</b>	<b>514.1</b>
Gross private saving.....	687.8	678.9	679.6	679.2	708.3	713.0	650.5	644.0
Personal saving.....	143.3	114.2	119.6	125.8	145.6	153.1	84.1	74.2
Undistributed corporate profits with inventory valuation and capital consumption adjustments.....	107.3	109.3	118.8	106.8	115.5	106.6	108.8	106.1
Undistributed profits.....	49.8	46.1	51.8	57.0	41.7	41.2	47.2	54.5
Inventory valuation adjustment.....	-6	6.5	6.1	-9.4	16.5	10.6	6.1	-7.2
Capital consumption adjustment.....	58.1	56.6	61.0	59.2	57.3	54.8	55.5	58.8
Corporate capital consumption allowances with capital consumption adjustment.....	268.2	280.3	270.1	273.3	275.3	278.9	281.6	285.5
Noncorporate capital consumption allowances with capital consumption adjustment.....	169.0	175.1	171.2	173.4	171.8	174.4	176.0	178.2
Wage accruals less disbursements.....	0	0	0	0	0	0	0	0
<b>Government surplus or deficit (-), national income and product accounts.....</b>	<b>-136.3</b>	<b>-140.4</b>	<b>-138.0</b>	<b>-155.1</b>	<b>-125.1</b>	<b>-173.3</b>	<b>-133.3</b>	<b>-129.8</b>
Federal.....	-198.0	-203.4	-197.5	-217.6	-195.0	-232.2	-197.4	-189.2
State and local.....	61.7	63.0	59.5	62.5	69.9	58.9	64.0	59.4
<b>Capital grants received by the United States (net).....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Gross investment.....</b>	<b>545.9</b>	<b>541.7</b>	<b>536.2</b>	<b>525.7</b>	<b>579.6</b>	<b>544.3</b>	<b>527.5</b>	<b>515.5</b>
Gross private domestic investment.....	661.1	683.6	657.4	669.5	708.3	687.3	675.8	663.2
Net foreign investment.....	-115.2	-141.9	-121.2	-143.8	-128.6	-143.0	-148.3	-147.7
<b>Statistical discrepancy.....</b>	<b>-5.5</b>	<b>3.2</b>	<b>-5.5</b>	<b>1.6</b>	<b>-3.6</b>	<b>4.6</b>	<b>10.3</b>	<b>1.3</b>

**Table 6.3B.—National Income Without Capital Consumption Adjustment by Industry**

[Billions of dollars]

	1985	1986*	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV*
<b>National income without capital consumption adjustment.....</b>	<b>3,185.8</b>	<b>3,347.1</b>	<b>3,203.6</b>	<b>3,249.1</b>	<b>3,301.5</b>	<b>3,339.9</b>	<b>3,357.8</b>	<b>3,388.9</b>
<b>Domestic industries.....</b>	<b>3,144.7</b>	<b>3,309.9</b>	<b>3,164.5</b>	<b>3,207.2</b>	<b>3,258.3</b>	<b>3,305.1</b>	<b>3,320.4</b>	<b>3,356.0</b>
<b>Private industries.....</b>	<b>2,674.0</b>	<b>2,810.5</b>	<b>2,691.0</b>	<b>2,724.9</b>	<b>2,769.6</b>	<b>2,809.7</b>	<b>2,818.1</b>	<b>2,844.5</b>
Agriculture, forestry, and fisheries.....	76.4	72.7	68.7	75.7	70.7	86.4	66.2	.....
Mining.....	43.9	38.5	42.9	43.4	44.0	38.2	36.4	.....
Construction.....	165.6	181.1	165.2	169.9	174.8	180.7	183.7	.....
Manufacturing.....	671.0	687.2	678.5	682.2	678.2	686.2	686.3	.....
Durable goods.....	401.2	411.4	402.9	405.6	409.0	413.0	410.1	.....
Nondurable goods.....	269.8	275.8	275.6	276.6	269.2	273.2	276.1	.....
Transportation and public utilities.....	256.4	266.5	260.4	259.4	264.9	264.7	268.0	.....
Transportation.....	113.2	114.1	114.2	116.2	113.8	112.0	113.6	.....
Communication.....	66.7	71.6	67.1	66.9	72.0	70.1	72.0	.....
Electric, gas, and sanitary services.....	76.5	80.8	79.2	76.4	79.2	82.5	82.3	.....
Wholesale trade.....	199.4	204.8	201.8	199.2	202.5	201.5	208.0	.....
Retail trade.....	278.8	292.5	283.7	282.1	292.6	288.9	294.2	.....
Finance, insurance, and real estate.....	411.6	447.8	414.1	423.6	438.0	449.0	451.2	.....
Services.....	570.9	619.3	575.7	589.5	603.9	614.2	624.1	.....
<b>Government and government enterprises.....</b>	<b>470.7</b>	<b>499.5</b>	<b>473.5</b>	<b>482.3</b>	<b>488.7</b>	<b>495.3</b>	<b>502.3</b>	<b>511.5</b>
<b>Rest of the world.....</b>	<b>41.2</b>	<b>37.1</b>	<b>39.1</b>	<b>41.9</b>	<b>43.2</b>	<b>34.9</b>	<b>37.4</b>	<b>33.0</b>

Table 5.8.—Change in Business Inventories by Industry

[Billions of dollars]

	1985	1986 <sup>1</sup>	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV <sup>1</sup>
<b>Change in business inventories</b> .....	11.1	6.7	3.1	-3.1	43.8	14.5	-4.5	-27.1
<b>Farm</b> .....	-1.1	-1.0	-1	-19.9	2.7	3.9	5.8	-16.3
<b>Nonfarm</b> .....	12.2	7.7	3.2	16.7	41.2	10.5	-10.3	-10.8
Change in book value.....	13.3	7	-3.0	27.5	22.9	-1.1	-16.3	-2.5
Inventory valuation adjustment <sup>1</sup> .....	-1.1	6.9	6.1	-10.8	18.3	11.6	6.0	-8.3
<b>Manufacturing</b> .....	-4.7	-3.3	-5.3	-11.7	-4.8	4	-5.0	-3.9
Durable goods.....	-3.2	-4.5	-1.4	-11.8	-4.5	-3.6	-3.6	-6.4
Nondurable goods.....	-1.5	1.2	-3.9	.1	-3	4.0	-1.5	2.5
<b>Wholesale trade</b> .....	3.7	4.2	-1	3.3	8.1	6.2	7.9	-5.3
Durable goods.....	.7	1.3	-2.8	.1	5.2	3.2	3.8	-6.9
Nondurable goods.....	3.0	2.9	2.7	3.2	2.9	3.0	4.1	1.6
<b>Merchant wholesalers</b> .....	5.0	4.0	2.3	3.7	7.6	6.7	7.1	-5.5
Durable goods.....	.7	1.6	-1.8	.7	5.3	4.7	3.5	-7.5
Nondurable goods.....	4.2	2.4	4.1	3.0	1.9	2.1	3.6	2.1
<b>Nonmerchant wholesalers</b> .....	-1.3	.2	-2.4	-.3	.5	-.5	.8	.2
Durable goods.....	0	-.3	-1.0	-.6	-.6	-1.5	.3	.6
Nondurable goods.....	-1.2	.5	-1.4	.2	1.0	1.0	.5	-.5
<b>Retail trade</b> .....	7.9	2.3	5.3	19.4	30.5	-4.4	-14.8	-2.3
Durable goods.....	6.1	-2	-1.2	18.5	24.5	-2.7	-19.1	-3.6
Nondurable goods.....	1.8	2.5	6.5	6.0	-1.6	4.3	1.2	
<b>Other</b> .....	5.3	4.5	3.3	5.8	7.4	8.2	1.6	.8
Durable goods.....	3.0	2.4	2.7	2.8	3.4	3.0	3.2	0
Nondurable goods.....	2.3	2.1	.6	3.0	4.0	5.2	-1.6	.8

1. The inventory valuation adjustment (IVA) shown in this table differs from the IVA that adjusts business incomes. 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. This mix differs from that underlying business income derived primarily from Internal Revenue Service statistics. Prior to 1973, the two IVA's are the same because information required for separate estimates is not available.

Table 5.10.—Inventories and Final Sales of Business by Industry

[Billions of dollars]

	Seasonally adjusted quarterly totals					
	1985		1986			
	III	IV	I	II	III	IV <sup>1</sup>
<b>Inventories<sup>1</sup></b> .....	856.4	862.6	855.8	857.0	856.6	851.9
<b>Farm</b> .....	76.8	74.0	71.5	73.8	74.8	70.1
<b>Nonfarm</b> .....	779.7	788.5	784.3	783.2	781.8	781.8
Durable goods.....	456.2	460.1	466.4	465.6	464.8	461.6
Nondurable goods.....	323.5	328.4	317.9	317.6	316.9	320.2
<b>Manufacturing</b> .....	340.0	338.9	330.5	328.5	327.2	327.7
Durable goods.....	226.3	224.4	222.5	220.3	220.1	218.9
Nondurable goods.....	113.7	114.5	108.0	108.2	107.1	108.7
<b>Wholesale trade</b> .....	179.8	181.9	179.9	180.9	182.5	182.6
Durable goods.....	115.1	115.2	116.5	117.6	119.5	118.0
Nondurable goods.....	64.8	66.6	63.4	63.3	63.1	64.6
<b>Merchant wholesalers</b> .....	153.2	155.1	154.9	156.7	158.1	158.0
Durable goods.....	100.3	100.6	102.0	103.6	105.3	103.6
Nondurable goods.....	52.9	54.5	52.9	53.1	52.9	54.4
<b>Nonmerchant wholesalers</b> .....	26.6	26.8	24.9	24.2	24.4	24.6
Durable goods.....	14.7	14.7	14.4	14.0	14.2	14.4
Nondurable goods.....	11.9	12.1	10.5	10.2	10.2	10.2
<b>Retail trade</b> .....	170.5	176.7	183.4	183.0	181.2	181.3
Durable goods.....	81.9	86.9	93.2	92.6	89.1	88.5
Nondurable goods.....	88.6	89.8	90.2	90.4	92.1	92.8
<b>Other</b> .....	89.4	91.0	90.5	90.9	90.8	90.2
<b>Final sales<sup>2</sup></b> .....	285.1	289.3	289.7	294.3	300.4	303.3
<b>Final sales of goods and structures<sup>2</sup></b> .....	171.3	172.1	170.6	172.8	176.7	177.8
<b>Ratio of inventories to final sales</b>						
Inventories to final sales.....	3.00	2.98	2.95	2.91	2.85	2.81
Nonfarm inventories to final sales.....	2.73	2.73	2.71	2.66	2.60	2.58
Nonfarm inventories to final sales of goods and structures.....	4.55	4.58	4.60	4.53	4.42	4.40

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 quarterly rates, whereas CBI 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 5.9.—Change in Business Inventories by Industry in Constant Dollars

[Billions of 1982 dollars]

	1985	1986 <sup>1</sup>	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV <sup>1</sup>
<b>Change in business inventories</b> .....	9.0	6.6	.7	-5.2	39.9	15.1	-.3	-28.5
<b>Farm</b> .....	-1.9	-.9	-.7	-21.3	2.9	4.1	8.3	-18.7
<b>Nonfarm</b> .....	10.9	7.4	1.4	16.1	37.0	11.0	-8.6	-9.8
<b>Manufacturing</b> .....	-4.7	-3.5	-6.1	-10.5	-5.3	1.0	-6.5	-3.3
Durable goods.....	-3.2	-4.6	-1.6	-11.1	-4.7	-4.0	-3.8	-6.0
Nondurable goods.....	-1.6	1.1	-4.5	.6	-.5	5.0	-.7	2.7
<b>Wholesale trade</b> .....	3.4	4.1	-.6	3.4	6.9	5.1	9.7	-5.2
Durable goods.....	.6	1.3	-2.7	.1	4.9	2.9	3.5	-6.3
Nondurable goods.....	2.8	2.9	2.1	3.3	2.0	2.1	6.3	1.1
<b>Merchant wholesalers</b> .....	4.9	3.8	2.2	3.6	6.8	4.6	8.3	-4.3
Durable goods.....	.7	1.5	-1.7	.6	5.5	4.4	3.2	-6.9
Nondurable goods.....	4.2	2.3	3.9	3.0	1.3	.3	5.1	2.6
<b>Nonmerchant wholesalers</b> .....	-1.5	.3	-2.8	-.3	.1	-.4	1.4	-.9
Durable goods.....	0	-.3	-1.0	-.5	-.6	-1.5	.3	.6
Nondurable goods.....	-1.5	.6	-1.7	-.3	.7	1.9	1.2	-1.5
<b>Retail trade</b> .....	7.3	2.3	5.1	17.8	28.3	-4.0	-13.1	-2.0
Durable goods.....	5.6	-1	-1.0	16.9	22.6	-2.5	-17.1	-3.2
Nondurable goods.....	1.7	2.3	6.1	.9	5.6	-1.5	4.1	1.2
<b>Other</b> .....	4.9	4.5	3.0	5.4	7.1	8.9	1.2	.7
Durable goods.....	2.8	2.2	2.5	2.6	3.1	2.3	3.0	0
Nondurable goods.....	2.2	2.2	.5	2.8	4.0	6.1	-1.8	.7

Table 5.11.—Inventories and Final Sales of Business by Industry in Constant Dollars

[Billions of 1982 dollars]

	Seasonally adjusted quarterly totals					
	1985		1986			
	III	IV	I	II	III	IV <sup>1</sup>
<b>Inventories<sup>1</sup></b> .....	831.5	830.2	840.2	844.0	843.9	836.8
<b>Farm</b> .....	83.2	77.8	78.6	79.6	81.7	77.0
<b>Nonfarm</b> .....	748.4	752.4	761.6	764.4	762.2	759.8
Durable goods.....	431.0	433.1	439.6	439.4	435.8	431.9
Nondurable goods.....	317.4	319.3	322.0	325.0	326.4	327.8
<b>Manufacturing</b> .....	327.8	325.2	323.9	324.1	322.5	321.7
Durable goods.....	214.8	212.0	210.9	209.9	208.9	207.4
Nondurable goods.....	113.0	113.1	113.0	114.3	113.6	114.3
<b>Wholesale trade</b> .....	173.9	174.7	176.4	177.7	180.1	178.8
Durable goods.....	108.7	108.7	109.9	110.6	111.5	109.9
Nondurable goods.....	65.2	66.0	66.5	67.0	68.6	68.9
<b>Merchant wholesalers</b> .....	147.3	148.3	150.0	151.1	153.2	152.1
Durable goods.....	94.7	94.9	96.2	97.3	98.1	96.4
Nondurable goods.....	52.6	53.4	53.7	53.8	55.1	55.7
<b>Nonmerchant wholesalers</b> .....	26.5	26.4	26.5	26.6	26.9	26.7
Durable goods.....	13.9	13.8	13.7	13.3	13.4	13.5
Nondurable goods.....	12.6	12.7	12.8	13.3	13.6	13.2
<b>Retail trade</b> .....	160.5	165.0	172.1	171.0	167.8	167.3
Durable goods.....	76.9	81.1	86.7	86.1	81.8	81.0
Nondurable goods.....	83.7	83.9	85.3	84.9	85.9	86.2
<b>Other</b> .....	86.2	87.5	89.3	91.5	91.8	92.0
<b>Final sales<sup>2</sup></b> .....	257.5	259.2	258.0	261.0	264.0	267.3
<b>Final sales of goods and structures<sup>2</sup></b> .....	161.2	161.3	159.4	161.2	163.3	166.0
<b>Ratio of inventories to final sales</b>						
Inventories to final sales.....	3.23	3.20	3.26	3.23	3.20	3.13
Nonfarm inventories to final sales.....	2.91	2.90	2.95	2.93	2.89	2.84
Nonfarm inventories to final sales of goods and structures.....	4.64	4.67	4.78	4.74	4.67	4.58

1. Inventories are as of the end of the quarter. Quarter-to-quarter changes calculated from 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 6.18B.—Corporate Profits by Industry

[Billions of dollars]

	1985	1986 <sup>r</sup>	Seasonally adjusted at annual rates					
			1985		1986			
			III	IV	I	II	III	IV <sup>r</sup>
<b>Corporate profits with inventory valuation and capital consumption adjustments.....</b>	<b>280.7</b>	<b>300.5</b>	<b>296.3</b>	<b>285.6</b>	<b>296.4</b>	<b>293.1</b>	<b>302.0</b>	<b>310.4</b>
<b>Domestic industries.....</b>	<b>248.8</b>	<b>265.0</b>	<b>266.3</b>	<b>250.5</b>	<b>257.9</b>	<b>260.2</b>	<b>267.3</b>	<b>274.4</b>
Financial.....	24.6	35.0	25.5	27.2	32.5	34.3	34.6	38.5
Nonfinancial.....	224.2	230.0	240.8	223.3	225.5	225.9	232.7	235.9
<b>Rest of the world.....</b>	<b>31.8</b>	<b>35.5</b>	<b>30.0</b>	<b>35.1</b>	<b>38.4</b>	<b>32.9</b>	<b>34.7</b>	<b>36.0</b>
<b>Corporate profits with inventory valuation adjustment.....</b>	<b>222.6</b>	<b>243.9</b>	<b>235.3</b>	<b>226.4</b>	<b>239.0</b>	<b>238.3</b>	<b>246.5</b>	<b>251.6</b>
<b>Domestic industries.....</b>	<b>190.8</b>	<b>208.3</b>	<b>205.3</b>	<b>191.3</b>	<b>200.6</b>	<b>205.4</b>	<b>211.8</b>	<b>215.6</b>
Financial.....	21.0	29.3	21.7	23.2	27.8	29.1	28.9	31.5
Federal Reserve banks.....	16.8	16.0	16.5	16.3	17.0	16.2	15.5	15.5
Other.....	4.3	13.3	5.2	6.9	10.8	13.0	13.4	16.0
<b>Nonfinancial.....</b>	<b>169.7</b>	<b>179.0</b>	<b>183.6</b>	<b>168.1</b>	<b>172.8</b>	<b>176.3</b>	<b>182.9</b>	<b>184.1</b>
Manufacturing.....	73.0	75.2	79.0	74.5	66.7	76.8	75.6	.....
Durable goods.....	28.0	31.5	28.9	26.6	28.1	34.6	31.8	.....
Primary metal industries.....	-3.6	-1.6	-2.6	-3.6	-2.6	-1.1	-2.3	.....
Fabricated metal products.....	4.1	4.8	4.5	3.0	4.7	5.0	5.1	.....
Machinery, except electrical.....	3.6	3.3	4.6	4.7	2.2	4.9	2.8	.....
Electric and electronic equipment.....	4.9	4.6	6.0	4.3	4.7	7.2	4.9	.....
Motor vehicles and equipment.....	6.8	5.5	4.2	6.6	6.4	4.9	4.1	.....
Other.....	12.1	14.9	12.3	11.6	12.7	13.7	17.1	.....
Nondurable goods.....	45.0	43.7	50.1	47.9	38.6	42.2	43.9	.....
Food and kindred products.....	7.8	10.7	9.1	7.6	9.3	10.0	11.2	.....
Chemicals and allied products.....	4.7	8.0	5.8	2.8	6.3	6.4	8.3	.....
Petroleum and coal products.....	13.4	8.4	17.0	18.7	7.3	9.7	7.0	.....
Other.....	19.1	16.6	18.7	18.9	15.7	16.1	17.4	.....
Transportation and public utilities.....	38.0	38.8	36.6	32.7	36.8	38.6	40.3	.....
Wholesale and retail trade.....	49.7	50.1	54.2	45.0	52.1	46.3	53.3	.....
Other.....	14.0	15.0	13.9	15.9	17.1	14.6	13.7	.....
<b>Rest of the world.....</b>	<b>31.8</b>	<b>35.5</b>	<b>30.0</b>	<b>35.1</b>	<b>38.4</b>	<b>32.9</b>	<b>34.7</b>	<b>36.0</b>

Table 7.2.—Fixed-Weighted Price Indexes for Gross National Product by Major Type of Product, 1982 Weights

[Index numbers, 1982=100]

	1985	1986 <sup>r</sup>	Seasonally adjusted					
			1985		1986			
			III	IV	I	II	III	IV <sup>r</sup>
<b>Gross national product.....</b>	<b>112.3</b>	<b>115.4</b>	<b>112.6</b>	<b>113.7</b>	<b>114.4</b>	<b>114.9</b>	<b>115.6</b>	<b>116.4</b>
Final sales.....	112.2	115.3	112.5	113.6	114.3	114.8	115.5	116.3
Change in business inventories.....	.....	.....	.....	.....	.....	.....	.....	.....
<b>Goods.....</b>	<b>107.6</b>	<b>108.3</b>	<b>107.5</b>	<b>108.1</b>	<b>108.2</b>	<b>107.9</b>	<b>108.3</b>	<b>108.7</b>
Final sales.....	107.6	108.2	107.4	108.0	108.1	107.7	108.2	108.5
Change in business inventories.....	.....	.....	.....	.....	.....	.....	.....	.....
Durable goods.....	107.6	105.9	105.9	105.7	105.7	105.7	106.0	106.3
Final sales.....	107.6	105.8	105.8	105.6	105.6	105.6	105.9	106.2
Change in business inventories.....	.....	.....	.....	.....	.....	.....	.....	.....
Nondurable goods.....	107.6	110.0	108.6	109.7	109.8	109.3	109.9	110.3
Final sales.....	107.6	109.8	108.5	109.6	109.7	109.1	109.7	110.1
Change in business inventories.....	.....	.....	.....	.....	.....	.....	.....	.....
<b>Services.....</b>	<b>107.6</b>	<b>122.9</b>	<b>118.3</b>	<b>119.9</b>	<b>121.2</b>	<b>122.3</b>	<b>123.4</b>	<b>124.5</b>
<b>Structures.....</b>	<b>107.6</b>	<b>107.1</b>	<b>104.9</b>	<b>105.9</b>	<b>106.2</b>	<b>106.9</b>	<b>107.3</b>	<b>107.8</b>

Table 7.1.—Fixed-Weighted Price Indexes for Gross National Product, 1982 Weights

[Index numbers, 1982=100]

	1985	1986 <sup>r</sup>	Seasonally adjusted					
			1985		1986			
			III	IV	I	II	III	IV <sup>r</sup>
<b>Gross national product.....</b>	<b>112.3</b>	<b>115.4</b>	<b>112.6</b>	<b>113.7</b>	<b>114.4</b>	<b>114.9</b>	<b>115.6</b>	<b>116.4</b>
<b>Personal consumption expenditures.....</b>	<b>112.4</b>	<b>115.2</b>	<b>112.8</b>	<b>114.1</b>	<b>114.6</b>	<b>114.5</b>	<b>115.4</b>	<b>116.4</b>
Durable goods.....	105.1	106.5	105.0	105.3	105.8	106.0	106.9	107.4
Nondurable goods.....	107.8	107.7	107.8	109.2	108.4	106.5	107.4	108.4
Services.....	117.7	123.0	118.5	120.0	121.4	122.5	123.6	124.7
<b>Gross private domestic investment.....</b>	<b>103.8</b>	<b>105.2</b>	<b>103.4</b>	<b>104.0</b>	<b>104.2</b>	<b>104.9</b>	<b>105.5</b>	<b>106.1</b>
Fixed investment.....	103.8	105.2	103.4	104.0	104.2	104.9	105.5	106.1
Nonresidential.....	101.9	103.3	102.0	102.4	102.5	103.1	103.6	104.1
Structures.....	100.0	101.3	100.0	100.3	100.7	101.1	101.3	101.8
Producers' durable equipment.....	103.1	104.7	103.3	103.5	103.7	104.4	105.0	105.6
Residential.....	108.2	111.6	108.1	109.4	110.1	111.4	112.0	113.0
Change in business inventories.....	.....	.....	.....	.....	.....	.....	.....	.....
Net exports of goods and services.....	.....	.....	.....	.....	.....	.....	.....	.....
Exports.....	104.0	103.8	103.8	103.8	104.3	104.0	103.5	103.5
Imports.....	95.9	92.0	95.4	96.5	94.8	90.9	90.9	92.7
<b>Government purchases of goods and services.....</b>	<b>114.1</b>	<b>117.1</b>	<b>114.4</b>	<b>115.8</b>	<b>116.4</b>	<b>116.7</b>	<b>117.1</b>	<b>118.2</b>
Federal.....	111.0	111.8	110.8	112.1	112.3	112.0	111.4	111.6
National defense.....	111.4	112.8	111.2	112.9	113.2	112.7	112.5	112.7
Nondefense.....	110.0	109.5	109.7	110.3	110.1	110.1	108.8	108.9
State and local.....	116.3	121.0	117.0	118.5	119.4	120.2	121.3	123.0
<b>Addenda:</b>								
Final sales.....	112.2	115.3	112.5	113.6	114.3	114.8	115.5	116.3
Personal consumption expenditures, food.....	108.6	112.2	108.4	110.0	110.3	110.8	113.1	114.7
Personal consumption expenditures, energy.....	103.2	91.0	103.6	103.3	100.1	90.5	87.7	85.6
Other personal consumption expenditures.....	114.6	119.0	115.2	116.6	117.5	118.4	119.5	120.7

NOTE.—Percent changes from preceding period for selected items in this table are shown in table 8.1.

Table 7.3.—Fixed-Weighted Price Indexes for Relation of Gross National Product, Gross Domestic Purchases, and Final Sales to Domestic Purchasers, 1982 Weights

[Index numbers, 1982=100]

	1985	1986 <sup>r</sup>	Seasonally adjusted					
			1985		1986			
			III	IV	I	II	III	IV <sup>r</sup>
<b>Gross national product.....</b>	<b>112.3</b>	<b>115.4</b>	<b>112.6</b>	<b>113.7</b>	<b>114.4</b>	<b>114.9</b>	<b>115.6</b>	<b>116.4</b>
Less: Exports of goods and services.....	104.0	103.8	103.8	103.8	104.3	104.0	103.5	103.5
Plus: Imports of goods and services.....	95.9	92.0	95.4	96.5	94.8	90.9	90.9	92.7
<b>Equals: Gross domestic purchases<sup>1</sup>.....</b>	<b>111.5</b>	<b>114.2</b>	<b>111.8</b>	<b>113.0</b>	<b>113.5</b>	<b>113.6</b>	<b>114.4</b>	<b>115.4</b>
Less: Change in business inventories.....	.....	.....	.....	.....	.....	.....	.....	.....
<b>Equals: Final sales to domestic purchasers<sup>2</sup>.....</b>	<b>111.4</b>	<b>114.1</b>	<b>111.7</b>	<b>113.0</b>	<b>113.4</b>	<b>113.5</b>	<b>114.3</b>	<b>115.2</b>

1. Purchases in the United States of goods and services wherever produced.  
2. Final sales in the United States of goods and services wherever produced.

NOTE.—Percent changes from preceding period for selected items in this table are shown in table 8.1.

**Table 7.4.—Implicit Price Deflators for Gross National Product**

[Index numbers, 1982=100]

	1985	1986*	Seasonally adjusted					
			1985		1986			
			III	IV	I	II	III	IV*
<b>Gross national product</b> .....	111.5	114.5	111.8	112.8	113.5	114.0	115.0	115.2
<b>Personal consumption expenditures</b> .....	111.9	114.2	112.2	113.4	113.7	113.4	114.4	115.3
Durable goods.....	104.5	105.3	104.5	104.3	104.5	104.7	105.9	106.0
Nondurable goods.....	107.5	107.0	107.5	108.9	108.0	105.8	106.6	107.4
Services.....	117.3	122.4	118.0	119.5	120.6	121.8	123.0	124.1
<b>Gross private domestic investment</b> .....								
Fixed investment.....	101.8	104.0	101.7	102.2	103.2	103.6	104.4	105.0
Nonresidential.....	99.3	100.7	99.3	99.4	100.3	100.2	101.0	101.4
Structures.....	101.7	106.5	101.8	103.2	104.4	106.5	107.8	107.7
Producers' durable equipment.....	98.1	98.3	98.0	97.6	98.4	97.6	98.3	99.0
Residential.....	108.2	111.8	108.1	109.4	110.2	111.7	112.2	113.2
Change in business inventories.....								
<b>Net exports of goods and services</b> .....								
Exports.....	102.1	100.4	101.8	101.5	101.5	100.9	99.9	99.4
Imports.....	95.4	91.9	95.0	95.7	94.6	91.0	89.7	92.5
<b>Government purchases of goods and services</b> .....	113.1	115.7	113.4	114.2	115.4	116.0	116.5	115.1
Federal.....	109.4	110.2	109.4	109.7	111.0	111.8	111.6	106.7
National defense.....	110.0	111.0	109.6	112.0	111.6	111.7	110.5	110.4
Nondefense.....	107.9	107.7	108.9	104.6	109.2	112.1	115.4	97.0
State and local.....	116.0	120.1	116.6	118.0	118.8	119.4	120.3	122.0

NOTE.—Percent changes from preceding period for selected items in this table are shown in table 8.1.

**Table 7.5.—Implicit Price Deflators for Gross National Product by Major Type of Product**

[Index numbers, 1982=100]

<b>Gross national product</b> .....	111.5	114.5	111.8	112.8	113.5	114.0	115.0	115.2
Final sales.....	111.5	114.5	111.8	112.8	113.5	114.1	115.1	115.1
Change in business inventories.....								
<b>Goods</b> .....	106.3	106.6	106.4	106.6	106.7	106.3	107.2	106.2
Final sales.....	106.2	106.6	106.2	106.5	106.7	106.4	107.4	106.0
Change in business inventories.....								
<b>Durable goods</b> .....	103.6	102.4	103.5	103.0	103.2	102.3	102.2	101.8
Final sales.....	103.5	102.3	103.4	102.8	102.9	102.2	102.3	102.0
Change in business inventories.....								
<b>Nondurable goods</b> .....	108.5	110.0	108.7	109.6	109.5	109.5	111.3	109.8
Final sales.....	108.4	110.1	108.5	109.4	109.5	109.3	111.8	109.3
Change in business inventories.....								
<b>Services</b> .....	117.5	122.5	118.2	119.7	120.8	121.9	123.0	124.2
<b>Structures</b> .....	106.2	110.5	106.4	107.6	108.5	110.4	111.2	111.7

NOTE.—Percent changes from preceding period for selected items in this table are shown in table 8.1.

**Table 7.6.—Implicit Price Deflators for Gross National Product by Sector**

[Index numbers, 1982=100]

<b>Gross national product</b> .....	111.5	114.5	111.8	112.8	113.5	114.0	115.0	115.2
<b>Gross domestic product</b> .....	111.5	114.5	111.8	112.8	113.5	114.0	115.0	115.2
Business.....	110.5	113.1	110.8	111.7	112.2	112.7	113.7	113.7
Nonfarm.....	110.8	113.5	111.3	112.0	112.7	113.1	114.1	114.2
Nonfarm less housing.....	110.1	112.3	110.5	111.1	111.7	111.9	112.9	112.8
Housing.....	118.8	126.0	119.8	121.9	123.5	125.4	126.8	128.4
Farm.....	97.4	93.0	91.8	93.1	92.8	95.1	92.9	91.0
Statistical discrepancy.....	110.5	113.1	110.8	111.7	112.2	112.7	113.7	113.7
Households and institutions.....	117.2	122.0	117.8	119.0	120.4	121.5	122.6	123.3
Private households.....	102.5	103.7	102.5	102.9	103.2	103.4	103.3	104.2
Nonprofit institutions.....	118.4	123.4	119.0	120.3	121.8	123.0	124.1	124.9
Government.....	118.4	124.1	118.8	120.8	122.0	123.4	124.5	126.3
Federal.....	114.8	117.7	114.4	116.9	117.2	117.6	117.9	118.2
State and local.....	120.3	127.3	121.2	122.8	124.5	126.3	128.0	130.5
<b>Rest of the world</b> .....	112.7	116.0	113.1	114.2	115.0	115.5	116.7	116.8
<b>Addendum:</b>								
Gross domestic business product less housing.....	109.8							

NOTE.—Percent changes from preceding period for selected items in this table are shown in table 8.1.

**Table 7.7.—Implicit Price Deflators for the Relation of Gross National Product, Net National Product, and National Income**

[Index numbers, 1982=100]

	1985	1986*	Seasonally adjusted					
			1985		1986			
			III	IV	I	II	III	IV*
<b>Gross national product</b> .....	111.5	114.5	111.8	112.8	113.5	114.0	115.0	115.2
Less: Capital consumption allowances with capital consumption adjustment.....	102.7	103.3	102.8	103.0	102.8	103.2	103.3	103.7
<b>Equals: Net national product</b> .....	112.7	116.0	113.1	114.2	114.9	115.5	116.6	116.8
Less: Indirect business tax and nontax liability plus business transfer payments less subsidies plus current surplus of government enterprises.....	115.6	115.2	117.4	117.1	120.3	109.1	118.0	113.5
Statistical discrepancy.....	110.5	113.1	110.8	111.7	112.2	112.7	113.7	113.7
<b>Equals: National income</b> .....	112.4	116.1	112.6	113.9	114.4	116.2	116.5	117.2

**Table 7.8.—Implicit Price Deflators for Command-Basis Gross National Product**

[Index numbers, 1982=100]

<b>Gross national product</b> .....	111.5	114.5	111.8	112.8	113.5	114.0	115.0	115.2
Less: Net exports of goods and services.....	102.1	100.4	101.8	101.5	101.5	100.9	99.9	99.4
Exports.....	95.4	91.9	95.0	95.7	94.6	91.0	89.7	92.5
Imports.....	110.4	112.8	110.7	111.7	112.2	112.2	113.0	113.7
<b>Equals: Gross domestic purchases</b> .....	110.4	112.8	110.7	111.7	112.2	112.2	113.0	113.7
Plus: Command-basis net exports of goods and services.....								
Command-basis exports.....	95.4	91.9	95.0	95.7	94.6	91.0	89.7	92.5
Imports.....	95.4	91.9	95.0	95.7	94.6	91.0	89.7	92.5
<b>Equals: Command-basis gross national product</b> .....	110.7	113.4	111.0	112.2	112.7	112.3	113.7	114.3

NOTE.—Percent changes from preceding period for selected items in this table are shown in table 8.1.

**Table 7.9.—Fixed-Weighted Price Indexes for Personal Consumption Expenditures by Major Type of Product, 1982 Weights**

[Index numbers, 1982=100]

<b>Personal consumption expenditures</b> .....	112.4	115.2	112.8	114.1	114.6	114.5	115.4	116.4
<b>Durable goods</b> .....	105.1	106.5	105.0	105.3	105.8	106.0	106.9	107.4
Motor vehicles and parts.....	108.3	110.6	108.2	108.6	109.3	110.1	110.9	112.2
Furniture and household equipment.....	100.7	100.8	100.2	100.5	100.7	100.4	101.0	100.8
Other.....	106.8	108.4	107.2	107.0	107.5	107.8	109.0	109.4
<b>Nondurable goods</b> .....	107.8	107.7	107.8	109.2	108.4	106.5	107.4	108.4
Food.....	108.6	112.2	108.4	110.0	110.3	110.8	113.1	114.7
Clothing and shoes.....	106.3	106.0	106.1	107.6	105.9	105.1	105.7	107.5
Gasoline and oil.....	96.0	75.3	96.7	96.5	96.6	74.1	69.2	67.4
Other nondurable goods.....	113.7	115.7	114.0	115.5	115.7	115.1	115.7	116.4
Fuel oil and coal.....	92.7	74.9	90.8	95.2	88.0	75.2	68.7	67.8
Other.....	116.6	121.3	117.2	118.3	119.6	120.6	122.2	123.0
<b>Services</b> .....	117.7	123.0	118.5	120.0	121.4	122.5	123.6	124.7
Housing.....	117.7	124.5	118.7	120.6	122.0	123.8	125.2	126.9
Household operation.....	115.8	118.4	116.7	116.3	117.6	118.5	119.4	118.1
Electricity and gas.....	114.8	114.2	115.4	113.8	114.8	114.6	115.1	112.5
Other.....	116.9	122.7	118.1	118.9	120.4	122.5	123.8	124.0
Transportation.....	109.5	113.8	109.2	110.1	112.8	113.5	113.6	115.1
Medical care.....	122.7	129.5	123.3	126.1	127.7	128.6	129.9	131.7
Other.....	116.9	121.0	117.7	118.9	119.3	120.5	121.4	122.4

**Table 7.14.—Fixed-Weighted Price Indexes for Exports and Imports of Goods and Services, 1982 Weights**

[Index numbers, 1982=100]

<b>Exports of goods and services</b> .....	104.0	103.8	103.8	103.8	104.3	104.0	103.5	103.5
Merchandise.....	98.9	96.5	98.4	97.6	98.1	97.1	95.7	95.4
Durable goods.....	100.4	99.6	100.2	99.9	99.9	99.5	99.4	99.7
Nondurable goods.....	96.9	92.4	95.8	94.5	95.7	94.0	90.7	89.6
Services.....	111.4	114.3	111.8	112.7	113.3	113.9	114.9	115.2
Factor income.....	113.0	116.4	113.4	114.6	115.3	116.1	117.0	117.3
Other.....	108.5	110.7	108.9	109.5	109.7	110.1	111.0	111.6
<b>Imports of goods and services</b> .....	95.9	92.0	95.4	96.5	94.8	90.9	90.9	92.7
Merchandise.....	92.6	86.3	91.8	93.0	90.4	85.0	84.6	86.9
Durable goods.....	94.9	100.6	94.6	96.2	97.6	99.5	101.7	103.4
Nondurable goods.....	90.2	71.9	88.9	89.8	83.1	70.3	67.3	70.2
Services.....	105.5	108.6	105.9	106.8	107.6	108.0	109.1	109.7
Factor income.....	112.7	116.0	113.1	114.2	115.0	115.5	116.6	116.8
Other.....	99.9	102.9	100.3	101.0	101.8	102.2	103.3	104.2



**Table 7.15.—Fixed-Weighted Price Indexes for Merchandise Exports and Imports by Type of Product and by End-Use Category, 1982 Weights**

[Index numbers, 1982=100]

	1985	1986 <sup>r</sup>	Seasonally adjusted					
			1985		1986			
			III	IV	I	II	III	IV <sup>r</sup>
<b>Merchandise exports</b> .....	98.9	96.5	98.4	97.6	98.1	97.1	95.7	95.4
Foods, feeds, and beverages.....	95.6	87.8	94.9	89.9	93.1	91.8	84.8	82.4
Industrial supplies and materials.....	95.7	91.6	94.1	95.0	94.7	91.9	90.3	89.7
Durable goods.....	95.7	91.6	94.1	95.0	94.7	91.9	90.3	89.7
Nondurable goods.....	95.7	91.6	94.1	95.0	94.7	91.9	90.3	89.7
Capital goods, except autos.....	99.8	98.7	99.7	99.0	98.7	98.5	98.7	99.1
Autos.....	109.6	112.3	110.5	110.7	111.2	112.1	112.7	113.3
Consumer goods.....	99.9	103.0	100.1	100.2	101.6	103.0	103.3	104.0
Durable goods.....	94.2	96.7	94.5	94.6	95.8	96.6	96.8	97.3
Nondurable goods.....	104.3	108.0	104.5	104.6	106.1	108.1	108.4	109.3
Other.....	101.2	99.3	100.8	100.2	100.8	100.1	98.4	98.0
Durable goods.....	101.1	99.3	100.8	100.2	100.8	100.1	98.4	98.0
Nondurable goods.....	101.2	99.3	100.8	100.2	100.8	100.1	98.4	98.0
<b>Merchandise imports</b> .....	92.6	86.3	91.8	93.0	90.4	85.0	84.6	86.9
Foods, feeds, and beverages.....	97.8	104.9	96.4	97.7	103.7	106.9	103.0	106.2
Industrial supplies and materials, excluding petroleum.....	87.4	84.4	87.3	85.7	84.9	83.7	84.0	84.9
Durable goods.....	87.4	84.5	87.3	85.7	85.0	83.8	84.1	85.0
Nondurable goods.....	87.4	84.3	87.3	85.7	84.9	83.7	83.9	84.7
Petroleum and products.....	84.5	45.4	82.4	84.2	69.0	42.2	36.6	40.8
Capital goods, except autos.....	87.9	93.2	87.7	88.6	89.9	92.2	94.5	96.2
Autos.....	107.1	117.9	106.4	110.6	113.4	116.7	119.3	121.8
Consumer goods.....	99.6	105.0	99.5	100.8	102.0	103.8	106.3	107.6
Durable goods.....	95.9	103.3	95.7	97.6	99.4	102.0	105.0	106.4
Nondurable goods.....	104.9	107.5	104.9	105.4	105.8	106.4	108.2	109.3
Other.....	96.7	102.1	96.5	97.9	99.3	101.2	102.9	104.7
Durable goods.....	96.7	102.1	96.5	97.9	99.3	101.2	102.9	104.7
Nondurable goods.....	96.7	102.1	96.6	97.9	99.3	101.2	102.9	104.7

**Table 7.17.—Fixed-Weighted Price Indexes for National Defense Purchases of Goods and Services, 1982 Weights**

[Index numbers, 1982=100]

	1985	1986 <sup>r</sup>	Seasonally adjusted					
			1985		1986			
			III	IV	I	II	III	IV <sup>r</sup>
<b>National defense purchases</b> .....	111.4	112.8	111.2	112.9	113.2	112.7	112.5	112.7
<b>Durable goods</b> .....	111.8	113.2	111.5	111.5	112.2	113.4	113.5	113.8
Military equipment.....	113.6	114.9	113.2	113.2	113.8	115.3	115.3	115.2
Aircraft.....	125.5	124.2	125.1	124.2	125.2	126.2	123.1	122.3
Missiles.....	107.7	111.8	105.8	107.9	107.2	111.9	113.8	114.1
Ships.....	114.3	117.2	114.7	115.4	116.7	117.6	117.2	117.2
Vehicles.....	75.4	85.9	73.8	76.4	77.9	78.7	92.7	94.3
Electronic equipment.....	106.7	107.7	106.6	106.6	106.8	107.4	108.1	108.3
Other.....	107.0	107.3	107.8	106.2	106.3	107.0	107.6	108.1
Other durable goods.....	108.9	105.5	103.9	104.1	104.8	104.8	105.1	107.4
<b>Nondurable goods</b> .....	89.0	71.6	89.5	89.2	87.4	71.4	63.7	63.7
Petroleum products.....	79.7	54.1	80.5	79.8	77.6	53.8	42.4	42.6
Ammunition.....	109.4	106.8	109.2	109.5	106.8	107.1	107.1	106.2
Other nondurable goods.....	107.6	109.5	107.1	108.3	109.3	109.4	109.7	109.4
<b>Services</b> .....	113.6	117.0	113.5	115.9	116.4	116.9	117.2	117.4
Compensation of employees.....	114.5	117.8	113.9	117.0	117.3	117.8	117.9	118.2
Military.....	114.0	118.0	113.1	117.2	117.4	118.0	118.1	118.3
Civilian.....	115.6	117.5	115.8	116.6	116.9	117.2	117.6	118.1
Other services.....	112.0	115.4	112.5	113.8	114.8	115.2	115.7	115.7
Contractual research and development.....	113.4	114.7	113.7	114.6	115.1	114.8	114.6	114.4
Installation support <sup>1</sup> .....	116.8	120.1	117.7	118.6	119.4	120.5	120.9	119.6
Weapons support <sup>2</sup> .....	112.7	113.8	112.6	114.0	114.1	113.8	113.6	113.6
Personnel support <sup>3</sup> .....	110.0	129.9	110.8	118.2	123.4	127.5	133.1	135.4
Transportation of materiel.....	96.2	98.2	97.0	95.9	98.1	97.8	97.5	99.2
Travel of persons.....	102.0	102.3	102.1	102.8	101.3	102.0	101.9	103.8
Other.....								
<b>Structures</b> .....	110.4	115.0	110.8	112.6	113.2	114.2	116.1	116.4
Military facilities.....	111.2	116.3	111.8	113.7	114.6	114.9	117.8	117.8
Other.....	109.1	113.0	109.5	110.8	111.0	113.1	113.6	114.3

1. Includes utilities, communications, rental payments, maintenance and repair, and payments to contractors to operate installations.  
 2. Includes depot maintenance and contractual services for weapons systems.  
 3. Includes compensation of foreign personnel, consulting, training, and education.

**Table 7.16.—Fixed-Weighted Price Indexes for Government Purchases of Goods and Services by Type, 1982 Weights**

[Index numbers, 1982=100]

	1985	1986 <sup>r</sup>	Seasonally adjusted					
			1985		1986			
			III	IV	I	II	III	IV <sup>r</sup>
<b>Government purchases of goods and services</b> .....	114.1	117.1	114.4	115.8	116.4	116.7	117.1	118.2
<b>Federal</b> .....	111.0	111.8	110.8	112.1	112.3	112.0	111.4	111.6
National defense.....	111.4	112.8	111.2	112.9	113.2	112.7	112.5	112.7
Durable goods.....	111.8	113.2	111.5	111.5	112.2	113.4	113.5	113.8
Nondurable goods.....	89.0	71.6	89.5	89.2	87.4	71.4	63.7	63.7
Services.....	113.6	117.0	113.5	115.9	116.4	116.9	117.2	117.4
Compensation of employees.....	114.5	117.8	113.9	117.0	117.3	117.8	117.9	118.2
Military.....	114.0	118.0	113.1	117.2	117.4	118.0	118.1	118.3
Civilian.....	115.6	117.5	115.8	116.6	116.9	117.2	117.6	118.1
Other services.....	112.0	115.4	112.5	113.8	114.8	115.2	115.7	115.7
Structures.....	110.4	115.0	110.8	112.6	113.2	114.2	116.1	116.4
Nondefense.....	110.0	109.5	109.7	110.3	110.1	110.1	108.8	108.9
Durable goods.....	99.6	99.6	99.5	100.0	99.9	99.2	99.6	99.6
Nondurable goods.....								
Commodity Credit Corporation inventory change.....								
Other nondurables.....	100.5	94.7	99.8	99.3	91.6	96.3	96.7	94.0
Services.....	113.7	115.8	113.9	114.7	115.1	115.5	115.9	116.5
Compensation of employees.....	115.5	117.6	115.7	116.7	117.0	117.3	117.7	118.2
Other services.....	110.8	113.0	111.0	111.7	112.2	112.7	113.1	113.9
Structures.....	107.3	109.5	107.8	108.5	109.0	109.3	109.7	109.9
<b>State and local</b> .....	116.3	121.0	117.0	118.5	119.4	120.2	121.3	123.0
Durable goods.....	106.4	108.6	106.5	107.3	107.4	108.1	108.6	110.3
Nondurable goods.....	99.2	90.5	98.2	100.0	95.4	89.5	87.9	89.1
Services.....	119.8	126.5	120.7	122.2	123.9	125.6	127.2	129.3
Compensation of employees.....	120.3	127.3	121.2	122.8	124.5	126.3	128.0	130.5
Other services.....	117.7	122.8	118.4	119.5	121.2	122.2	123.4	124.3
Structures.....	110.9	113.2	111.9	112.5	112.9	113.1	113.5	113.4

**Table 7.18.—Current-Dollar Cost and Profit Per Unit of Constant-Dollar Gross Domestic Product of Nonfinancial Corporate Business**

[Dollars]

	1985	1986 <sup>r</sup>	Seasonally adjusted					
			1985		1986			
			III	IV	I	II	III	IV <sup>r</sup>
<b>Current-dollar cost and profit per unit of constant-dollar gross domestic product<sup>1</sup></b> .....	1.081	1.101	1.083	1.088	1.095	1.097	1.106	1.106
<b>Capital consumption allowances with capital consumption adjustment</b> .....	.120	.123	.119	.121	.121	.123	.123	.124
<b>Net domestic product</b> .....	.961	.978	.964	.967	.974	.974	.983	.983
Indirect business tax and nontax liability plus business transfer payments less subsidies.....	.103	.106	.103	.104	.106	.108	.107	.106
Domestic income.....	.858	.873	.861	.863	.868	.871	.876	.877
Compensation of employees.....	.708	.725	.705	.716	.721	.724	.727	.729
Corporate profits with inventory valuation and capital consumption adjustments.....	.106	.107	.113	.105	.105	.106	.109	.109
Profits tax liability.....	.032	.035	.033	.033	.032	.034	.036	.040
Profits after tax with inventory valuation and capital consumption adjustments.....	.075	.072	.080	.072	.073	.072	.072	.069
Net interest.....	.048	.040	.042	.042	.042	.041	.040	.039

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

Table 8.1.—Percent Change From Preceding Period in Selected Series

[Percent]

	Seasonally adjusted at annual rates							Seasonally adjusted at annual rates						
	1985	1986 <sup>r</sup>	1985		1986			1985	1986 <sup>r</sup>	1985		1986		
			III	IV	I	II	III			IV <sup>r</sup>	III	IV	I	II
<b>Gross national product:</b>														
Current dollars.....	6.2	5.2	6.8	5.8	6.2	2.6	6.4	1.7						
1982 dollars.....	2.7	2.5	4.1	2.1	3.8	6	2.8	1.1						
Implicit price deflator.....	3.3	2.7	2.5	3.6	2.5	1.8	3.6	7						
Chain price index.....	3.6	2.5	2.5	3.9	1.9	1.5	2.5	2.5						
Fixed-weighted price index.....	3.7	2.8	2.8	4.0	2.5	1.7	2.6	2.7						
<b>Personal consumption expenditures:</b>														
Current dollars.....	7.1	6.2	8.2	6.4	4.6	5.2	10.3	3.0						
1982 dollars.....	3.5	4.1	5.3	1.7	3.6	6.2	6.7	-4						
Implicit price deflator.....	3.5	2.1	2.9	4.3	1.1	-1.1	3.6	3.2						
Chain price index.....	3.6	2.4	2.8	4.7	1.4	-3	3.6	3.6						
Fixed-weighted price index.....	3.7	2.5	3.0	4.7	1.5	-4	3.4	3.5						
<b>Durable goods:</b>														
Current dollars.....	8.5	8.0	23.7	-11.6	-1.3	15.3	51.0	-10.6						
1982 dollars.....	7.8	7.2	23.8	-11.1	-1.8	14.3	44.6	-11.0						
Implicit price deflator.....	7	8	0	-8	8	8	4.7	4						
Chain price index.....	1.0	1.3	-6	1.1	1.5	1.2	3.0	2.6						
Fixed-weighted price index.....	1.0	1.3	-4	1.0	1.8	1.0	3.2	2.1						
<b>Non-durable goods:</b>														
Current dollars.....	4.0	3.0	2.3	6.9	3.1	-6	1.9	3.2						
1982 dollars.....	1.6	3.6	1.2	1.6	6.5	8.0	-9	-1						
Implicit price deflator.....	2.4	-5	1.1	5.3	-3.3	-7.9	3.1	3.0						
Chain price index.....	2.5	-1	1.1	5.2	-2.9	-6.6	3.4	3.9						
Fixed-weighted price index.....	2.5	-1	1.1	5.2	-2.9	-6.8	3.2	3.9						
<b>Services:</b>														
Current dollars.....	8.9	7.9	8.3	11.4	7.2	6.5	6.5	7.0						
1982 dollars.....	3.7	3.4	3.2	6.0	3.2	2.6	2.4	3.2						
Implicit price deflator.....	5.0	4.3	4.9	5.2	3.7	4.0	4.0	3.6						
Chain price index.....	5.2	4.4	5.0	5.4	4.3	3.6	3.8	3.7						
Fixed-weighted price index.....	5.2	4.5	5.1	5.2	4.6	3.8	3.6	3.6						
<b>Gross private domestic investment:</b>														
Current dollars.....	-2	3.4	-5.7	7.6	25.3	-11.3	-6.5	-7.3						
1982 dollars.....	-7	1.5	-7.0	6.0	20.2	-10.8	-7.8	-13.0						
Implicit price deflator.....														
Chain price index.....														
Fixed-weighted price index.....														
<b>Fixed investment:</b>														
Current dollars.....	8.7	4.2	3.9	11.7	-4.8	5.2	4.5	6.0						
1982 dollars.....	7.7	1.9	3.2	9.9	-8.4	3.5	1.2	3.6						
Implicit price deflator.....	.9	2.2	.8	2.0	4.0	1.6	3.1	2.3						
Chain price index.....	1.2	1.6	.8	2.1	2	3.2	2.1	2.7						
Fixed-weighted price index.....	1.5	1.9	1.4	2.4	.9	2.8	2.0	2.4						
<b>Nonresidential:</b>														
Current dollars.....	10.0	.4	.5	12.9	-11.9	-1.5	1.3	4.7						
1982 dollars.....	9.3	-1.0	.1	12.5	-15.1	-9	-2.1	3.0						
Implicit price deflator.....	.6	1.4	.4	4	3.7	-4	3.2	1.6						
Chain price index.....	.9	.9	.7	.8	-7	2.2	2.2	2.3						
Fixed-weighted price index.....	1.4	1.5	1.5	1.6	.4	2.2	2.0	2.0						
<b>Structures:</b>														
Current dollars.....	11.1	-7.4	-2.8	5.8	-6.5	-29.8	-5.5	-5.6						
1982 dollars.....	7.7	-11.6	-4.6	.3	-10.8	-35.2	-9.8	-5.4						
Implicit price deflator.....	3.1	4.7	2.0	5.6	4.7	8.3	5.0	-4						
Chain price index.....	1.8	1.6	1.7	3.2	2	2.6	1.3	2.2						
Fixed-weighted price index.....	1.7	1.3	1.6	3.1	-3	1.5	1.0	1.7						
<b>Producers' durable equipment:</b>														
Current dollars.....	9.4	4.4	2.1	16.9	-14.5	15.8	4.5	9.5						
1982 dollars.....	10.1	4.2	2.6	18.7	-17.0	19.6	1.2	6.6						
Implicit price deflator.....	-6	2	-4	-1.6	3.3	-3.2	2.9	2.9						
Chain price index.....	.4	.6	.1	-4	-1.2	2.0	2.6	2.3						
Fixed-weighted price index.....	1.2	1.6	1.5	.7	.9	2.6	2.6	2.3						
<b>Residential:</b>														
Current dollars.....	5.7	13.1	12.6	8.7	14.2	21.0	11.6	8.8						
1982 dollars.....	3.9	9.5	11.7	3.4	11.0	14.5	9.7	5.2						
Implicit price deflator.....	1.8	3.3	1.1	4.9	3.0	5.6	1.8	3.6						
Chain price index.....	1.8	3.3	1.0	5.2	2.5	5.5	1.8	3.6						
Fixed-weighted price index.....	1.8	3.2	1.1	5.1	2.6	4.7	2.1	3.7						
<b>Exports of goods and services:</b>														
Current dollars.....	-3.4	.9	-8.1	6.7	7.4	-12.0	8.9	14.4						
1982 dollars.....	-2.0	2.5	-5.8	8.2	7.1	-9.8	13.3	16.7						
Implicit price deflator.....	-1.4	-1.7	-2.3	-1.2	0	-2.3	-3.9	-2.0						
Chain price index.....	-7	-6	-2.2	-6	1.2	-1.7	-1.4	-2						
Fixed-weighted price index.....	-4	-2	-1.7	-2	2.0	-1.3	-1.7	-2						
<b>Imports of goods and services:</b>														
Current dollars.....	1.6	6.4	-1.0	27.1	-4.2	-9	10.9	12.2						
1982 dollars.....	3.8	10.4	.3	23.3	.2	15.8	17.3	-5						
Implicit price deflator.....	-2.1	-3.7	-1.3	3.0	-4.5	-14.4	-5.6	13.1						
Chain price index.....	-2.0	-1.7	-1.6	4.5	-4.4	-8.5	1.4	8.3						
Fixed-weighted price index.....	-1.9	-4.0	-2.0	4.8	-7.0	-15.5	-1	8.4						
<b>Government purchases of goods and services:</b>														
Current dollars.....	11.2	6.0	16.3	13.1	-8.5	12.0	6.3	5.3						
1982 dollars.....	6.8	3.5	13.9	10.0	-12.3	9.7	4.5	10.5						
Implicit price deflator.....	4.1	2.3	2.1	2.9	4.3	2.1	1.7	-4.7						
Chain price index.....	4.5	2.4	3.1	5.5	1.7	1.5	.8	3.3						
Fixed-weighted price index.....	4.4	2.6	3.1	4.9	2.1	1.0	1.3	3.8						
<b>Federal:</b>														
Current dollars.....	13.7	3.4	25.6	24.1	-24.0	14.1	1.9	3.1						
1982 dollars.....	10.9	2.7	26.0	22.7	-27.5	11.0	2.5	23.2						
Implicit price deflator.....	2.5	.7	-4	1.1	4.8	2.9	-.7	-16.4						
Chain price index.....	3.2	.7	1.3	6.2	.2	.6	-.8	-1						
Fixed-weighted price index.....	2.9	.8	1.1	4.9	.6	-1.2	-2.0	.6						
<b>National defense:</b>														
Current dollars.....	10.4	7.0	17.3	3.8	-2.4	19.3	12.6	-10.7						
1982 dollars.....	7.4	6.1	15.8	4.7	-1.0	19.0	17.2	-10.2						
Implicit price deflator.....	2.7	.9	1.1	3.1	-1.4	.4	-.4	-4						
Chain price index.....	3.0	1.2	1.7	7.7	0	.4	-.3	-4						
Fixed-weighted price index.....	3.7	1.3	2.0	6.0	1.2	-1.7	-1.0	.8						
<b>Nondefense:</b>														
Current dollars.....	24.3	-6.4	53.5	95.3	-60.9	-4	-26.5	62.8						
1982 dollars.....	21.4	-6.4	59.9	130.2	-67.1	-10.3	-34.6	226.3						
Implicit price deflator.....	2.3	-2	-4.6	-14.9	18.8	11.1	12.3	-50.1						
Chain price index.....	3.7	-.9	1	2.0	.6	1.3	-1.6	1.2						
Fixed-weighted price index.....	1.1	-.5	-1.1	2.3	-.9	.1	-.4	.3						
<b>State and local:</b>														
Current dollars.....	9.3	8.0	9.7	5.1	5.3	10.7	9.6	6.9						
1982 dollars.....	3.7	4.3	5.1	3	2.6	8.7	6.1	1.1						
Implicit price deflator.....	5.4	3.5	4.2	4.9	2.7	2.0	3.0	5.8						
Chain price index.....	5.5	3.8	4.5	4.9	2.9	2.2	3.5	5.7						
Fixed-weighted price index.....	5.5	4.0	4.6	5.0	3.2	2.6	3.7	6.0						
<b>Addenda:</b>														
<b>Gross domestic purchases:</b>														
1982 dollars.....	3.4	3.5	4.6	4.0	3.0	3.6	3.7	-6						
Chain price index.....	3.4	2.3	2.5	4.4	1.2	.6	2.7	3.3						
Fixed-weighted price index.....	3.6	2.5	2.8	4.5	1.6	.4	2.8	3.5						
<b>Final sales:</b>														
1982 dollars.....	4.2	2.6	6.1	2.7	-1.3	3.4	4.5	4.2						
Chain price index.....	3.6	2.5	2.6	4.0	1.9	1.5	2.5	2.5						
Fixed-weighted price index.....	3.6	2.7	2.7	3.9	2.4	1.7	2.6	2.7						
<b>Final sales to domestic purchasers:</b>														
1982 dollars.....	4													

## Reconciliation and Other Special Tables

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

[Billions of dollars]

	Line	Seasonally adjusted at annual rates				
		1986	1986			
			I	II	III	IV
Exports of goods and services, BPA's.....	1	370.7	366.0	367.9	371.4	377.5
Less: Gold, BPA's.....	2	5.9	1.3	12.7	6.7	2.9
Capital gains net of losses in direct investment income receipts, BPA's.....	3	8.5	9.9	8.6	8.8	6.5
Statistical differences <sup>1</sup> .....	4	1.8	-1.5	1.9	3.5	3.5
Other items.....	5	0	0	0	0	0
Plus: Adjustment for U.S. territories and Puerto Rico.....	6	12.5	12.7	12.3	12.3	12.7
Services furnished without payment by financial intermediaries except life insurance carriers and private noninsured pension plans.....	7	6.0	5.9	6.0	6.1	6.2
Equals: Exports of goods and services, NIPA's.....	8	373.0	374.8	363.0	370.8	383.5
Imports of goods and services, BPA's.....	9	496.1	490.2	489.3	495.9	509.1
Less: Payments of income on U.S. Government liabilities.....	10	22.4	22.8	22.2	22.8	21.7
Gold, BPA's.....	11	7.9	7.5	10.5	5.0	8.5
Capital gains net of losses in direct investment income payments, BPA's.....	12	3	3.1	-6	-5	-1.0
Statistical differences <sup>1</sup> .....	13	8	0	1.7	8	8
Other items.....	14	0	0	0	0	0
Plus: Gold, NIPA's.....	15	5	-1	0	-3	2.4
Adjustment for U.S. territories and Puerto Rico.....	16	6.0	6.0	6.0	6.0	6.0
Imputed interest paid to foreigners.....	17	6.0	5.9	6.0	6.1	6.2
Equals: Imports of goods and services, NIPA's.....	18	477.3	468.5	467.5	479.7	493.7
Balance on goods and services, BPA's (1-9).....	19	-125.4	-124.2	-121.4	-124.5	-131.6
Less: Gold (2-11+15).....	20	-1.5	-6.3	2.2	1.4	-3.2
Capital gains net of losses in direct investment income, BPA's (3-12).....	21	8.2	6.8	9.2	9.3	7.6
Statistical differences (4-13).....	22	1.1	-1.5	2	2.8	2.8
Other items (5-14).....	23	0	0	0	0	0
Plus: Payments of income on U.S. Government liabilities (10).....	24	22.4	22.8	22.2	22.8	21.7
Adjustment for U.S. territories and Puerto Rico (6-16).....	25	6.5	6.7	6.3	6.3	6.7
Equals: Net exports of goods and services, NIPA's (8-18).....	26	-104.3	-93.7	-104.5	-108.9	-110.2

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

**Table 2.—Cyclically Adjusted Federal Receipts, Expenditures, Surplus or Deficit(-), and Debt**

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

	1985	1986	1985				1986			
			I	II	III	IV	I	II	III	IV
<b>Based on middle-expansion trend GNP:</b>										
Receipts:										
Level.....	781.8	817.6	791.0	753.1	784.8	798.1	794.3	805.5	823.2	847.5
Percentage of trend GNP.....	19.7	19.6	20.3	19.1	19.7	19.7	19.4	19.5	19.6	20.0
Change from preceding period.....	52.3	35.8	46.5	-37.9	31.7	13.3	-3.8	11.2	17.7	24.3
Due to automatic inflation effects.....	21.1	16.4	5.7	5.3	3.2	6.6	4.0	1.6	7.2	9
Due to discretionary policy and other factors.....	31.1	19.4	40.8	-43.2	28.5	6.7	-7.8	9.6	10.5	25.2
Expenditures:										
Level.....	985.1	1,030.5	955.3	970.4	990.3	1,024.2	1,001.7	1,044.9	1,030.8	1,044.4
Percentage of trend GNP.....	24.8	24.7	24.5	24.6	24.8	25.3	24.4	25.2	24.6	24.7
Change from preceding period.....	89.1	45.4	21.0	15.1	19.9	33.9	-22.5	43.2	-14.1	13.6
Due to automatic inflation effects.....	21.9	18.6	13.8	2.7	2.8	4.5	8.9	3.3	1.9	3.3
Due to discretionary policy and other factors.....	67.1	26.8	7.2	12.4	17.1	29.4	-31.4	39.9	-16.0	10.3
Surplus or deficit (-):										
Level.....	-203.3	-212.8	-164.2	-217.2	-205.5	-226.1	-207.4	-239.4	-207.6	-196.9
Percentage of trend GNP.....	-5.1	-5.1	-4.2	-5.5	-5.1	-5.6	-5.1	-5.8	-4.9	-4.7
Change from preceding period.....	-36.8	-9.5	25.6	-58.0	11.7	-20.6	18.7	-32.0	31.8	10.7
Due to automatic inflation effects.....	-7	-2.1	-8.1	2.6	5	2.1	-4.9	-1.7	5.3	-4.2
Due to discretionary policy and other factors.....	-36.1	-7.5	33.7	-55.6	11.2	-22.7	23.6	-30.3	26.5	14.9
Debt:										
At par value, end of period:										
Level.....	1,519.8	1,742.6	1,327.7	1,399.2	1,439.6	1,519.8	1,552.6	1,634.7	1,685.9	1,742.6
Percentage of trend GNP.....	38.3	41.8	34.1	35.5	36.1	37.5	37.9	39.5	40.2	41.2
At market value, end of period:										
Level.....	1,591.2	1,878.5								
Percentage of trend GNP.....	40.1	45.1								
<b>Based on 6-percent unemployment rate trend GNP:</b>										
Receipts:										
Level.....	810.3	848.0	819.9	780.3	813.7	827.3	824.0	835.4	853.8	878.7
Percentage of trend GNP.....	19.8	19.8	20.5	19.2	19.8	19.9	19.5	19.6	19.8	20.2
Expenditures:										
Level.....	981.0	1,027.6	950.6	966.2	986.4	1,020.6	998.1	1,041.9	1,028.3	1,042.2
Percentage of trend GNP.....	24.0	24.0	23.7	23.8	24.0	24.5	23.7	24.5	23.8	24.0
Surplus or deficit (-):										
Level.....	-170.7	-179.6	-130.8	-185.9	-172.7	-193.4	-174.1	-206.5	-174.5	-163.4
Percentage of trend GNP.....	-4.2	-4.2	-3.3	-4.6	-4.2	-4.6	-4.1	-4.9	-4.0	-3.8
<b>Addenda:</b>										
Middle-expansion trend GNP:										
Current dollars.....	3,970.7	4,166.2	3,892.8	3,946.2	3,992.9	4,050.8	4,098.4	4,139.1	4,198.3	4,228.8
1982 dollars.....	3,561.8	3,640.8	3,532.5	3,551.9	3,571.5	3,591.1	3,610.9	3,630.8	3,650.7	3,670.8
6-percent unemployment rate trend GNP:										
Current dollars.....	4,083.7	4,284.7	4,003.6	4,058.5	4,106.5	4,166.0	4,215.0	4,256.9	4,317.8	4,349.1
1982 dollars.....	3,663.1	3,744.4	3,633.0	3,653.0	3,673.1	3,693.3	3,713.7	3,734.1	3,754.6	3,775.3

## The Tax Reform Act of 1986

THE 1980's will be viewed by historians as a decade of significant changes in the U.S. tax code. As the decade began, the Economic Recovery Tax Act of 1981 put in place one of the largest tax reductions in history. In the next few years, other major tax legislation—including the Tax Equity and Fiscal Responsibility Act of 1982, the Social Security Amendments of 1983, and the Deficit Reduction Act of 1984—increased taxes, either to reduce mounting budget deficits or to restore the solvency of the social security trust fund. Most recently, the Tax Reform Act of 1986 put in place the most sweeping revision in the history of tax law. It provides for major reductions in the top tax rate for individuals and corporations; the individual top rate for 1988 will be the lowest since 1931. It reverses a 20-year erosion in the tax burden of corporations. It repeals or limits many of the tax credits and deductions that encouraged certain kinds of investment. Although it does not significantly redistribute the tax burden between high- and middle-income taxpayers, it abandons steeply progressive tax rates—once considered crucial to achieving an equitable income distribution—but compensates by limiting the tax preferences heavily used by higher income taxpayers. Finally, the act reduces the tax burden at the lower end of the income spectrum.

The Tax Reform Act was passed by Congress on September 27, 1986, and signed by the President on October 22, 1986. Most of the provisions of the act were effective January 1, 1987; a few were retroactive to January 1, 1986, and some are phased in over the next few years. The act was designed to be revenue neutral over a 5-year period; that is, the act neither increases nor decreases Federal Government receipts compared with the previous tax law. This neutrality was achieved by offsetting large reductions in individual and corporate

income tax rates with a broadening of the tax bases by the elimination of various deductions, tax shelters, and preferential tax treatments, such as for capital gains. According to the Department of the Treasury, the act reduces unified budget receipts \$5.4 billion over fiscal years 1987-91. Receipts are increased in 1987 and 1988 and reduced in 1989-91; receipts are increased in the early years because most of the provisions increasing taxes, such as repeal of tax preferences, are effective in early 1987 while those reducing taxes, largely changes to the corporate tax structure, do not occur until later.

*Preliminary estimates.*—The estimates of the impact of the act on the national income and product account (NIPA) basis shown in table 1 should be viewed as preliminary. The act is very complex, and many of the provisions are interactive and are likely to bring about major changes in taxpayer behavior. In order to portray the ultimate effect of a tax proposal on receipts, the Office of Tax Analysis (OTA), in the Department of the Treasury, made considerable effort to take into account behavioral responses in preparing the data on which the NIPA estimates are based.<sup>1</sup>

However, estimating behavioral responses, such as the deferral of income and the acceleration of capital gains realizations to take advantage of lower tax rates, encounters several difficulties. The most obvious is the lack of data and/or the necessary empirical work to determine relevant elasticities. In other instances, when both empirical research and theory indicate the direction and magnitude of a response, information on the

timing and pattern may be lacking. It will take time to accumulate the evidence needed for more exact estimates.

A second reason for viewing the estimates as preliminary is that they reflect a historical relationship between withheld income taxes and tax liability. The estimates of the impact of the individual rate reductions are not based on the new graduated withheld income tax tables, which were not available at the time OTA prepared the data, and reflect the incremental adjustment of withholding allowances that most individual taxpayers followed in the past to reach a satisfactory level of withholding. However, the historical relation is not fully appropriate because the new Form W-4—the Employee's Withholding Allowance Certificate used by employers to determine the amount of withholding from pay—is designed to bring withholding closer to tax liability than in the past and because taxpayers are required to file a new Form W-4 no later than October 1, 1987 that reflects their revised withholding allowances.

Furthermore, evidence since the OTA data were prepared indicates that underwithholding occurred when the new tax tables were initially put into effect on January 1, 1987. The underwithholding resulted from the use of the new tax table in combination with the number of allowances—based on marital status and number of exemptions—on file for 1986. The 1986 allowances were used by employers in calculating the initial 1987 withholding because most employees had not yet filed a new Form W-4. Many higher income taxpayers need to reduce their number of allowances to be consistent with the provisions of the new law and the initial underwithholding will lessen as they do so.

The complexities of the act, including the behavioral responses, that make the estimates more preliminary

1. For a more detailed discussion of the procedures underlying the OTA data, see H.W. Nester, "Interpreting Revenue Estimates: Macro-Static/Micro-Dynamic" to be published in the forthcoming proceedings of the 79th annual conference of the National Tax Association-Tax Institute of America, November 1986.

than usual will also make it more difficult to interpret actual collections over the next few years. In addition, the payment response to tax changes, one of the more important—and frequently overlooked— aspects of interpreting collections, must be taken into account. The tax code provides several options for satisfying requirements for timely payment of taxes and final tax liabilities, and taxpayers are given considerable latitude in choosing which option to use. At the

same time, major changes in the tax law are followed by an adjustment period in which taxpayers move along a “learning curve” as they gradually adapt to the new law.

*Structure of the article.*—The remainder of this article discusses the major provisions of the act as they affect personal tax and nontax receipts, corporate profits tax accruals, and other categories of Federal re-

ceipts and expenditures on the NIPA basis. For personal and corporate receipts, the provisions of the act are arrayed in table 1 and discussed in order of the magnitude of their 1987 impact. At various places in the discussion, any special quarterly treatment of the impact of a provision in the NIPA's is also presented. The article is not intended to be a detailed provision-by-provision review of the act; it only serves to highlight the features of the major provisions.

Table 1.—Impact of the Tax Reform Act of 1986 on Federal Government Receipts and Expenditures, NIPA Basis  
[Billions of dollars]

Line	Calendar year															
	Seasonally adjusted annual rates															
	1987	1988	1989	1987				1988				1989				
			I	II	III	IV	I	II	III	IV	I	II	III	IV		
1	Receipts.....	13.9	-3.7	-8.2	15.1	11.4	14.5	14.4	5.3	4.6	-12.7	-11.9	-5.9	-6.3	-10.0	-10.8
2	Personal tax and nontax receipts.....	-19.2	-29.6	-36.0	-17.8	-21.7	-18.7	-18.8	-21.1	-21.6	-38.4	-37.2	-34.5	-34.5	-37.6	-37.6
3	Withheld income taxes.....	-27.9	-43.3	-46.6	-29.3	-28.5	-27.2	-26.8	-42.9	-43.1	-43.5	-43.7	-44.8	-45.9	-47.3	-48.6
4	Basic rate structure:															
5	Rate reductions.....	-17.8	-29.6	-34.1	-17.5	-17.7	-17.9	-18.1	-29.3	-29.5	-29.7	-29.9	-31.6	-33.2	-34.9	-36.7
6	Personal exemption.....	-17.2	-15.9	-16.5	-18.7	-18.1	-16.6	-15.4	-15.6	-15.8	-16.0	-16.2	-16.3	-16.4	-16.6	-16.7
7	Standard deduction.....		-5.7	-6.3					-5.4	-5.6	-5.8	-6.0	-6.1	-6.2	-6.4	-6.5
8	Other.....	1.7	2.3	3.6	1.5	1.6	1.7	2.0	2.0	2.2	2.4	2.6	3.1	3.4	3.8	4.1
9	Pensions and employee benefits.....	3.1	3.3	3.5	3.1	3.2	3.1	3.0	3.3	3.3	3.3	3.3	3.4	3.5	3.5	3.6
10	Business expenses.....	.8	.8	.9	.8	.8	.8	.8	.8	.8	.8	.8	.8	.9	.9	1.0
11	Consumer interest expense.....	.7	1.1	1.6	.6	.7	.7	.8	1.0	1.1	1.1	1.2	1.3	1.5	1.7	1.9
12	Other itemized deductions.....	.7	.7	.7	.7	.7	.7	.7	.7	.7	.7	.7	.7	.7	.7	.7
13	Other.....	.1	-.3		.2	.3	.3	-.6	-.4	-.3	-.3	-.2	-.1	-.1		
13	Declarations and net settlements.....	9.6	14.3	11.8	12.4	7.7	9.5	8.8	22.4	22.0	5.6	7.3	11.2	12.5	11.0	12.5
14	Basic rate structure:															
15	Rate reductions.....	-15.7	-12.9	-18.6	-15.6	-38.6	-3.8	-4.8	-3.7	-4.7	-22.1	-21.1	-17.1	-17.1	-20.1	-20.1
16	Income deferral and deduction acceleration.....	-12.4	8.2	1.5	-18.8	-35.3			16.4	16.4			3.0	3.0		
17	Other.....	-3.3	-21.1	-20.1	-1.8	-2.8	-3.8	-4.8	-20.1	-21.1	-22.1	-21.1	-20.1	-20.1	-20.1	-20.1
18	Personal exemption.....	-3.5	-12.4	-11.9	-3.1	-3.3	-3.6	-4.0	-12.1	-12.3	-12.5	-12.7	-12.3	-12.0	-11.8	-11.5
19	Standard deduction.....		-.6	-.4					-.6	-.7	-.6	-.5	-.4	-.4	-.4	-.4
20	Married couples deduction.....	1.5	6.0	6.2	1.5	1.5	1.5	1.5	5.8	6.0	6.0	6.2	6.2	6.2	6.2	6.2
21	Income averaging.....	.5	1.7	1.8	.2	.3	.5	1.0	1.5	1.7	1.8	1.8	1.8	1.8	1.8	1.8
22	Other.....	-.2	-.5	-.7	-.1	-.2	-.2	-.3	-.4	-.5	-.5	-.6	-.7	-.7	-.7	-.7
23	Capital gains.....	12.5	-1.5	-.1	15.1	35.9	-5	-5	-2.0	-1.7	-1.3	-1.0	-.7	-.3	.1	.5
24	Capital cost recovery system:															
25	Investment tax credit.....	5.2	5.2	5.7	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.4	5.6	5.8	6.0
26	Other.....	-.5	-1.3	-.3	-.4	-.5	-.5	-.6	-1.3	-1.5	-1.1	-.8	-.4	-.3	-.3	-.2
27	Minimum tax.....	1.4	3.7	.9	1.4	1.4	1.4	1.4	4.1	3.8	3.4	3.1	1.4	1.0	.7	.5
28	Pensions and employee benefits:															
29	Limit individual retirement accounts.....	.2	4.8	4.6	-.1	-2.5	1.6	1.8	4.7	4.9	4.9	4.7	4.6	4.6	4.6	4.6
30	Other.....	1.1	.9	.9	1.5	1.5	.7	.7	.9	.9	.9	.9	.9	.9	.9	.9
31	Tax shelters and real estate.....	.8	3.4	5.7	.5	.7	.9	1.1	2.8	3.2	3.6	4.0	4.7	5.4	6.0	6.7
32	Consumer interest expense.....	.7	2.1	3.1	.7	.7	.7	.7	1.8	2.0	2.2	2.4	2.6	2.9	3.3	3.6
33	Business expenses.....	.5	4.5	4.6	.5	.5	.5	.5	4.5	4.5	4.5	4.5	4.6	4.6	4.6	4.6
34	Other itemized deductions.....	.5	6.1	5.6	.5	.5	.5	.5	6.3	6.2	6.0	5.9	5.7	5.6	5.6	5.5
35	Exclusions from income.....	.4	1.3	1.3	.4	.4	.4	.4	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
36	Other.....	4.2	3.8	3.4	4.2	4.2	4.2	4.2	3.6	3.7	3.9	4.0	3.6	3.4	3.4	3.2
37	Estate and gift taxes.....	-.9	-.6	-.12	-.9	-.9	-1.0	-.8	-.6	-.5	-.5	-.8	-.9	-1.1	-1.3	-1.5
38	Corporate profits tax accruals.....	32.7	25.4	27.5	32.4	32.7	32.8	32.9	25.8	25.7	25.2	24.9	28.3	27.9	27.3	26.5
39	Basic rate structure:															
40	Rate reductions.....	-9.7	-22.1	-27.1	-9.4	-9.6	-9.8	-10.0	-20.7	-21.6	-22.5	-23.6	-24.9	-26.3	-27.8	-29.4
41	Capital cost recovery system:															
42	Investment tax credit:															
43	Regular.....	16.0	20.4	24.5	15.6	15.8	16.2	16.4	20.1	20.3	20.5	20.7	22.9	23.9	25.1	26.1
44	Carryforward and transition.....	.2	2.1	1.5	.2	.2	.2	.2	2.1	2.1	2.1	2.1	1.5	1.5	1.5	1.5
45	Carrybacks.....		-.6						-.6	-.6	-.6	-.6				
46	Depreciation and expensing.....	-2.4	-2.1	.1	-2.4	-2.4	-2.4	-2.4	-2.1	-2.1	-2.1	-2.1	.1	.1	.1	.1
47	Other.....	.5	.5	.6	.5	.5	.5	.5	.5	.5	.5	.5	.6	.6	.6	.6
48	Accounting rules:															
49	Uniform capitalization.....	9.1	8.5	7.3	9.4	9.2	9.0	8.8	8.7	8.6	8.4	8.3	7.9	7.5	7.1	6.7
50	Installment method limits.....	2.2	1.4	1.3	2.5	2.3	2.0	1.6	1.4	1.4	1.4	1.4	1.3	1.3	1.3	1.3
51	Bad debt reserves.....	1.7	1.5	1.5	1.7	1.7	1.7	1.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
52	Other.....	1.2	1.1	1.3	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.1	1.2	1.3	1.3	1.4
53	Minimum tax.....	4.5	4.7	4.8	4.4	4.5	4.5	4.6	4.7	4.7	4.7	4.7	4.8	4.8	4.8	4.8
54	Insurance companies.....	2.2	2.5	2.8	2.1	2.2	2.2	2.3	2.4	2.5	2.5	2.6	2.7	2.8	2.8	2.9
55	Employee stock ownership.....	1.8	.2	.1	1.8	1.8	1.8	1.8	.2	.2	.2	.2	.1	.1	.1	.1
56	Foreign taxes.....	1.6	2.0	2.3	1.5	1.6	1.6	1.7	1.9	2.0	2.0	2.1	2.2	2.3	2.3	2.4
57	Business expenses.....	1.5	1.5	1.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.6	1.7	1.7	1.8
58	Research and development.....	-1.4	-1.2	-.5	-1.3	-1.4	-1.4	-1.5	-1.5	-1.3	-1.1	-.9	-.7	-.5	-.4	-.4
59	Financial institutions.....	.8	1.5	1.9	.5	.7	.9	1.1	1.2	1.4	1.6	1.8	1.8	1.9	1.9	2.0
60	Capital gains.....	.6	.9	1.1	.5	.6	.6	.7	.8	.9	.9	1.0	1.1	1.1	1.1	1.1
61	General Utilities rule.....	.5	1.2	1.5	.2	.4	.6	.8	.9	1.1	1.3	1.5	1.5	1.5	1.5	1.5
62	Tax-exempt bonds.....	.5	.5	.4	.5	.5	.5	.5	.5	.5	.5	.5	.5	.4	.4	.3
63	Tax shelters and real estate.....	-.5	-.5	-.9					-.2	-.4	-.6	-.8	-.8	-.9	-.9	-1.0
64	Other.....	1.4	1.4	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.3	1.3	1.2
65	Indirect business tax and nontax accruals.....	.4	.4	.2	.4	.4	.4	.4	.5	.4	.4	.3	.2	.2	.2	.2
66	Contributions for social insurance.....		.1	.1					.1	.1	.1	.1	.1	.1	.1	.1
67	Expenditures.....		1.5	2.6					1.5	1.5	1.5	1.5	2.6	2.6	2.6	2.6
68	Transfer payments to persons:															
69	Earned income credit.....		1.5	2.6					1.5	1.5	1.5	1.5	2.6	2.6	2.6	2.6

**Personal Tax and Nontax Receipts**

Personal tax and nontax receipts are reduced \$19.2 billion in 1987, \$29.6 billion in 1988, and \$36.0 billion in 1989. Withheld income taxes more than account for the reductions due to changes to the basic rate structure. The major change to the rate structure results from the sharp cut in the top individual income tax rate, to 28 percent from 50 percent (chart 1). (The top rate had been cut to 50 percent from 70 percent by the Economic Recovery Tax Act.) Partly offsetting the reductions in withheld income taxes are increases in declarations (estimated tax payments) and net settlements (final tax payments less refunds of the preceding year's taxes). These taxes are increased, on balance, by the elimination of various deductions, tax shelters, and preferential tax treatments, such as for capital gains income.

**Basic rate structure**

The act provides for a number of major changes to the basic rate structure, which, on balance, reduce withheld income taxes and declarations and net settlements. In 1987, the reductions are \$33.3 billion and \$17.4 billion, respectively. The major

**Table 2.—Individual Income Tax Rate Schedule for Joint and Single Returns Under the Tax Reform Act of 1986**

1987			1988		
Taxable income (dollars)		Marginal tax rate (percent)	Taxable income (dollars)		Marginal tax rate <sup>1</sup> (percent)
Joint return	Single return		Joint return	Single return	
0 - 3,000	0 - 1,800	11	0 - 29,750 Over 29,750	0 - 17,850 Over 17,850	15 28
3,000 - 28,000	1,800 - 16,800	15			
28,000 - 45,000	16,800 - 27,000	28			
45,000 - 90,000	27,000 - 54,000	35			
Over 90,000	Over 54,000	38.5			

1. A 33-percent rate is implicitly created by the use of a 5-percent surcharge for incomes above certain levels.

NOTE.—Under the previous law there were 14 tax brackets (15 for single taxpayers) and rates ranging from 11 to 50 percent.

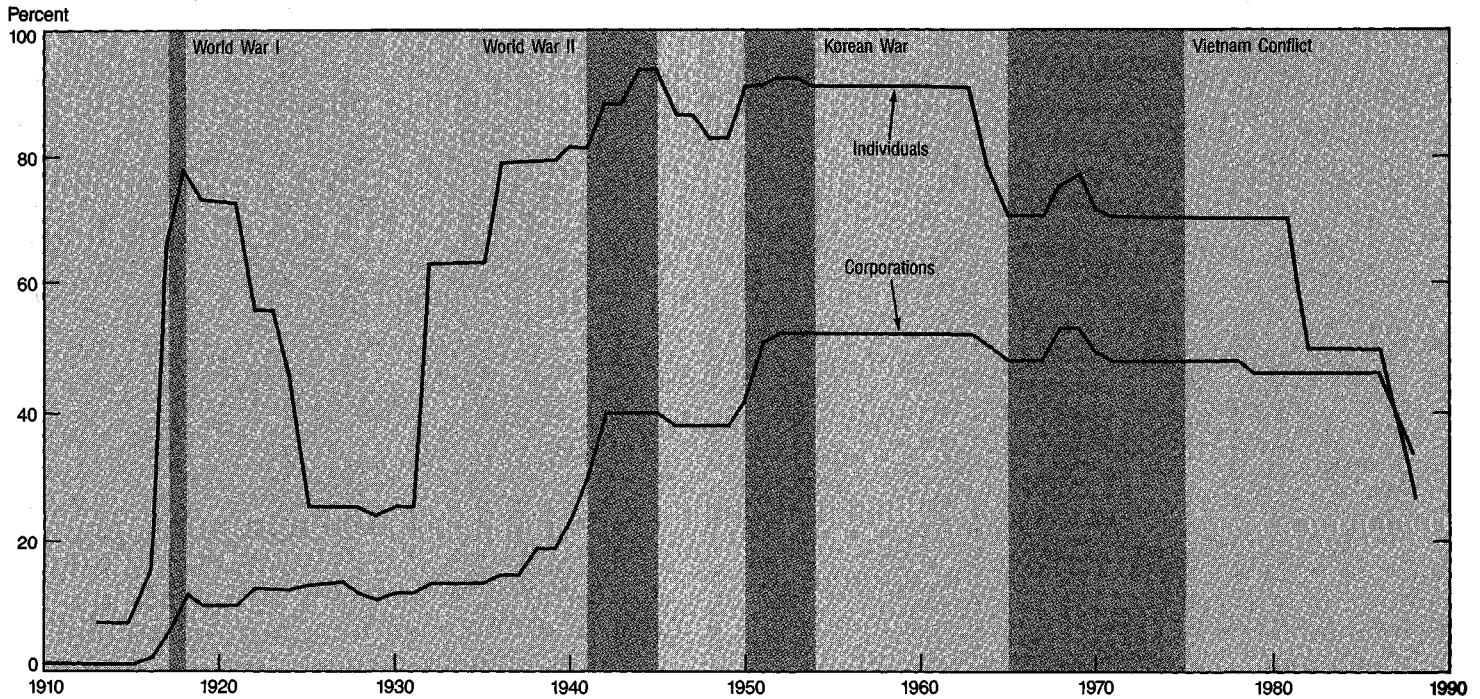
changes to the basic rate structure are from rate reductions, an increase in the personal exemption, and the replacement of the zero bracket amount with a standard deduction.

**Rate reductions.**—The previous 14 tax brackets (15 for single taxpayers), with rates ranging from 11 to 50 percent, are replaced by a five-bracket system, with rates ranging from 11 to 38.5 percent, for 1987 and a two-bracket system, with rates of 15 and 28 percent, for 1988 and later tax years (table 2). The 1987 rate reduction lowers withheld income taxes \$17.8 billion and declarations and net settlements \$15.7 billion.

In addition, the act implicitly creates a third rate of 33 percent, effective in 1988, for individuals with incomes above certain levels. Under previous laws, all taxpayers benefited from the lower rates on the first income earned. The new law, however, effectively eliminates the 15-percent tax rate for high-income individuals by imposing a 5-percent surcharge on the amount of taxable income between \$71,900 and \$149,250 for joint returns and between \$43,150 and \$89,650 for single returns. Taxpayers within these ranges will be subject to a marginal tax rate of 33 percent, but their average tax rate

**CHART 1**

**Top Tax Rate for Individuals and Corporations, 1910-90**



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

87-3-1

will not exceed 28 percent. Taxpayers with taxable income above these ranges will be subject to the 28-percent rate on all taxable income.

The taxable income bracket at which the 28-percent rate begins will be adjusted for inflation, effective for tax years after 1988. For a given tax year, the inflation adjustment is based on the increase in the Consumer Price Index (CPI) for the 12-month period ending the preceding August 31 over the CPI for the 12-month period ending August 31, 1987; if the adjustment is not an even multiple of \$50, it is to be rounded down to the next lowest multiple of \$50. (The rounding down in one year, however, will not affect the indexing of brackets in future years because the inflation adjustment for each year is based on the difference in the CPI applicable for that year and the CPI for the 12-month period ending in 1987.)

As mentioned earlier, the act is likely to affect taxpayer behavior, particularly because it was enacted in one year but effective in the next and later years. Two of the more significant behavioral responses resulting from this act are the deferral of income and the acceleration of deductions.

Many taxpayers, faced with a 2-year phased reduction in tax rates and the elimination—or limitation—of many deductibles, will defer income and/or accelerate deductions to minimize taxes in 1986 and 1987. Nonwage income, such as partnership income and bonuses, may be shifted to 1987 from 1986 and to 1988 from 1987 to take advantage of the lower tax rates effective in the later years. Certain discretionary deductions, such as charitable contributions and prepaid expenses and taxes, may be shifted to 1986 from 1987 and to 1987 from 1988 to increase the tax savings from the deduction under the higher tax rates in the earlier year. These income deferrals and deduction accelerations reduce declarations and final payments in 1987. Of course, taxpayers able to take advantage of these shifts will have higher taxable incomes in later years—but taxed at lower rates—and declarations and net settlements will be increased in the later years. (These behavioral responses to the act, which are temporary in nature, are not seasonally adjusted. Instead, the effect of these behavioral responses, which is shown in table 1, is confined to the first two quarters, when most net settlements

occur. The permanent effects are shown separately on a seasonally adjusted basis.)

*Personal exemption.*—The personal exemption is increased from \$1,080 in 1986 to \$1,900 in 1987, \$1,950 in 1988, and \$2,000 in 1989. The personal exemption will be adjusted for inflation, effective for 1990, in a manner similar to that described for the taxable income bracket. The use of the personal exemption will also be phased out for higher income taxpayers, beginning in 1988, by the 5-percent surcharge. The range over which the phase-out takes place depends on the number of exemptions. For a couple with no children, the phase-out will end at \$171,090; for a couple with two children, it will end at \$192,930. The 1987 increase in the personal exemption lowers withheld income taxes \$17.2 billion and declarations and net settlements \$3.5 billion.

*Standard deduction.*—The zero bracket amount—previously built into the tax rate schedules and tax tables—is replaced with a standard deduction, effective in 1987. The standard deduction, which varies according to filing status, reduces adjusted gross income in deriving taxable income. Taxpayers have the choice of itemizing deductions or taking the applicable standard deduction, whichever is higher. Personal taxes are not affected by this change in 1987, however, because the standard deduction is the same as the inflation-adjusted zero bracket amount for that year. The standard deduction is increased in 1988 to \$5,000 from \$3,760 (joint returns) and to \$3,000 from \$2,540 (single returns). The standard deduction will be adjusted for inflation, effective for 1989.

*Married couples deduction.*—The deduction of as much as \$3,000 for married couples who both work is repealed effective January 1, 1987. The repeal increases declarations and net settlements \$1.5 billion in 1987.

*Income averaging.*—The income averaging method, which allowed taxpayers with large fluctuations in income to reduce their tax liabilities, is repealed effective January 1, 1987. The repeal increases declarations and net settlements \$0.5 billion in 1987.

*Other basic rate structure provisions.*—The other major provision of the act that deals with the basic rate structure is repeal of the additional personal exemption for the aged and

blind. This exemption is replaced with an additional standard deduction for the aged and blind, effective in 1987. An elderly or blind married individual will add \$600 (\$1,200 if both elderly and blind) to the basic standard deduction; an elderly or blind unmarried individual will add \$750 (\$1,500 if both) to the basic standard deduction.

#### *Pensions and employee benefits*

A number of provisions affect pensions and employee benefits; the largest are a limit on the deduction for contributions to individual retirement accounts (IRA's) and a repeal of a special recovery rule for retirees.

Under previous law, all taxpayers were allowed to make annual contributions of up to \$2,000 (\$250 for a spouse) to an IRA, even if the individual was covered by an employer-provided pension plan. Taxes were deferred on the contributions—the contributions were deductible—and the interest or other earnings of the account until withdrawn. The act retains the deductibility of the contributions to IRA's only for single individuals with income up to \$25,000, for married couples with income up to \$40,000, and for all taxpayers with income over \$25,000 and not covered by an employer-provided pension plan. However, for these singles with income between \$25,000 and \$35,000 and for these married couples with income between \$40,000 and \$50,000 the act phases down the amount of the deductible contribution, and it eliminates the deduction for taxpayers whose adjusted gross income before deducting the contributions exceeds the top phase-out ranges. Taxpayers not eligible for the deduction can continue to defer taxes on interest or other earnings of IRA accounts and make additional—but nondeductible—contributions up to \$2,000.

The act repeals a special recovery rule that previously allowed retirees—largely public employees—to receive tax-free pensions until the payments exceeded—generally after about 18 months—the employee contributions to the retirement plan. Instead, effective July 1, 1986, the tax-free portion of the pension is spread out over the retiree's life expectancy.

These two provisions, combined with a number of others affecting pensions and employee benefits, increase withheld income taxes \$3.1 billion and declarations and net settlements \$1.3 billion in 1987.

### *Business expenses*

The major provisions affecting business expenses limit deductions for business meals and entertainment to 80 percent of the amount spent and allow miscellaneous expense deductions, such as union dues and subscriptions to professional publications, only to the extent that they exceed 2 percent of adjusted gross income. These and other provisions affecting the deductibility of business expenses increase withheld income taxes \$0.8 billion and declarations and net settlements \$0.5 billion in 1987.

### *Consumer interest expense*

The act phases out over 5 years the deduction for interest on credit cards, automobile loans, and other consumer loans except for mortgages on a principal or second residence. Interest on second mortgages is deductible, but only for loans used to finance educational or medical expenses or home improvements. Loans for other purposes cannot exceed the homeowner's cash equity for the interest to be deductible. Effective in 1987, only 65 percent of consumer interest expense is deductible, and then 40 percent in 1988, 20 percent in 1989, 10 percent in 1990, and none in 1991. This provision increases withheld income taxes and declarations and net settlements \$0.7 billion each in 1987.

### *Other itemized deductions*

The major provisions affecting other itemized deductions are the elimination of the deduction for State and local sales taxes and the increase, to 7.5 percent from 5 percent, in the amount by which unreimbursed medical expenses must exceed adjusted gross income to be deductible. These and other minor provisions increase withheld income taxes \$0.7 billion and declarations and net settlements \$0.5 billion in 1987.

### *Capital gains*

The act repeals the preferential tax treatment of capital gains income that had been a part of the tax law since 1921. Under the act, capital gains are taxed at the same rates as ordinary income, effective in 1987, except that the top rate is limited to 28 percent in 1987. Under previous law, long-term capital gains were taxed at 40 percent of the ordinary income tax rate, which put the top effective rate at 20 percent. The increase in the capital gains tax also re-

sults in a behavioral response. Many taxpayers, faced with the increase, accelerated realizations of capital gains into 1986 to take advantage of the lower tax rate. These accelerated realizations will result in large net settlements in 1987. (This temporary effect is treated in the same manner as discussed for the income and deduction shifts.) On the other hand, it is expected that, in the long run, taxpayers will hold assets longer than they otherwise would have. Extended holding periods will tend to reduce taxes in later years; some gains may even pass through to estates and thus escape capital gains tax altogether. This and the following provisions of the act directly affect only declarations and final settlements and, on balance, they increase taxes.

### *Capital cost recovery system*

The act repeals the investment tax credit and lengthens the time periods over which many categories of equipment and property can be depreciated. These provisions will be discussed in more detail in the corporate profits tax accruals section of the article.

### *Minimum tax*

The act revises the minimum tax to make it difficult for high-income individuals to combine various tax preferences to escape taxes or pay only a small amount. Any individual whose tax liability would be more under the minimum tax than under the tax rate schedule would have to pay a minimum tax of 21 percent in 1987, up from 20 percent in 1986. Taxable income for the minimum tax includes income subject to certain tax preferences specified by the act, such as intangible drilling costs or certain depreciation. All passive losses from tax shelters and other investments in which the investor does not actively participate are also added to taxable income to determine the minimum tax. Joint taxpayers can exempt \$40,000 of the recalculated taxable income; individuals can exempt \$30,000. The 21-percent rate is applied to the remaining amount. The exemption amounts are phased out for high-income taxpayers: They are reduced by 25 cents for each \$1 that income subject to the minimum tax exceeds \$150,000 (joint returns) and \$112,500 (single returns). The effect of the phase-out is to increase the minimum tax to roughly 26 percent for taxable incomes in the phase-out range.

### *Tax shelters and real estate*

A number of provisions affect tax shelters and real estate, the largest of which affects the use by individuals of losses from investments or activities in which they did not materially participate to offset wage, salary, and other investment income. Under previous tax law, high-income taxpayers would invest in apartment and commercial buildings and use losses from these investments to offset other types of income and lower their tax liability. The act eliminates, over a 5-year period, the use of these "passive" losses from pre-enactment investments. Passive losses from post-enactment investments can be offset only against income from those investments, not wage, salary, or other income. An exception is provided for individuals who have at least a 10-percent interest in rental property and actively participate in its management. Such individuals can offset against wage, salary, or other income, up to \$25,000 in annual passive losses; that amount is phased out for adjusted gross incomes between \$100,000 and \$150,000.

### *Exclusions from income*

The act repeals the exclusions from income for unemployment benefits, scholarship and fellowship grants, and prizes and awards. Previously, under specified conditions, a portion of unemployment benefits received under a Federal or State program was excluded from income, as were certain grants, and prizes and awards. Scholarships and fellowships are now taxable if not used for tuition or course-related books and supplies. Prizes and awards, such as the Pulitzer Prize and the Nobel Peace Prize, are now taxable unless transferred by the recipient to a government or tax-exempt organization; no charitable deduction is allowed if the prize is transferred.

### *Other provisions*

Other provisions of the act increase personal taxes. These provisions, of which there are a wide variety, include a mandated calendar tax year for trusts, uniform capitalization rules, repeal of the \$100 (\$200 for couples filing a joint return) dividend exclusion, and taxing the unearned income of children under age 14 at the parent's top marginal tax rate.

Estate and gift taxes, which are included in NIPA personal tax and



nontax receipts, are reduced by a provision allowing an estate to exclude 50 percent of the qualified receipts from the sale of employer securities to an employee stock ownership plan or to an eligible worker-owned cooperative. The provision applies for sales made after the date of the enactment and before January 1, 1992.

### Corporate Profits Tax Accruals

Corporate profits tax accruals are increased \$32.7 billion in 1987, \$25.4 billion in 1988, and \$27.5 billion in 1989. Rate reductions, effective July 1, 1987, lower corporate taxes; however, a large number of provisions increasing taxes more than offset the rate reductions.

### Basic rate structure

The act revises the basic rate structure for corporations and, on balance, reduces corporate taxes \$9.7 billion in 1987. The major change to the rate structure is a replacement of the five-bracket system, with rates from 15 to 46 percent, by a three-bracket system, with rates of 15 to 34 percent (table 3). The act also provides an additional tax of 5 percent on corporate income over \$100,000, up to a maximum additional tax of \$11,750. This additional tax—similar to the personal surcharge—implicitly creates a 39-percent rate and operates to phase out the benefits of the lower tax rates for corporations with taxable incomes between \$100,000 and \$335,000. A corporation with taxable income of \$335,000 or more will not benefit from the lower rates applied to the first \$75,000 and will be taxed at the 34-percent rate. Because the rate reductions are effective July 1, 1987, a corporation with a tax year including this effective date will calculate its tax under both the old and new tax rates and then prorate the old and new taxes to that part of the year proportionate to the part of the year that precedes or follows the effective date. (In the NIPA's, corporate taxes are reduced in the first quarter of 1987 because the basis for tax liability is the calendar year. An average tax rate is derived from the calendar year tax liability and taxable profits. The quarterly pattern is then derived using the average calendar year tax rate and quarterly taxable profits.)

### Capital cost recovery system

The largest tax increase provided by the act results from repeal of the investment tax credit and a modification of the accelerated cost recovery system (ACRS) of depreciation for businesses. These provisions increase corporate taxes \$14.3 billion in 1987; combined with the effect on personal taxes, the increase is \$19.0 billion. Repeal of the investment tax credit, first placed in the tax law by the Revenue Act of 1962, had been a major provision of every version of tax reform considered in the past 2 years. The ACRS, when placed in the tax code by the Economic Recovery Tax Act of 1981, had been considered the cornerstone of efforts to revitalize American industry and a spur to economic growth; it was designed to encourage business investment by shortening the period over which equipment and property could be fully depreciated.

The 10-percent investment tax credit (6 percent for certain short-lived assets) was repealed, effective January 1, 1986. The act also provides that 82.5 percent of unused credits—unused because profits were smaller than available credits—can be carried forward to offset taxes in 1987 and that up to 65 percent can be carried forward in later years. Previously, the full amount of unused credits could be carried forward 15 years or back 3 years. The act maintains the credit for property that qualifies as transition property. Generally, a property qualifies as transition property if it was "constructed, reconstructed or acquired" under a binding contract by December 31, 1985, and was placed in service according to a specified schedule. Transition rules also apply for motion picture or television films and

for certain sale-leasebacks. The act also provides for a credit carryback for qualified steel companies and farmers.

The modification of the ACRS lengthens the period over which assets can be depreciated. While the act lengthens the depreciation period, it also provides that, in most cases, the assets can be depreciated under a 200-percent, rather than a 150-percent, declining balance method. Taxpayers may use the modified ACRS rules for property not covered by transition rules and placed in service after July 31, 1986, and before January 1, 1987. These rules are mandatory for most tangible depreciable property placed in service after December 31, 1986.

The modified ACRS assigns property lives in eight classes, from 3-year property to 31.5-year nonresidential real property. Automobiles and light trucks are depreciated over 5 years, compared with 3 years under previous law. Most types of manufacturing equipment are depreciated over 7 years, compared with 5 years under previous law. Some types of longer lived equipment are depreciated over 10 years. For most types of equipment, depreciation is calculated using a 200-percent declining balance method, allowing faster depreciation in the first years after an investment, compared with a 150-percent declining balance method under previous law.

Residential rental property is depreciated over a 27.5-year period using the straight-line method, compared with 19 years under previous law. Nonresidential real property is depreciated over a 31.5-year period using the straight-line method, compared with 19 years under previous law. Sewage treatment plants and telephone distribution plants are depreciated over 15 years, using the 150-percent declining balance method. Sewer pipes and certain other long-lived equipment are depreciated over 20 years, using the 150-percent declining balance method.

The act also allows small businesses to depreciate as much as \$10,000 of equipment in a single year. This "expensing" allowance is phased out for businesses investing more than \$200,000 a year.

As designed, the modified ACRS increases taxes over the long run; however, it is expected to reduce taxes in

Table 3.—Corporate Income Tax Rate Schedule

Taxable income (dollars)	Tax rate (percent)	
	Previous law	Tax Reform Act of 1986 <sup>1</sup>
0 - 25,000	15	} 15
25,000 - 50,000	18	
50,000 - 75,000	30	} 25
75,000 - 100,000	40	
Over 100,000	46	} 34

1. A 39-percent rate is implicitly created in 1988 by the use of a 5-percent surcharge for incomes above certain levels.

the first 2 years after enactment because of the use of the 200-percent declining balance method and because of the transition rules. Under the transition rules, the modified ACRS system does not apply to specific types of property placed in service after 1986 when the property meets one of five specified exceptions as of March 1, 1986.

#### *Accounting rules*

A number of changes to accounting rules provide the second largest increase—\$14.2 billion in 1987—to corporate taxes. Within this category of changes, the largest increase is due to the establishment of uniform rules to determine what costs and expenditures can be capitalized. These new uniform rules apply to all real and tangible property produced by a taxpayer or acquired for resale. The rules apply, however, only to property used in a trade, a business, or activity that is profit oriented. They do not apply to timber or to property produced under a long-term contract, where special rules apply. In general, the rules require that costs attributable to inventory (such as for insurance and inspection) be added to costs of producing the inventory and that costs attributable to producing or acquiring other property (such as a portion of repair and maintenance) be capitalized. The effect of the uniform rules is that taxpayers will not be able to claim current deductions for costs that now have to be included in inventory or capitalized.

The act limits the use of the installment-sales method of deferring tax liability. The use of the installment method of accounting has been prohibited or limited in the following ways: (1) It is prohibited for revolving credit sales—when the customer agrees to pay a portion of the outstanding balance of an account on a periodic basis—and for sales of stock or securities traded in established securities markets, and (2) it is restricted when used for income from sales of real property and for sales by dealers of personal property.

The act disallows deductions by nonfinancial businesses for reserves held to cover bad debts. Deductions are allowed only when specific loans become partially or wholly worthless.

Other accounting provisions prohibit the use of cash accounting by finan-

cial institutions, simplify the LIFO inventory method for certain small businesses, and require that public utilities using accrual accounting report income at the time services are provided instead of when billed.

#### *Minimum tax*

The act revises the minimum tax to make it more difficult for large and profitable businesses to escape taxes or pay only a small amount. An important new feature of the revised minimum tax is the use of reported "book income" as a separate test of taxability. Under the new provision, a corporation calculates taxable income under current law, using all deductions, exemptions, and exclusions. Then, these adjustments, as well as other specified adjustments, are added back to taxable income to derive an alternative minimum taxable income. The corporation then compares this minimum taxable income with book income reported, for example, to stockholders. If book income is more than the minimum taxable income, one-half of the difference is added to the minimum taxable income. The minimum tax is then calculated on the total at a tax rate of 20 percent, compared with 15 percent under previous law. After 1989, the "book income" feature will be replaced by a minimum tax on a corporation's adjusted current earnings.

An exemption of \$40,000 is provided for small businesses with small amounts of adjustments, but the exemption is phased out for those businesses with more than \$150,000 of minimum taxable income.

#### *Insurance companies*

The act repeals a special deduction of 20 percent of certain income of life insurance companies, institutes the discounting of the deduction for loss reserves of property and casualty insurance companies in order to account for the time value of money, and repeals the tax-exempt status of Blue Cross-Blue Shield and certain other companies. These and other provisions affecting insurance companies are generally effective January 1, 1987.

#### *Employee stock ownership*

The act repeals, effective January 1, 1987, a payroll-based credit, limited to one-half of 1 percent of compensa-

tion, available to employers who participated in employee stock ownership plans. The credit was previously due to expire after 1987.

#### *Foreign taxes*

Among a variety of provisions, the act limits tax write-offs for U.S. businesses for interest on loans made in the United States that benefit overseas operations and limits the use of foreign tax credits to shelter passive income earned abroad.

#### *Business expenses*

The act limits deductions for business meals and entertainment to 80 percent of the amount spent.

#### *Research and development*

One of the few tax reductions for corporations, other than for rates, is an extension through 1988 of the tax credit for increased spending for research and development; this credit expired at the end of 1985. The act, however, reduced the credit to 20 percent from 25 percent and tightened the definition of research and development. The act also provides—effective January 1, 1987—a new 20-percent credit for 3 years for corporate contributions to or contracts with universities or nonprofit organizations to conduct research and development.

#### *Financial institutions*

The act limits the deduction that commercial banks with assets of \$500 million or more can use to cover delinquent loans. In addition, the existing reserves of large banks must be "recaptured"—added to income over a 4-year period. Under the act, banks can only use the deduction when actual losses are incurred. The act also eliminates an 80-percent deduction that financial institutions previously used to offset interest payments made on borrowings in new investments in tax-exempt securities.

#### *Capital gains*

The act taxes capital gains as ordinary income, effective January 1, 1987, with special transition rules for the first year.

#### *General Utilities rule*

The act repeals the "General Utilities" rule, named for a Supreme

Court decision that has been interpreted to mean that no gain is realized upon corporate distributions of appreciated property to its shareholders. Under the act, the interpretation no longer holds; gains from the liquidation of assets are now taxed.

#### *Tax-exempt bonds*

The major provision affecting tax-exempt bonds is one that reduces the ability to earn arbitrage, which involves using funds raised from the sale of tax-exempt securities to buy taxable securities carrying higher interest rates. The tax-exempt bonds provisions are generally effective for bonds issued after August 15, 1986.

#### *Tax shelters and real estate*

The tax shelter and real estate provisions that increase personal taxes are expected to provide more corporate investment opportunities. Investments made less appealing to individual taxpayers because of limits on passive losses may be undertaken by a corporation that would actively participate in the activity. That partici-

pation will generate deductible expenses, such as interest, and therefore lower tax liabilities.

#### *Other provisions*

Other provisions, on balance, increase corporate taxes. The major increase results from a new capitalization rule for State and local taxes. For example, the amount of sales tax paid on the acquisition of depreciable property will be added to the basis of the property and treated as part of the cost for depreciation purposes. Under previous law, the sales tax was deductible. Also, corporate taxes are reduced a small amount by a provision modifying the targeted job credit.

#### **Other Receipts and Expenditures**

The act provides for a number of changes to excise taxes, including a new 10-percent nondeductible excise tax on employers receiving assets from reversions of employee retirement plans, effective January 1, 1986. Also, effective January 1, 1988, the li-

ability for the gasoline excise tax will be shifted from the wholesaler to the manufacturer. This shift is expected to reduce the amount of gasoline tax that was evaded in the distribution stages. Contributions for social insurance are increased by the provision restricting meals and entertainment expense; the self-employed social security contribution will increase because income after expenses will be higher.

The act also has a direct impact on Federal Government expenditures—on the NIPA basis as well as in the unified budget—by increasing the earned income credit, which is available to low-income workers with a dependent child. Effective in 1987, the maximum credit is \$800, up from \$600. The credit is reduced by 10 percent of an individual's adjusted gross income or, if greater, earned income, in excess of \$6,500. No credit is available when an individual's adjusted gross income or earned income exceeds \$14,500. Beginning in 1988, the credit phase-out will begin at \$9,000 of adjusted gross income (or, if greater, earned income), with no credit available when income exceeds \$17,000.

# Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies, 1987

**MAJORITY-OWNED** foreign affiliates of U.S. companies plan to increase capital expenditures 3 percent, to \$35.3 billion, in 1987, following a planned 2-percent decrease in 1986 (table 1, chart 2).<sup>1</sup>

Total spending has changed relatively little since 1983; decreases in expenditures in petroleum have been largely offset by increases in expenditures in manufacturing. In 1983, spending in both the petroleum and manufacturing industries dropped sharply because of sluggish economic conditions abroad. Spending in petroleum was also depressed by the worldwide weakening of petroleum markets. In 1984 and 1985, spending by petroleum affiliates continued to decrease but spending by manufacturing affiliates increased.

The estimates for 1986 and 1987 show a continuation of these trends. The 2-percent overall decrease planned by affiliates in 1986 is largely attributable to a 19-percent decrease, to \$11.1 billion, in petroleum and a 13-percent increase, to \$16.9 billion, in manufacturing. In 1987, the 3-percent overall increase largely results from a 2-percent decrease, to \$10.8 billion, in

petroleum and a 6-percent increase, to \$18.0 billion, in manufacturing.

In petroleum, the 5-year pattern of decreased spending reflects weaker demand for oil. In manufacturing, the spending increases reflect lower interest rates worldwide and the moderate economic recovery abroad since 1983.

Factors that probably tended to boost overall spending estimates in 1987 are the depreciation of the dollar vis-a-vis other foreign currencies, which began in 1985, and loosening by

countries in Europe and Asia of restrictions on investment by foreigners. Dollar depreciation may increase capital spending estimates, as reported in dollars, because it raises the dollar value of a given amount of expenditures denominated in foreign currencies. Such depreciation may, however, also decrease spending estimates if improved U.S. competitiveness results in some shifting of expenditures from abroad to the United States.

Table 1.—Capital Expenditures by Majority-Owned Foreign Affiliates of U.S. Companies, 1982–1987

	Percent change from preceding year							Billions of dollars							
	Actual expenditures			Latest plans <sup>1</sup>		Earlier plans <sup>2</sup>		Actual expenditures				Latest plans <sup>1</sup>		Earlier plans <sup>2</sup>	
	1983	1984	1985 <sup>2</sup>	1986	1987	1986	1987	1982	1983	1984	1985 <sup>2</sup>	1986	1987	1986	1987
<b>Total</b> .....	-19	-6	2	-2	3	2	-2	44.8	36.4	34.1	34.9	34.3	35.3	35.5	34.9
<b>By industry</b>															
Petroleum.....	-23	-11	-3	-19	-2	-14	-3	20.8	15.9	14.1	13.7	11.1	10.8	11.8	11.4
Manufacturing.....	-19	(*)	10	13	6	15	-1	16.6	13.6	13.6	14.9	16.9	18.0	17.2	17.1
Food and kindred products.....	-6	4	2	16	1	18	-6	1.2	1.1	1.2	1.2	1.4	1.4	1.4	1.3
Chemicals and allied products.....	-31	3	15	17	11	15	-3	3.3	2.3	2.4	2.7	3.2	3.6	3.1	3.0
Primary and fabricated metals.....	-7	14	-14	-1	-10	-9	-24	1.0	9	1.0	9	.9	.8	.8	.6
Machinery, except electrical.....	-22	-9	-3	-2	11	14	16	4.4	3.4	3.1	3.0	3.0	3.3	3.4	4.0
Electric and electronic equipment.....	7	19	-2	(*)	6	-2	6	1.1	1.2	1.5	1.4	1.4	1.5	1.4	1.5
Transportation equipment.....	-18	-11	40	30	1	32	-8	3.2	2.6	2.3	3.3	4.2	4.3	4.3	3.9
Other manufacturing.....	-19	10	13	18	10	11	(*)	2.4	1.9	2.1	2.4	2.8	3.1	2.7	2.7
Wholesale trade.....	-9	-8	-1	7	4	13	3	2.9	2.6	2.4	2.4	2.5	2.6	2.7	2.8
Finance (except banking), insurance, and real estate.....	-37	-8	4	11	-1	8	-7	.6	.4	.3	.3	.4	.4	.4	.3
Services.....	-8	-9	-4	5	-1	12	-3	1.7	1.5	1.4	1.3	1.4	1.4	1.5	1.4
Other industries.....	5	-6	1	-10	4	-10	-6	2.3	2.4	2.3	2.3	2.1	2.2	2.1	1.9
<b>By area</b>															
Developed countries.....	-16	-3	5	2	3	5	(*)	29.9	25.0	24.4	25.5	26.0	26.8	26.8	26.7
Canada.....	-10	-2	10	-5	-1	3	-7	7.1	6.3	6.2	6.8	6.5	6.4	7.0	6.6
Europe.....	-17	-3	2	4	4	5	1	19.5	16.3	15.9	16.2	16.3	17.4	17.0	17.2
European Communities (10) <sup>3</sup> .....	-13	-4	7	4	3	4	(*)	15.9	13.8	13.2	14.1	14.7	15.1	14.7	14.7
France.....	-5	-4	2	22	-1	14	6	1.9	1.8	1.7	1.7	2.1	2.1	2.0	2.1
Germany.....	-4	-6	9	21	4	13	3	3.0	2.9	2.7	3.0	3.6	3.7	3.4	3.4
United Kingdom.....	-23	-2	7	-14	1	(*)	-7	7.7	5.9	5.8	6.2	5.4	5.5	6.2	5.8
Other.....	-3	-6	6	13	5	-2	9	3.3	3.2	3.0	3.2	3.6	3.8	3.1	3.4
Other.....	-31	6	-21	-25	5	-13	4	3.6	2.5	2.6	2.1	1.6	1.6	1.8	1.9
Japan.....	-29	15	27	-5	12	12	4	1.0	.7	.8	1.0	.9	1.1	1.1	1.1
Australia, New Zealand, and South Africa.....	-26	-12	-1	18	4	12	4	2.3	1.7	1.5	1.5	1.8	1.9	1.7	1.8
Developing countries.....	-22	-13	-4	-11	2	-6	-5	13.7	10.7	9.4	8.9	7.9	8.1	8.4	8.0
Latin America.....	-36	-2	6	-5	2	5	-11	5.8	3.7	3.6	3.9	3.7	3.8	4.1	3.6
Other Africa.....	-24	-22	4	-25	1	-24	1	2.5	1.9	1.5	1.5	1.1	1.2	1.2	1.2
Middle East.....	-2	-8	-31	-12	-6	-10	4	.8	.8	.7	.5	.5	.4	.5	.5
Other Asia and Pacific.....	-7	-19	-14	-11	3	-9	-1	4.6	4.3	3.5	3.0	2.7	2.8	2.7	2.7
International.....	-47	-40	16	-17	10	-30	-16	1.2	.6	.4	.5	.4	.4	.3	.3
<b>Addenda:</b>															
European Communities (12) <sup>4</sup> .....					3		1					15.3	15.8	15.2	15.3
OPEC <sup>5</sup> .....	-13	-28	-16	-7	-2	-5	-5	3.9	3.4	2.4	2.0	1.9	1.8	1.9	1.8

\* Less than 0.5 percent (±).

1. Based on BEA survey taken in December 1986.

2. Based on BEA survey taken in June 1986.

3. European Communities (10) comprises Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, and the United Kingdom.

4. European Communities (12) comprises European Communities (10), Portugal, and Spain.

5. OPEC comprises Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, 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.

NOTE.—Smith W. Allnut designed the computer programs used in generating the estimates.

1. Capital expenditures 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 that are made to acquire, add to, or improve property, plant, and equipment. For affiliates engaged in natural resource exploration and development, capital expenditures also 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.

There is no evidence that provisions of the Tax Reform Act of 1986 (discussed elsewhere in this issue) have had a significant effect on 1987 spending plans. These provisions may affect future investment decisions, but the extent and direction of the impact cannot be predicted with certainty. Provisions such as the elimination of the investment tax credit, the lengthening of time over which depreciation charges for equipment are taken, and the limitation of tax writeoffs for interest on loans made in the United States will tend to decrease the relative return on investments made in the United States. The lower corporate tax rate and the restricted use of

foreign tax credits, however, will tend to increase the relative return on investments here.

The latest estimate of capital expenditures for 1987, based on the BEA survey taken in December 1986, is slightly higher than the estimate based on the survey taken 6 months earlier; the latest estimate for 1986 is 3 percent lower than the earlier estimate (table 2). For any given year, BEA conducts five successive surveys of spending—four cover planned spending and one covers actual spending. Recently, the successive estimates of planned or actual spending for any given year have generally been revised downward from the initial estimate, largely because of lower estimates of spending by petroleum affiliates. The small upward revision in 1987 spending reflects a continued downward revision in petroleum that is more than offset by an upward revision in manufacturing.

By area, affiliates in developed countries plan to increase expenditures 3 percent, to \$26.8 billion, in 1987, following a 2-percent increase in 1986. In developing countries, affiliates plan to increase expenditures 2 percent, to \$8.1 billion, following an 11-percent decrease. Affiliates in "international"—those that have operations in 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 a 10-percent increase, to \$0.4 billion, following a 17-percent decrease.

**Petroleum**

Petroleum affiliates plan to decrease spending 2 percent, to \$10.8 billion, in 1987, following a 19-percent decrease in 1986. In both years, the decreases mostly reflect the curtailment of exploration and development projects in response to the drop in oil prices that occurred late in 1985. The decreases would have been larger except for spending increases expected by affiliates in refining. Increases by these affiliates may be partly due to the use of netback pricing formulas. These formulas set the price of crude oil on the basis of refined product prices, thereby making downstream profit margins more secure. Later estimates for 1987 by refining affiliates may be revised downward,

**Table 2.—Revisions to Capital Expenditures Estimates, 1986-87**

[Millions of dollars]

	Expenditure estimates		Percent change from preceding year	
	1986	1987	1986	1987
Date of BEA survey: <sup>1</sup>				
June 1985.....	40,879	n.a.	2.4	n.a.
December 1985.....	39,810	n.a.	9.1	n.a.
June 1986.....	35,545	34,926	1.8	-1.7
December 1986.....	34,347	35,317	-1.7	2.8
Addenda:				
Percent change from last to most recent estimate.....	-3.4	1.1		
Total percent change from first to most recent estimate.....	-16.0	n.a.		

n.a. Not applicable.

1. Results of the June 1985, December 1985, and June 1986 surveys were published in the September 1985, March 1986, and October 1986 issues, respectively, of the SURVEY OF CURRENT BUSINESS. Results of the December 1986 survey are presented in this article.

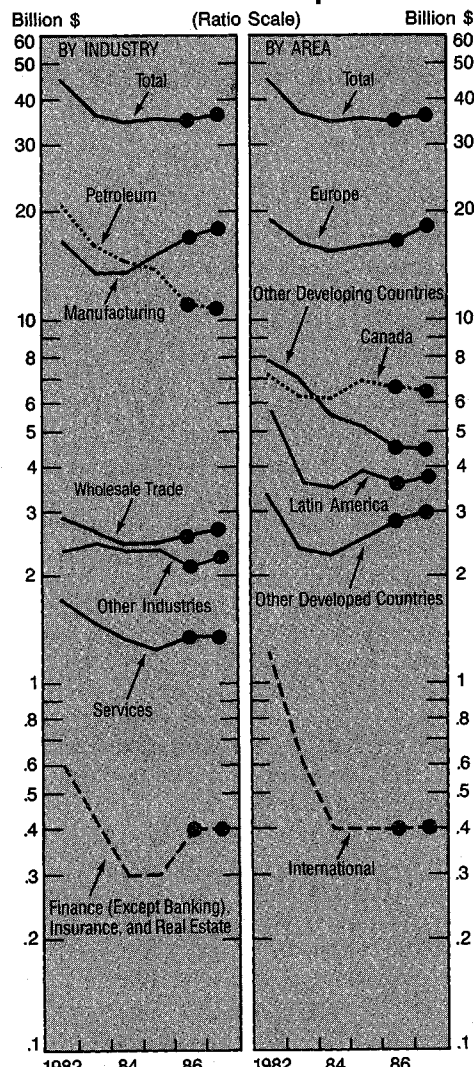
however, because the use of netback pricing has decreased in recent months.

In developed countries, affiliates plan to maintain spending at about \$7.0 billion, following a 20-percent decrease. In Norway, affiliates plan to increase expenditures 18 percent, to \$0.9 billion, following an 18-percent decrease. The 1987 increase and the 1986 decrease are largely attributable to the postponement from 1986 to 1987 of two large North Sea development projects. The projects were planned following Norway's agreement in 1986 to provide greatly increased quantities of natural gas to Western Europe. Canadian affiliates plan to increase expenditures 7 percent, to \$1.8 billion, following a sizable decrease. The 1987 increase mostly reflects postponed development expenditures from 1986. The 1986 decrease is partly due to the sale of a major affiliate's assets to a local purchaser.

In the United Kingdom, affiliates plan spending decreases in both years; a 9-percent decrease, to \$1.8 billion, follows a 36-percent decrease. The 1986 decrease is partly due to an affiliate's abandonment of a large project to develop a North Sea oil and natural gas field.

Affiliates in the Netherlands, France, and Australia plan spending decreases in 1987, following increases in 1986. In the Netherlands and France, the 1987 decreases partly result from the completion of pipeline projects in 1986. In Australia, the decrease mostly reflects the 1986 completion of a liquefied natural gas plant.

**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 87-3-2

In developing countries, petroleum affiliates plan to decrease spending 4 percent, to \$3.7 billion, following an 18-percent decrease. In Colombia, affiliates plan sizable decreases in both years; the 1987 decrease partly reflects the completion of a pipeline in 1986, and the 1986 decrease reflects the 1985 sale of an affiliate's oil-producing assets. Egyptian affiliates also plan large decreases in both years; the decreases reflect an overall scaling-back of development projects.

Affiliates in "international" plan to increase spending 18 percent, to \$0.3 billion, following a 26-percent decrease. The 1986 decrease may reflect the oversupply, in recent years, of tankers and mobile offshore drilling rigs. The 1987 increase reflects a partial recovery in planned spending for drilling rigs, perhaps in expectation of firmer crude oil prices.

### **Manufacturing**

Manufacturing affiliates plan to increase spending 6 percent, to \$18.0 billion, in 1987, following a 13-percent increase in 1986. Although affiliates in all manufacturing industries except primary and fabricated metals plan increases in 1987, the increases in most industries are smaller than in 1986. The largest deceleration in spending is in transportation equipment; it is partly due to the completion of plant expansion and modernization projects in 1986. Despite the deceleration, spending levels planned by affiliates in transportation equipment in both 1986 and 1987 are the highest since 1981. In recent years, increased price competition among automobile and truck manufacturers has led to sizable expenditures for cost-efficient equipment and the production of new models.

The largest spending increases in 1987 are planned by affiliates in chemicals and nonelectrical machinery. The increase in chemicals—11 percent, to \$3.6 billion—follows a 17-percent increase. Increases are widespread among developed and developing countries. In many countries, the expenditures are for the construction of additional capacity by affiliates in industrial chemicals and reflect both increased demand and the effect of low oil prices on profitability (petroleum feedstocks represent a significant portion of these affiliates' production costs).

The increase in nonelectrical machinery—11 percent, to \$3.3 billion—

follows a slight decrease. The increase is partly attributable to expenditures for facilities to manufacture agricultural machinery. Recently, in an effort to cut costs by consolidating production, one U.S. firm transferred production from the United States to Europe, and another expanded capacity in Europe. The increase may also reflect expenditures by computer manufacturers to improve product lines and maintain market share in face of intensified competition. The 1986 decrease in nonelectrical machinery may partly reflect cutbacks in production of leased computers because of sluggish demand.

In developed countries, affiliates plan to increase expenditures 5 percent, to \$14.8 billion, following a 15-percent increase. In France, Belgium, and Spain, affiliates plan increases in both years. In all three countries, the 1986 increases are mostly by affiliates in chemicals. The 1987 increases in France and Belgium are also in chemicals; in Spain, the increase is in transportation equipment.

In contrast, Canadian affiliates plan to decrease spending 5 percent, to \$3.3 billion, following a 20-percent increase. The 1987 decrease and the 1986 increase are mostly in transportation equipment. They partly result from the completion of plant modernization and expansion projects in 1986. The 1986 increase also reflects spending by a Canadian aircraft manufacturer acquired that year by a U.S. firm. German affiliates also plan to decrease spending in 1987—by 2 percent, to \$2.8 billion, following a 20-percent increase. In 1986, the increase is widespread by industry and reflects a generally strong economy. In 1987, the decrease reflects substantially reduced spending by affiliates in transportation equipment, partly offset by an increase in spending by affiliates in nonelectrical machinery. The decrease in transportation equipment largely reflects an affiliate's cutback in the production of automobiles. The increase in nonelectrical machinery is partly attributable to the expansion of a tractor production facility.

In developing countries, affiliates plan to increase spending 10 percent, to \$3.1 billion, following a 6-percent increase. In Brazil, affiliates plan a 30-percent increase, to \$1.4 billion, following a 4-percent increase. In both years, the increases are largely in transportation equipment and reflect expenditures for plant expansion and

modernization. In 1987, sizable increases are also planned by affiliates in chemicals, nonelectrical machinery, and "other" manufacturing. The increase in "other" manufacturing partly results from expenditures by an affiliate that produces paper products.

Mexican affiliates plan to decrease spending 8 percent, to \$0.6 billion, following a 15-percent increase. The 1987 decrease and the 1986 increase are centered in transportation equipment, partly reflecting the completion of a new plant in 1986 that will mainly produce automobiles destined for sale in the U.S. market. In contrast to the decrease in transportation equipment, affiliates in chemicals and nonelectrical machinery plan large spending increases in 1987. The recent removal of restrictions on 100-percent ownership by foreigners in these manufacturing sectors and the continued devaluation of the peso relative to the dollar may have encouraged manufacturers to expand plant capacity in Mexico.

### **Other industries**

Affiliates in all other industries combined plan a 3-percent spending increase, to \$6.6 billion, in 1987, following a 1-percent increase in 1986.

In wholesale trade, affiliates plan to increase expenditures 4 percent, to \$2.6 billion, following a 7-percent increase. The 1987 increase is mainly in Germany and largely reflects expenditures by a wholesaler of office machines. The 1986 increase is largely in France and reflects expenditures by chemical wholesalers.

Spending by affiliates in finance (except banking), insurance, and real estate is expected to remain flat, at \$0.4 billion, following an 11-percent increase. The 1986 increase is centered in the United Kingdom and reflects expenditures for the modernization of office buildings.

Affiliates in services plan to maintain spending at \$1.4 billion, following a 5-percent increase. In 1987, a large increase in Germany is offset by a large decrease in France. In 1986, the increase is mostly in Canada and the United Kingdom; the increase in the latter is partly attributable to expenditures by an affiliate that leases office equipment.

Affiliates in "other industries"—agriculture, construction, public utilities, mining, and retail trade—plan a

4-percent increase, to \$2.2 billion, following a 10-percent decrease. The increase is centered in the United Kingdom and is largely by a retailer of food products. The largest decrease in

1986 is in Hong Kong and reflects completed construction of power generator facilities in 1985. Partly offsetting the decrease are sizable increases in Germany and the United Kingdom.

Tables 3-5, which provide detailed country-by-industry estimates of capital expenditures for each year 1985-87, follow.

Table 3.—Capital Expenditures by Majority-Owned Affiliates of U.S. Companies in 1985<sup>1</sup>

(Millions of dollars)

	All industries	Petroleum	Manufacturing								Wholesale trade	Finance (except banking), insurance, and real estate	Services	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	34,926	13,673	14,923	1,214	2,742	877	3,016	1,425	3,262	2,387	2,370	338	1,331	2,291
Developed countries	25,541	8,733	12,236	994	2,277	659	2,586	976	2,762	1,982	1,818	283	1,207	1,265
Canada	6,835	2,665	2,926	231	501	337	223	167	881	585	208	85	225	727
Europe	16,213	5,626	7,900	649	1,491	302	1,837	675	1,695	1,251	1,253	148	932	355
European Communities (10) <sup>2</sup>	14,121	4,547	7,378	601	1,404	290	1,733	578	1,595	1,176	919	127	812	337
Belgium	477	46	307	10	96	(P)	27	43	73	70	2	45	9	
Denmark	232	127	27	14	2	1	0	5	1	4	51	(*)	26	(*)
France	1,729	287	1,010	68	168	23	469	62	40	180	206	1	171	53
Germany	2,968	284	2,371	83	318	101	450	222	973	224	97	23	124	69
Greece	29	4	21	1	(P)	0	0	(*)	0	(P)	3	(*)	(*)	(*)
Ireland	234	25	193	14	45	5	41	31	10	47	9	(*)	3	4
Italy	846	109	595	42	125	16	209	59	24	121	81	1	49	10
Luxembourg	67	1	67	0	(P)	0	4	5	(P)	(P)	(*)	0	0	0
Netherlands	1,304	551	574	112	193	32	80	12	2	144	88	9	46	36
United Kingdom	6,235	3,114	2,213	256	426	91	454	139	497	350	313	90	349	155
Other Europe	2,093	1,079	522	48	87	12	104	97	99	75	334	21	120	17
Austria	92	9	36	2	1	(*)	2	(P)	6	(P)	32	0	11	4
Finland	43	7	3	0	1	0	0	1	0	1	22	0	10	(*)
Norway	970	887	28	(*)	2	0	5	0	0	(P)	47	0	6	2
Portugal	79	27	40	3	13	(*)	1	(P)	6	(P)	8	0	4	0
Spain	415	99	253	35	46	5	37	28	82	21	37	1	24	2
Sweden	180	16	95	2	12	2	(P)	4	(P)	14	46	3	17	3
Switzerland	280	8	63	6	10	4	(P)	21	(P)	19	140	17	47	5
Turkey	22	18	3	(*)	1	0	0	1	0	1	(*)	0	(*)	(*)
Other	11	8	(*)	0	0	0	0	0	0	(*)	2	(*)	(*)	(*)
Japan	988	70	744	10	76	4	(P)	106	1	(P)	153	7	5	9
Australia, New Zealand, and South Africa	1,505	372	667	104	210	16	(P)	27	185	(P)	203	43	45	174
Australia	1,253	327	556	78	187	11	19	25	164	72	147	36	33	155
New Zealand	68	11	21	3	4	(*)	(P)	1	7	(P)	29	6	(*)	1
South Africa	183	34	90	22	19	5	10	1	15	18	27	1	12	18
Developing countries	8,935	4,620	2,686	220	465	218	430	449	499	405	552	55	124	896
Latin America	3,869	950	2,026	169	369	204	356	114	467	346	383	36	79	395
South America	2,767	810	1,360	133	237	190	285	58	209	248	245	8	23	320
Argentina	292	64	176	36	35	(P)	(P)	1	9	26	34	1	4	13
Brazil	1,333	124	1,006	60	166	149	219	52	194	166	140	5	13	47
Chile	94	11	37	1	(P)	(P)	1	(*)	1	2	22	(*)	2	203
Colombia	749	479	51	10	15	2	(*)	(*)	1	21	15	(*)	1	1
Ecuador	31	19	7	1	2	0	0	1	0	1	3	(*)	1	1
Peru	92	60	8	(*)	2	1	0	0	0	1	13	0	10	10
Venezuela	127	28	71	21	12	3	(*)	2	5	28	14	3	10	10
Other	50	26	6	2	1	0	(*)	(*)	2	4	4	0	1	14
Central America	853	38	618	34	92	13	71	53	259	95	126	8	28	34
Mexico	738	3	594	27	87	12	71	51	259	87	110	2	22	7
Panama	46	23	3	2	1	(*)	0	0	0	1	10	5	1	3
Other	69	12	20	5	4	1	0	3	0	7	7	1	4	24
Other Western Hemisphere	249	101	49	1	40	1	0	3	3	11	20	27	41	41
Bahamas	42	8	(P)	(*)	(P)	0	0	0	0	0	1	1	13	(P)
Bermuda	14	5	0	0	0	0	0	0	0	0	(*)	7	2	0
Jamaica	31	2	(P)	(*)	(P)	0	0	0	0	1	1	(*)	4	(P)
Netherlands Antilles	23	8	1	(*)	(*)	0	0	0	0	0	(*)	11	2	1
Trinidad and Tobago	80	72	2	1	1	0	0	0	0	1	2	(*)	0	4
United Kingdom Islands, Caribbean	3	2	(*)	0	0	0	0	(*)	0	0	0	(*)	1	0
Other	55	5	7	(*)	2	1	0	3	0	2	6	1	5	32
Other Africa	1,529	1,421	45	11	18	6	(*)	3	(*)	7	16	4	3	39
Saharan	793	771	13	2	6	4	0	1	0	1	6	(*)	1	3
Egypt	588	573	11	1	6	4	0	1	0	0	2	(*)	1	1
Libya	129	127	0	0	0	0	0	0	0	0	(*)	0	0	2
Other	76	71	2	(*)	(*)	(*)	0	0	0	0	3	0	0	0
Sub-Saharan	735	650	33	9	12	2	(*)	3	(*)	6	11	4	1	36
Liberia	22	14	0	0	0	0	0	0	0	0	0	0	(*)	8
Nigeria	153	142	10	0	8	0	0	1	0	1	1	0	(*)	(*)
Other	560	494	23	9	4	2	(*)	2	(*)	5	10	4	1	28
Middle East	516	437	31	2	3	(*)	1	20	(P)	(P)	19	1	13	15
Israel	40	0	25	0	3	(*)	1	20	0	2	10	(*)	4	0
Saudi Arabia	73	62	2	2	(*)	(*)	0	(*)	0	(*)	2	(*)	4	3
United Arab Emirates	266	252	0	0	0	0	0	0	0	0	2	0	5	8
Other	137	122	4	0	(*)	0	(*)	0	(P)	(P)	5	(*)	(*)	5
Other Asia and Pacific	3,021	1,813	583	38	76	7	73	311	(P)	(P)	184	14	30	447
Hong Kong	443	16	21	2	1	(*)	3	13	0	2	44	2	10	346
India	27	4	17	0	6	0	4	3	0	4	0	(*)	0	6
Indonesia	1,176	1,106	14	2	4	(*)	(*)	3	0	5	5	(*)	(*)	49
Malaysia	357	253	93	2	3	(*)	2	79	0	8	6	(*)	(*)	4
Philippines	114	23	69	21	21	(*)	(*)	19	(*)	7	9	3	11	11
Singapore	245	50	161	5	8	5	55	33	5	0	3	1	4	4
South Korea	76	1	41	4	5	0	0	20	0	13	20	(*)	5	8
Taiwan	154	(*)	129	1	9	1	7	30	(P)	(P)	15	5	5	(*)
Thailand	192	156	25	1	11	(*)	2	12	0	1	5	(*)	4	1
Other	287	204	13	2	8	0	0	(*)	0	3	3	(*)	(*)	17
International	450	320												130
Addendum—OPEC <sup>3</sup>	2,027	1,808	104	26	27	4	1	6	5	36	28	1	12	73

\* Less than \$500,000.

<sup>P</sup> Suppressed to avoid disclosure of data of individual companies.

1. Based on BEA survey taken in June 1986.

2. See footnote 3, table 1.

3. 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 1986<sup>1</sup>

[Millions of dollars]

	All industries	Petroleum	Manufacturing								Wholesale trade	Finance (except banking), insurance, and real estate	Services	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	34,347	11,055	16,908	1,408	3,198	864	2,968	1,429	4,233	2,809	2,543	377	1,396	2,068
Developed countries	26,028	7,014	14,066	1,154	2,720	660	2,596	979	3,581	2,374	2,090	301	1,251	1,307
Canada	6,474	1,659	3,522	202	549	229	225	143	1,470	705	239	69	254	730
Europe	16,834	4,678	9,154	840	1,837	402	2,011	715	1,859	1,489	1,464	171	952	415
European Communities (12) <sup>2</sup>	15,267	3,868	8,890	826	1,803	394	1,947	668	1,848	1,403	1,092	142	877	398
Belgium	654	43	461	14	157	12	53	53	(*)	(*)	82	2	60	7
Denmark	221	117	28	18	2	1	0	4	(*)	3	60	(*)	14	1
France	2,105	335	1,271	52	276	23	552	63	54	245	266	1	175	57
Germany	3,588	397	2,843	104	389	164	550	273	1,079	284	138	28	81	101
Greece	32	3	24	5	6	0	0	0	(*)	13	3	(*)	1	1
Ireland	255	28	215	26	45	6	28	38	20	50	7	(*)	4	2
Italy	857	111	578	44	124	17	199	52	26	116	93	1	64	11
Luxembourg	145	1	140	0	(*)	13	3	(*)	0	(*)	5	0	0	0
Netherlands	1,449	702	588	123	202	56	50	18	2	138	83	3	51	23
Portugal	55	6	29	8	(*)	1	1	(*)	0	3	11	0	8	0
Spain	529	146	317	31	89	5	54	32	69	37	39	1	23	2
United Kingdom	5,376	1,979	2,397	401	421	91	458	122	506	397	305	105	396	194
Other Europe	1,567	809	264	15	34	8	64	47	1	86	372	30	76	17
Austria	98	11	32	2	1	(*)	2	8	5	13	41	0	10	3
Finland	50	7	4	0	2	0	0	0	0	0	0	0	0	0
Sweden	175	11	97	4	14	3	50	4	6	16	54	3	6	7
Switzerland	342	8	81	9	14	5	7	17	0	29	178	26	47	2
Turkey	53	31	20	(*)	1	0	0	0	(*)	(*)	1	0	(*)	(*)
Other	19	16	(*)	0	0	0	0	0	0	(*)	2	(*)	(*)	(*)
Japan	943	44	650	11	120	8	(*)	99	5	(*)	206	6	5	32
Australia, New Zealand, and South Africa	1,778	633	740	102	214	21	(*)	22	247	(*)	181	55	39	130
Australia	1,528	564	638	84	191	17	(*)	20	(*)	87	136	42	31	117
New Zealand	85	14	32	3	5	(*)	(*)	1	(*)	26	26	12	1	1
South Africa	164	55	70	15	17	4	7	1	11	15	20	1	7	13
Developing countries	7,944	3,803	2,842	253	479	203	372	449	651	435	453	75	146	624
Latin America	3,673	809	2,170	203	364	190	294	140	617	361	274	53	82	284
South America	2,475	599	1,423	160	268	162	218	77	271	267	200	23	24	201
Argentina	268	53	159	41	55	5	(*)	3	28	23	18	3	13	3
Brazil	1,344	128	1,044	74	178	97	200	68	252	176	119	6	15	33
Chile	100	8	52	1	2	(*)	0	1	2	12	2	1	25	1
Colombia	500	320	64	12	13	7	(*)	3	27	12	(*)	(*)	104	1
Ecuador	54	41	6	(*)	3	0	0	2	(*)	1	4	1	1	7
Peru	42	21	9	(*)	5	1	0	0	2	5	0	0	(*)	4
Venezuela	144	23	85	30	12	(*)	(*)	7	29	22	(*)	4	10	8
Other	23	6	5	2	1	0	(*)	(*)	3	0	3	0	1	8
Central America	870	20	714	41	72	28	76	60	346	91	66	5	21	44
Mexico	775	2	687	32	67	27	76	59	346	79	53	2	16	16
Panama	31	11	4	2	1	(*)	0	0	0	1	9	3	1	3
Other	64	7	23	6	4	(*)	0	2	0	10	3	1	4	25
Other Western Hemisphere	329	190	33	1	24	1	0	3	0	4	8	20	38	40
Bahamas	75	33	3	0	3	0	0	0	0	0	1	10	25	3
Bermuda	10	1	0	0	0	0	0	0	0	0	(*)	7	2	0
Jamaica	26	1	19	(*)	(*)	(*)	0	0	(*)	0	1	1	4	1
Netherlands Antilles	13	8	(*)	(*)	(*)	(*)	0	0	0	0	(*)	2	2	(*)
Trinidad and Tobago	149	141	2	1	(*)	0	0	0	0	1	1	1	0	4
United Kingdom Islands, Caribbean	2	(*)	(*)	0	0	0	0	(*)	0	0	0	(*)	1	0
Other	54	5	8	1	(*)	1	0	3	0	(*)	1	5	31	3
Other Africa	1,143	1,050	36	8	14	6	(*)	2	(*)	6	20	7	3	26
Saharan	584	560	14	2	6	4	0	0	2	7	(*)	(*)	2	3
Egypt	469	452	11	1	6	4	0	1	0	0	3	(*)	2	1
Libya	57	55	0	0	0	0	0	0	0	0	(*)	0	(*)	2
Other	59	53	3	(*)	(*)	(*)	0	0	2	3	0	0	0	0
Sub-Saharan	558	491	23	7	8	2	(*)	2	(*)	5	13	7	2	23
Liberia	5	1	(*)	0	0	0	0	0	0	0	0	0	(*)	3
Nigeria	152	141	6	0	4	0	0	0	1	4	0	0	(*)	(*)
Other	402	343	17	7	4	2	(*)	1	3	9	7	7	2	20
Middle East	452	366	20	0	3	(*)	(*)	15	(*)	1	31	1	19	15
Israel	53	0	18	0	3	(*)	(*)	14	0	1	25	(*)	10	0
Saudi Arabia	81	70	2	0	(*)	(*)	0	0	(*)	3	3	(*)	4	3
United Arab Emirates	221	207	0	0	0	0	0	0	0	0	2	0	5	8
Other	97	90	(*)	0	(*)	(*)	0	0	(*)	0	2	(*)	(*)	5
Other Asia and Pacific	2,676	1,578	617	43	98	7	78	291	34	66	128	15	41	299
Hong Kong	329	21	21	3	2	1	2	9	0	4	50	2	15	220
India	43	7	29	0	12	0	(*)	3	0	0	(*)	0	0	6
Indonesia	1,114	1,063	11	2	5	(*)	1	0	0	3	(*)	(*)	6	4
Malaysia	360	223	117	2	6	(*)	(*)	88	0	(*)	4	(*)	6	35
Philippines	129	23	80	23	23	(*)	(*)	21	(*)	13	7	3	(*)	11
Singapore	215	41	145	4	18	5	52	60	7	(*)	15	3	6	4
South Korea	79	1	63	6	5	0	0	27	(*)	11	11	(*)	4	(*)
Taiwan	154	(*)	118	1	14	(*)	2	79	(*)	(*)	27	5	5	(*)
Thailand	82	50	20	1	6	(*)	1	5	0	7	7	(*)	4	1
Other	172	138	13	1	7	0	0	(*)	0	5	3	(*)	(*)	17
International	374	237												137
Addendum—OPEC <sup>3</sup>	1,378	1,655	109	32	24	5	1	7	7	33	40	1	13	60

\* Less than \$500,000.

† Suppressed to avoid disclosure of data of individual companies.

1. Based on BEA survey taken in December 1986.

2. See footnote 4, table 1.

3. 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 1987<sup>1</sup>

(Millions of dollars)

	All industries	Petroleum	Manufacturing							Wholesale trade	Finance (except banking), insurance, and real estate	Services	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
<b>All countries</b> .....	35,317	10,794	17,966	1,425	3,559	779	3,300	1,520	4,295	3,089	2,637	373	1,388	2,159
<b>Developed countries</b> .....	26,800	6,858	14,835	1,158	2,983	602	2,846	1,044	3,675	2,527	2,196	301	1,256	1,354
Canada.....	6,441	1,783	3,335	204	536	174	260	151	1,403	607	245	64	268	744
Europe.....	17,446	4,395	9,939	854	2,117	405	2,121	800	1,888	1,754	1,516	176	935	486
European Communities (12) <sup>2</sup> .....	15,801	3,435	9,659	836	2,080	396	2,080	749	1,859	1,659	1,258	146	836	467
Belgium.....	771	49	599	24	221	11	94	( <sup>P</sup> )	114	61	2	50	10	1
Denmark.....	210	106	27	13	2	1	0	7	( <sup>P</sup> )	3	60	( <sup>*</sup> )	17	1
France.....	2,084	242	1,398	53	393	28	511	77	65	272	236	1	138	69
Germany.....	3,723	434	2,778	89	387	147	675	297	882	303	259	23	116	107
Greece.....	33	3	25	4	5	0	0	0	15	3	( <sup>*</sup> )	1	1	1
Ireland.....	283	29	244	45	49	4	40	41	15	50	5	( <sup>*</sup> )	3	2
Italy.....	988	122	702	46	148	21	234	64	37	152	97	1	62	4
Luxembourg.....	121	1	119	0	( <sup>P</sup> )	15	6	( <sup>P</sup> )	0	20	1	0	0	0
Netherlands.....	1,396	516	714	91	224	60	43	35	4	257	91	3	47	25
Portugal.....	79	9	37	5	( <sup>P</sup> )	( <sup>*</sup> )	3	( <sup>P</sup> )	( <sup>P</sup> )	( <sup>P</sup> )	24	0	9	0
Spain.....	661	126	460	33	92	14	49	33	190	49	44	1	29	2
United Kingdom.....	5,452	1,799	2,557	432	479	94	426	123	( <sup>P</sup> )	( <sup>P</sup> )	377	110	363	247
Other Europe.....	1,645	960	280	18	38	9	41	51	29	95	258	30	98	19
Austria.....	111	12	58	( <sup>P</sup> )	1	( <sup>*</sup> )	2	( <sup>P</sup> )	( <sup>P</sup> )	20	26	0	10	5
Finland.....	49	7	3	0	2	0	0	0	1	26	0	12	( <sup>*</sup> )	1
Norway.....	921	856	35	( <sup>*</sup> )	5	0	5	( <sup>P</sup> )	( <sup>P</sup> )	( <sup>P</sup> )	18	0	6	7
Sweden.....	157	19	70	4	15	3	29	5	6	7	51	3	10	4
Switzerland.....	325	8	94	( <sup>P</sup> )	14	6	6	( <sup>P</sup> )	0	41	133	26	60	3
Turkey.....	56	34	21	( <sup>*</sup> )	0	0	0	( <sup>P</sup> )	0	1	0	( <sup>*</sup> )	( <sup>*</sup> )	( <sup>*</sup> )
Other.....	26	24	( <sup>*</sup> )	0	0	0	0	0	( <sup>*</sup> )	2	( <sup>*</sup> )	( <sup>*</sup> )	( <sup>*</sup> )	( <sup>*</sup> )
Japan.....	1,060	57	724	( <sup>P</sup> )	132	9	( <sup>P</sup> )	69	1	71	260	6	5	7
Australia, New Zealand, and South Africa.....	1,853	624	837	( <sup>P</sup> )	197	15	( <sup>P</sup> )	23	383	95	175	55	47	117
Australia.....	1,587	542	723	74	177	11	( <sup>P</sup> )	22	( <sup>P</sup> )	74	137	42	39	104
New Zealand.....	117	38	46	( <sup>P</sup> )	6	( <sup>*</sup> )	( <sup>*</sup> )	1	( <sup>P</sup> )	7	20	12	( <sup>*</sup> )	1
South Africa.....	149	44	68	12	15	3	6	1	17	13	17	1	7	12
<b>Developing countries</b> .....	8,107	3,655	3,131	267	576	178	454	476	620	562	441	72	132	675
Latin America.....	3,763	640	2,408	211	440	164	387	139	598	468	238	49	71	313
South America.....	2,675	492	1,700	167	309	138	264	72	405	345	202	28	22	231
Argentina.....	247	56	130	29	40	( <sup>P</sup> )	5	2	( <sup>P</sup> )	21	18	3	19	3
Brazil.....	1,637	110	1,354	84	226	90	258	65	378	254	123	5	12	31
Chile.....	90	8	36	2	( <sup>P</sup> )	0	0	1	( <sup>P</sup> )	10	3	1	32	1
Colombia.....	372	183	62	16	19	3	( <sup>*</sup> )	1	3	20	11	( <sup>*</sup> )	( <sup>*</sup> )	115
Ecuador.....	50	38	6	( <sup>*</sup> )	3	0	0	1	( <sup>*</sup> )	1	4	1	( <sup>*</sup> )	1
Peru.....	86	57	9	( <sup>*</sup> )	5	2	0	0	0	1	6	0	( <sup>*</sup> )	13
Venezuela.....	153	19	97	33	13	( <sup>P</sup> )	( <sup>*</sup> )	3	( <sup>P</sup> )	33	23	( <sup>*</sup> )	4	10
Other.....	40	21	5	2	1	0	( <sup>*</sup> )	( <sup>*</sup> )	( <sup>*</sup> )	2	4	0	1	9
Central America.....	841	31	676	43	108	25	123	63	193	120	72	7	15	41
Mexico.....	720	3	635	35	102	25	123	61	193	96	57	2	10	14
Panama.....	38	15	3	2	1	( <sup>*</sup> )	0	0	0	1	11	4	1	3
Other.....	83	13	37	7	5	( <sup>*</sup> )	0	2	3	23	3	1	4	24
Other Western Hemisphere.....	247	117	32	1	23	1	0	3	0	3	9	14	34	41
Bahamas.....	43	16	2	0	2	0	0	0	0	0	1	5	14	4
Bermuda.....	8	1	0	0	0	0	0	0	0	0	( <sup>*</sup> )	6	1	0
Jamaica.....	28	3	20	( <sup>*</sup> )	( <sup>P</sup> )	0	0	0	0	( <sup>P</sup> )	2	( <sup>*</sup> )	4	1
Netherlands Antilles.....	19	8	( <sup>*</sup> )	( <sup>*</sup> )	( <sup>*</sup> )	( <sup>*</sup> )	0	0	0	( <sup>*</sup> )	2	2	8	1
Trinidad and Tobago.....	86	79	2	1	( <sup>*</sup> )	0	0	0	0	1	1	( <sup>*</sup> )	0	4
United Kingdom Islands, Caribbean.....	9	5	( <sup>*</sup> )	0	0	0	0	0	0	0	0	0	4	0
Other.....	54	5	8	1	0	1	0	3	0	( <sup>P</sup> )	4	1	5	31
Other Africa.....	1,160	1,038	61	10	32	6	( <sup>*</sup> )	2	( <sup>*</sup> )	11	16	7	4	34
Saharan.....	450	423	17	2	5	4	0	1	6	6	5	( <sup>*</sup> )	1	3
Egypt.....	349	335	10	1	5	4	0	1	0	0	2	( <sup>*</sup> )	1	1
Libya.....	44	41	0	0	0	0	0	0	0	0	( <sup>*</sup> )	0	( <sup>*</sup> )	2
Other.....	57	46	7	1	( <sup>*</sup> )	( <sup>*</sup> )	0	0	0	6	3	0	0	0
Sub-Saharan.....	710	616	44	8	27	2	( <sup>*</sup> )	2	( <sup>*</sup> )	5	10	7	2	31
Liberia.....	9	4	( <sup>*</sup> )	0	0	0	0	0	0	0	0	0	0	4
Nigeria.....	217	190	26	0	( <sup>P</sup> )	0	0	0	0	( <sup>P</sup> )	1	( <sup>P</sup> )	( <sup>*</sup> )	( <sup>*</sup> )
Other.....	484	422	18	8	2	( <sup>*</sup> )	( <sup>*</sup> )	1	( <sup>*</sup> )	( <sup>P</sup> )	9	7	2	26
Middle East.....	425	336	26	0	3	( <sup>*</sup> )	( <sup>*</sup> )	21	( <sup>*</sup> )	1	25	1	21	17
Israel.....	53	0	25	0	3	( <sup>*</sup> )	( <sup>*</sup> )	21	0	1	17	( <sup>*</sup> )	10	0
Saudi Arabia.....	86	74	( <sup>*</sup> )	0	0	( <sup>*</sup> )	0	( <sup>*</sup> )	0	( <sup>*</sup> )	2	( <sup>*</sup> )	5	4
United Arab Emirates.....	175	161	0	0	0	0	0	0	0	0	2	0	5	8
Other.....	112	102	( <sup>*</sup> )	0	0	0	( <sup>*</sup> )	0	( <sup>*</sup> )	0	4	( <sup>*</sup> )	( <sup>*</sup> )	5
Other Asia and Pacific.....	2,759	1,641	636	45	101	7	67	314	22	81	118	15	37	312
Hong Kong.....	330	33	18	4	2	1	2	5	0	4	42	3	15	220
India.....	47	5	36	0	12	0	13	( <sup>P</sup> )	0	( <sup>P</sup> )	( <sup>*</sup> )	( <sup>*</sup> )	0	6
Indonesia.....	1,046	973	17	2	10	( <sup>*</sup> )	1	( <sup>*</sup> )	0	3	4	( <sup>*</sup> )	( <sup>*</sup> )	52
Malaysia.....	451	386	102	2	7	( <sup>*</sup> )	( <sup>*</sup> )	88	0	5	6	( <sup>*</sup> )	3	7
Philippines.....	144	87	91	23	21	( <sup>*</sup> )	1	27	( <sup>*</sup> )	19	5	3	( <sup>*</sup> )	7
Singapore.....	220	47	143	5	12	5	46	71	3	( <sup>*</sup> )	16	3	6	4
South Korea.....	65	1	46	5	6	0	0	21	( <sup>P</sup> )	4	14	( <sup>*</sup> )	4	( <sup>*</sup> )
Taiwan.....	165	( <sup>*</sup> )	136	1	15	( <sup>*</sup> )	3	89	( <sup>P</sup> )	( <sup>P</sup> )	19	5	5	( <sup>*</sup> )
Thailand.....	98	50	34	( <sup>*</sup> )	8	( <sup>*</sup> )	1	( <sup>P</sup> )	( <sup>P</sup> )	( <sup>P</sup> )	8	( <sup>*</sup> )	4	1
Other.....	193	159	13	2	8	0	0	( <sup>*</sup> )	0	2	3	( <sup>*</sup> )	( <sup>*</sup> )	18
<b>International</b> .....	410	280												131
<b>Addendum—OPEC<sup>3</sup></b> .....	1,847	1,571	146	36	50	5	1	( <sup>P</sup> )	( <sup>P</sup> )	39	36	1	14	78

<sup>\*</sup> Less than \$500,000.

<sup>P</sup> Suppressed to avoid disclosure of data of individual companies.

1. Based on BEA survey taken in December 1986.

2. See footnote 4, table 1.

3. See footnote 5, table 1.

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

# U.S. International Transactions, Fourth Quarter and Year 1986

## Fourth Quarter 1986

THE U.S. current-account deficit increased to \$36.8 billion in the fourth quarter from \$35.3 billion in the third, largely because of an increase in the merchandise trade deficit to \$38.4 billion from \$37.1 billion. The surplus on service transactions decreased to \$5.5 billion from \$6.0 billion, and net unilateral transfers decreased to \$3.9 billion from \$4.2 billion.

**Merchandise trade.**—Merchandise imports increased \$2.8 billion, or 3 percent, to a record \$95.7 billion. Volume decreased 1 percent; prices increased 4 percent, mostly in automotive products, capital goods, and foods. The largest increases in value were in consumer goods, up \$1.2 billion, or 6 percent, and in nonmonetary gold and passenger cars from Canada, each up \$0.9 billion, or 70 and 34 percent, respectively. Nonmonetary gold replenished U.S. dealer

stocks following Bureau of the Mint purchases for the minting of the new American Eagle gold coin. The largest decreases were in passenger cars from areas other than Canada, down \$0.6 billion, or 6 percent, and lumber from Canada, down \$0.3 billion, or 18 percent. The decrease in passenger cars reflected an 18-percent decrease in the number of cars imported from South Korea and a 9-percent decrease in the number from Japan. The decrease in lumber was due to the imposition of a 15-percent duty on imports from Canada in October as a result of a U.S. ruling that Canadian lumber products sold in the United States were being subsidized. (Subsequently, the United States and Canada reached an agreement, effective in early January, under which Canada imposed a 15-percent export tax and the United States removed its duty.) Petroleum imports were nearly unchanged at \$8.0 billion. The average number of barrels imported daily decreased to 6.91 million from 7.64 mil-

lion; the average price per barrel increased 11 percent to \$12.73 from \$11.42.

Merchandise exports increased \$1.6 billion, or 3 percent, to \$57.3 billion; the increase was all in volume. Agricultural exports increased \$0.6 billion, or 9 percent, to \$7.1 billion. Volume increased 13 percent. Shipments of soybeans to Western Europe accounted for nearly all of the increase, as supplies from Brazil, a major exporter to Western Europe, were limited by drought. The average price of several major crops decreased sharply to the lowest levels since the mid-1970's: corn, 14 percent; soybeans, 5 percent; and cotton, 4 percent. The average price of wheat increased 2 percent and of rice 22 percent. Nonagricultural exports increased \$1.0 billion, or 2 percent, to \$50.2 billion; the increase was all in volume. Among major components, machinery increased \$0.8 billion, or 5 percent; and nonagricultural industrial supplies,

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 ( )	1985	1986 <sup>p</sup>	Change: 1985-86	1985				1986				Change: 1986 III-IV
					I	II	III	IV	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	
1	Exports of goods and services (1).....	358,498	370,702	12,204	88,040	89,350	90,234	90,873	91,498	91,986	92,843	94,374	1,531
2	Merchandise, excluding military (2).....	214,424	221,753	7,329	55,324	53,875	52,498	52,727	53,588	55,075	55,764	57,326	1,562
3	Other goods and services (3-14).....	144,074	148,949	4,875	32,716	35,475	37,736	38,146	37,910	36,911	37,079	37,048	-31
4	Imports of goods and services (16).....	-461,191	-496,126	-34,935	-110,872	-115,309	-114,688	-120,324	-122,547	-122,336	-123,979	-127,266	-3,287
5	Merchandise, excluding military (17).....	-338,863	-369,461	-30,598	-80,369	-84,242	-84,173	-90,079	-90,077	-90,775	-92,913	-95,696	-2,783
6	Other goods and services (18-29).....	-122,328	-126,665	-4,337	-30,503	-31,067	-30,515	-30,245	-32,470	-31,561	-31,066	-31,570	-504
7	U.S. Government grants (excluding military grants of goods and services) (32).....	-11,196	-11,825	-630	-2,224	-2,577	-3,087	-3,307	-2,069	-3,245	-3,419	-3,092	327
8	Remittances, pensions, and other transfers (33, 34).....	-3,787	-3,320	467	-1,056	-881	-914	-987	-922	-802	-744	-853	-109
9	U.S. assets abroad, net (increase/capital outflow (-))(35).....	-32,436	-99,815	-67,379	-510	-2,793	-5,867	-23,266	-13,009	-25,661	-28,201	-32,944	-4,743
10	U.S. official reserve assets, net (36).....	-3,858	312	4,170	-233	-856	-121	-3,148	-115	16	280	132	-148
11	U.S. Government assets, other than official reserve assets, net (41).....	-2,824	-1,978	846	-307	-1,055	-422	-540	-250	-209	-1,429	-91	1,338
12	U.S. private assets, net (45).....	-25,754	-98,149	-72,395	530	-1,382	-5,324	-19,579	-12,644	-25,468	-27,052	-32,985	-5,933
13	Foreign assets in the United States, net (increase/capital inflow (+))(50).....	127,106	213,294	86,188	14,247	25,358	35,665	51,837	36,620	47,526	69,523	59,625	-9,898
14	Foreign official assets, net (51).....	-1,324	33,394	34,719	-11,066	8,486	2,577	-1,322	2,489	14,704	15,448	774	-14,674
15	Other foreign assets, net (58).....	128,430	179,900	51,469	25,313	16,872	33,088	53,158	34,151	32,822	54,075	58,851	4,777
16	Allocations of special drawing rights (64).....												
17	Statistical discrepancy (65).....	23,006	27,091	4,085	12,375	6,852	-1,343	5,125	10,429	12,532	-6,023	10,156	16,179

<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

Table B.—Selected Transactions With Official Agencies

Line		1985	1986 <sup>p</sup>	Change: 1985-86	1985				1986				Change: 1986 III-IV
					I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>p</sup>	
1	Changes in foreign official assets in the U.S., net (decrease -)(table 1, line 51).....	-1,324	33,394	34,719	-11,066	8,486	2,577	-1,322	2,469	14,704	15,448	774	-14,674
2	Industrial countries <sup>1</sup> .....	1,178	27,809	26,631	-6,361	6,851	2,889	-2,201	-529	11,512	12,985	3,841	-9,144
3	Members of OPEC <sup>2</sup> .....	-6,599	-8,649	-2,050	-1,923	-1,843	-1,831	-1,002	1,421	-1,938	-2,847	-5,285	-2,438
4	Other countries.....	4,097	14,234	10,137	-2,782	3,478	1,519	1,881	1,577	5,130	5,310	2,218	-3,092
5	Changes in U.S. official reserve assets (increase -)(table 1, line 36).....	-3,358	312	4,170	-233	-356	-121	-3,143	-115	16	280	132	-148
	Activity under U.S. official reciprocal currency arrangements with foreign monetary authorities: <sup>3</sup>												
6	Foreign drawings, or repayments (-), net.....	-500	198	698	-500	143	-143			75	212	-89	-301
6a	Drawings.....	143	642	499		143				75	421	146	-275
6b	Repayments.....	-643	-444	199	-500		-143				-209	-235	-26

<sup>r</sup> Revised.<sup>p</sup> 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.

\$0.6 billion, or 5 percent. Nonmonetary gold decreased \$0.9 billion, or 56 percent, following substantial third-quarter shipments to Japan for the minting of Japanese commemorative gold coins.

*Service transactions.*—Net service receipts decreased to \$5.5 billion from \$6.0 billion in the third quarter. Among major components, receipts of income on U.S. direct investment abroad decreased to \$9.2 billion from \$9.5 billion; the decrease was more than accounted for by a decline in capital gains. Payments of income on foreign direct investment in the United States were down slightly to \$0.9 billion. Receipts of income on other private investment were unchanged at \$10.9 billion, and payments of income on other private investment increased to \$10.2 billion from \$9.4 billion.

Foreign visitors spent \$3.5 billion in the United States, up 6 percent. Receipts from overseas visitors increased 6 percent to \$2.1 billion; those from Canada, 6 percent to \$0.8 billion; and those from Mexico, 4 percent to \$0.5 billion. U.S. travelers spent \$4.5 billion in foreign countries, up 1 percent. Payments for overseas travel increased 1 percent, as an increase in average expenditures more than offset a 15-percent decline in the number of travelers. Payments to Canada decreased 1 percent to \$0.8 billion, and payments to Mexico increased 5 percent to \$1.0 billion.

Transfers under U.S. military agency sales contracts increased \$0.5 billion to \$2.9 billion, due to a bunching of deliveries of aircraft. Direct defense expenditures were unchanged at \$2.9 billion.

Other transportation receipts were \$3.9 billion, up 4 percent, due to a rise in ocean freight receipts. Transportation payments were \$4.3 billion, up 2 percent, due to a rise in air freight payments from higher import volume.

*Net unilateral transfers.*—Net unilateral transfers were \$3.9 billion compared with \$4.2 billion. U.S. Government grants to countries in the Middle East were down somewhat from the third quarter.

*U.S. assets abroad.*—U.S. assets abroad increased \$32.9 billion compared with \$28.2 billion in the third quarter. U.S. reserve assets decreased \$0.1 billion. The reserve position with the International Monetary Fund (IMF) continued to decline, and the increase in holdings of foreign currencies was mostly accounted for by interest earnings.

U.S. claims on foreigners reported by U.S. banks increased \$29.9 billion compared with \$19.3 billion. Interbank claims, mostly of foreign-owned offices, on banks in Japan increased \$18.3 billion, as Japanese banks continued to borrow heavily to finance, in part, their international lending operations. Interbank claims of U.S.-owned offices on financial centers in the Caribbean and the United Kingdom increased moderately for the quarter. The strong increase at yearend was largely reversed in January.

Net U.S. sales of foreign securities were \$2.7 billion compared with \$0.4 billion, due to a sharp selloff in foreign stocks. Net sales of stocks were \$1.7 billion compared with \$1.0 billion. Sales of Japanese stocks more than accounted for total fourth-quarter sales. There were also net sales of

stocks of most European countries. Partly offsetting, new issues of foreign bonds in the United States increased as U.S. interest rates fell further. Major borrowers included New Zealand, Canada, several Scandinavian countries, and international financial institutions. In transactions in outstanding bonds, net purchases of U.K. gilt-edge securities slackened to \$2.0 billion from \$4.2 billion. Sales of bonds to Japanese and other Southeast Asian residents were substantial.

Net outflows for U.S. direct investment abroad were \$5.7 billion compared with \$8.0 billion. Capital gains due to exchange rate appreciation and intercompany debt outflows both decreased.

*Foreign assets in the United States.*—Foreign assets in the United States increased \$59.6 billion compared with \$69.5 billion in the third quarter. Foreign official assets in the United States increased \$0.8 billion following a \$15.4 billion increase, as Western European and Japanese intervention purchases of dollars slowed markedly. Dollar assets of OPEC members decreased substantially, and dollar assets of other countries increased.

U.S. liabilities to private foreigners and international financial institutions reported by U.S. banks, excluding U.S. Treasury securities, increased \$35.3 billion compared with \$30.1 billion. The increases in both quarters were boosted by the international activities of Japanese banks, which included funding of strong loan demand at agencies and branches of foreign banks in the United States. In addition, in the fourth quarter for countries other than Japan, there

were strong credit demands by U.S. firms for U.S. bank credit partly to finance acquisitions, and by U.S. banks to meet reserve requirements at year-end against the sharp rise in time deposits that occurred in December.

Net sales of U.S. Treasury securities by private foreigners and international financial institutions were \$2.7 billion compared with \$0.5 billion. The increase, which was more than accounted for by Japan, reflected declining U.S. yields and substantially higher yields available on foreign government bonds and corporate securities.

Net foreign purchases of U.S. securities, other than U.S. Treasury securities, were \$11.8 billion compared with \$17.2 billion. New bond issues abroad by U.S. corporations were \$7.3 billion; lower interest rates led to a continuation of substantial refinancing activities and assumption of new debt, the latter partly to finance acquisitions. Foreigners purchased \$4.8 billion in outstanding bonds.

Transactions in U.S. stocks shifted to net foreign sales of \$0.3 billion from net purchases of \$4.5 billion. Heavy net sales by European countries and a drop in net purchases by Japan were concentrated in October, when U.S. stock prices dropped 3 percent. By December, these countries had returned as net purchasers, as prices rose 5 percent.

Net inflows for foreign direct investment were \$14.4 billion compared with \$5.6 billion. Numerous acquisitions, including two very substantial ones, were financed by both equity and debt inflows, supplemented with substantial amounts of funds acquired from U.S. banks. Tax reform legislation made it advantageous to complete acquisitions before yearend.

The statistical discrepancy (errors and omissions in reported transactions) shifted to an unrecorded net inflow of \$10.2 billion from an outflow of \$6.0 billion.

*U.S. dollar in exchange markets.*— In the fourth quarter, the U.S. dollar depreciated 3 to 4 percent against European currencies; in contrast, it appreciated 3 percent against the Japanese yen and 4 percent against the British pound (table C, chart 3). The dollar hit new lows against the German mark as exchange markets remained skeptical following the Group of 5 and Group of 7 finance ministers' meetings in September. Japanese monetary authorities lowered their discount rate and suggested some stimulative fiscal measures in October, leading to a rise of the dollar against the yen. Monetary authorities in the United Kingdom raised interest rates and intervened heavily in exchange markets in November to strengthen the pound.

The dollar declined sharply in late December, as the demand for German marks increased despite a rise in French and Belgian interest rates to discourage speculation against those currencies.

## The Year 1986

### *U.S. dollar in exchange markets*

The dollar fell sharply during 1986, nearly 20 percent against a trade-weighted quarterly average of the currencies of 10 industrial countries, bringing the cumulative decline since the second quarter of 1985 to 39 percent. Against a broader average of 22 OECD currencies, the decline during 1986 was less, 5 percent, and the cumulative decline 13 percent. Early in

the year, interest rate movements contributed to depreciation against all major currencies except the Canadian dollar, as U.S. long-term interest rates declined and short-term rates resumed their decline after several quarters of relative stability. The rapid decline in petroleum prices contributed indirectly to depreciation because major industrial oil importers, such as Germany and Japan, were thought to benefit more than the United States, and their currencies tended to strengthen as petroleum prices declined. The lowering of official interest rates in early March in the United States, Japan, and several European countries left international interest differentials virtually unchanged, and had little impact on exchange markets.

Upward pressures on the German mark (and Swiss franc) continued, leading to a realignment of currencies in the European Monetary System (EMS) in April. The realignment did little to slow the rise of EMS currencies against the dollar. Upward pressures on the Japanese yen also mounted, due to continued large Japanese current-account surpluses, favorable impacts of declining commodity and petroleum prices, and large capital inflows for purchases of securities.

From August to November, European monetary authorities, in a renewed effort to maintain the new EMS parities, stepped up exchange market intervention. During the same period, Japanese authorities lowered interest rates and proposed stimulative fiscal measures, resulting in a temporary rise in the dollar. However, renewed rapid depreciation of the dollar developed in the last weeks of the year.

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

[1977=100]

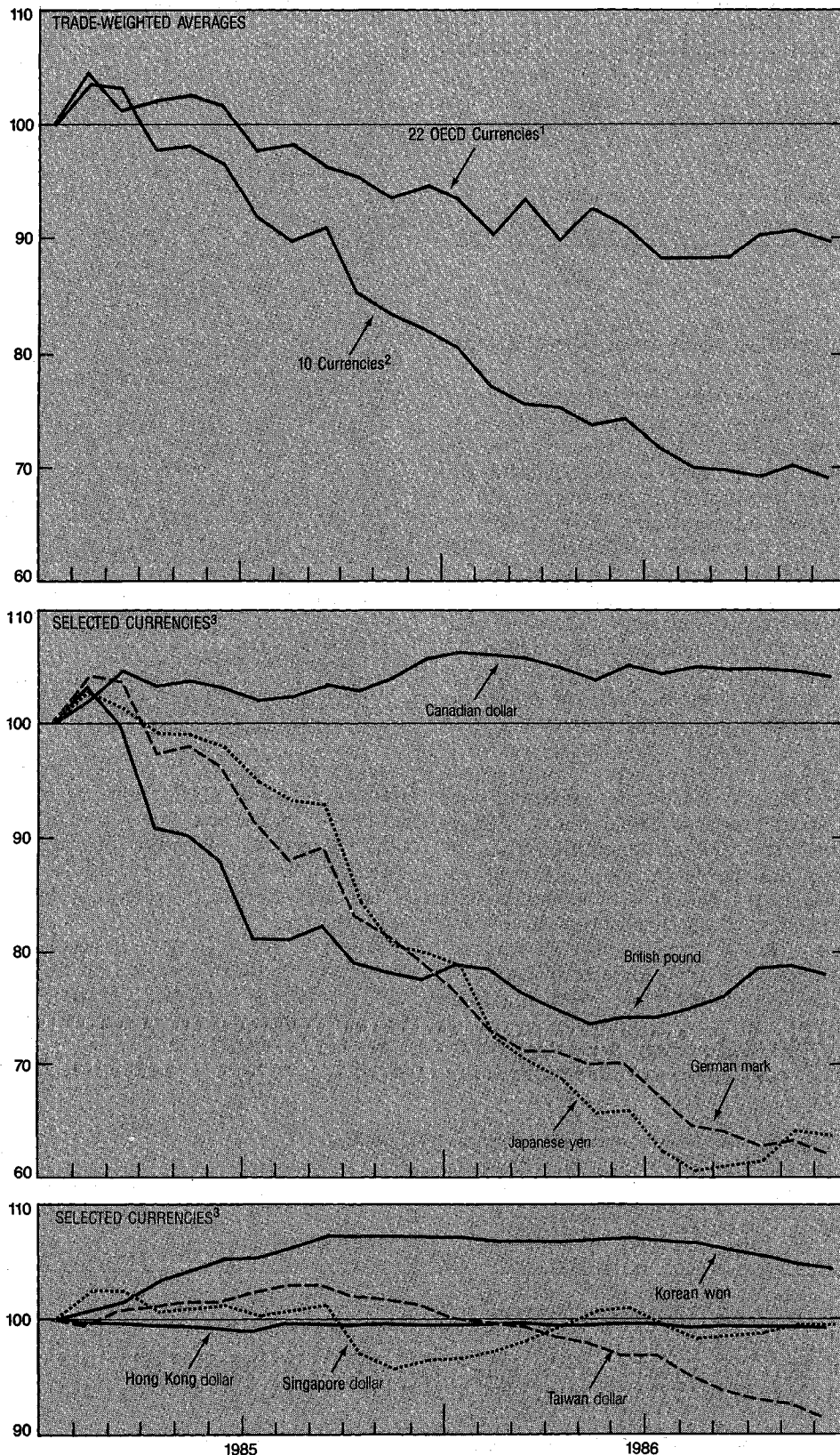
	1985	1986				1985	1986											
	IV	I	II	III	IV	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Trade-weighted average against 22 OECD currencies <sup>1</sup> .....	151.4	147.9	145.5	141.3	144.3	151.2	149.8	144.4	149.6	143.4	147.9	145.2	141.2	141.4	141.2	144.4	144.9	143.7
Trade-weighted average against 10 currencies <sup>2</sup> .....	123.9	115.5	110.4	104.7	103.4	121.6	119.5	114.8	112.2	111.8	109.5	110.0	106.7	103.9	103.6	103.0	104.3	103.0
Selected currencies: <sup>3</sup>																		
Canada.....	129.9	132.2	130.4	130.5	130.5	131.4	132.5	132.3	131.9	130.7	129.6	130.9	130.1	130.8	130.6	130.8	130.6	130.0
United Kingdom.....	121.5	121.0	115.5	117.2	121.9	120.7	122.4	121.9	118.8	116.3	114.6	115.6	115.7	117.3	118.6	122.2	122.4	121.1
European Monetary System currencies:																		
Belgium.....	146.2	138.9	127.7	120.2	116.1	142.9	138.7	133.4	129.6	129.0	126.7	127.3	123.3	119.1	118.1	116.1	117.1	115.2
France.....	160.4	146.6	145.2	137.8	133.6	156.3	152.1	145.5	142.3	146.5	144.3	144.8	140.9	136.7	135.9	133.4	134.7	132.8
Germany.....	111.2	101.0	96.6	89.7	86.3	108.1	104.9	100.3	97.9	97.8	95.8	96.1	92.6	88.7	87.3	86.3	87.1	85.5
Italy.....	197.6	180.5	173.9	162.1	156.8	198.2	187.7	179.2	174.7	176.0	172.5	173.1	166.9	160.3	159.1	156.7	158.0	155.6
Netherlands.....	118.5	107.9	102.9	95.7	92.3	115.2	111.9	107.2	104.5	104.3	102.1	102.4	98.7	94.6	93.8	92.3	93.1	91.5
Switzerland.....	88.9	82.4	77.7	70.2	69.3	87.6	86.0	81.4	79.7	79.2	77.2	76.6	72.6	69.2	68.8	68.4	70.2	69.3
Japan.....	77.1	69.9	63.2	58.0	59.7	75.5	74.5	68.8	66.5	65.2	62.1	62.4	59.0	57.4	57.6	53.3	60.6	60.3

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

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

3. Data: Federal Reserve Board. Monthly and quarterly average rates. Indexes prepared by BEA.

**CHART 3**  
**Indexes of Foreign Currency Price of the U.S. Dollar (January 1985=100)**



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

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In contrast, the dollar appreciated sharply against the British pound in the second half of the year. The impact of weak oil prices on British export revenues and Government income combined with concern about the direction of British monetary and fiscal policy sent the pound down 6 percent against the dollar and more against continental European currencies. The depreciation of the pound occurred despite large increases in both long- and short-term interest rates and sizable exchange market intervention purchases, particularly in November. British authorities also borrowed in the Eurobond market during the autumn months to replenish international reserves.

The U.S. dollar was unchanged against the Canadian dollar for the year, although Canadian authorities at times had to borrow heavily in the Eurobond market to maintain exchange stability.

The dollar depreciated slightly, or even appreciated, against the currencies of most newly industrialized countries in Southeast Asia, which continued to accumulate large current-account surpluses. However, the U.S. dollar depreciated 10 percent against the Taiwan dollar.

**Merchandise trade**

The U.S. merchandise trade deficit increased to \$147.7 billion in 1986 from \$124.4 billion in 1985 (tables D, E). Imports increased \$30.6 billion to \$369.5 billion, or 9 percent; volume increased 15 percent. An increase in nonpetroleum imports to \$335.6 billion from \$288.3 billion more than offset a decrease in petroleum imports to \$33.9 billion from \$50.5 billion. The 16-percent increase in the value of nonpetroleum imports followed increases of 5 percent in 1985 and 29 percent in 1984. Exports increased \$7.3 billion to \$221.8 billion, or 3 percent; volume increased 7 percent. Nonagricultural exports increased to \$194.8 billion from \$184.8 billion, and agricultural exports decreased to \$26.9 billion from \$29.6 billion. The 5-percent increase in the value of nonagricultural exports followed an increase of 2 percent in 1985 and 10 percent in 1984.

Dollar depreciation began to affect merchandise trade significantly in 1986. Throughout much of the year, the price competitiveness of U.S.

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

(Millions of dollars, quarters seasonally adjusted)

	1984	1985	1986 <sup>p</sup>	1986			
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
Merchandise trade balance.....	-112,522	-124,439	-147,708	-36,489	-35,700	-37,149	-38,370
Investment income, net.....	18,752	25,188	22,865	6,500	5,328	6,146	4,890
Direct, net.....	12,280	26,252	32,538	8,304	7,586	8,417	8,232
Other private, net.....	21,012	14,751	6,410	2,334	1,914	1,441	719
U.S. Government, net.....	-14,540	-15,815	-16,083	-4,138	-4,172	-3,712	-4,061
Other services, net.....	-539	-3,442	-581	-1,060	22	-133	538
Unilateral transfers, net.....	-12,157	-14,983	-15,145	-2,991	-4,047	-4,163	-3,945
Current account balance.....	-106,466	-117,677	-140,569	-34,040	-34,397	-35,299	-36,837

<sup>r</sup> Revised.  
<sup>p</sup> Preliminary.

goods in export markets increased, especially for the capital goods and industrial supply categories, as the foreign currency cost of U.S. manufactured exports decreased 7 percent while a weighted average of producer prices for manufactured products in major industrial countries abroad was unchanged. In contrast, the dollar cost of U.S. manufactured imports increased 5 percent while U.S. producer prices declined (chart 4).

A more detailed look at price patterns indicates considerable diversity. Prices of imports were significantly higher at yearend 1986 than a year earlier for those major commodity categories in which trade is most often denominated in foreign currencies—capital goods, consumer goods (nonfood), and autos (table F). These three categories accounted for 63 percent of import trade in 1986. Other import prices—for petroleum, industrial supplies, and most foods—declined sharply, as raw materials and commodities prices fell in world markets where these transactions are usually denominated in dollars. A 31-percent increase in coffee prices more

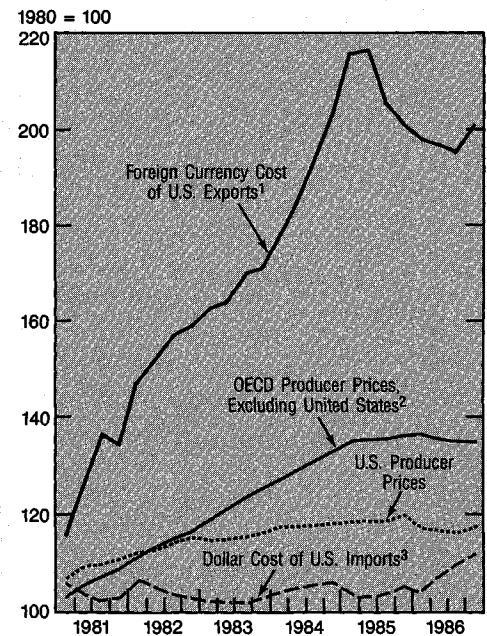
than offset declines in prices of other foods.

Price declines for exports by yearend 1986 were small and limited to capital goods, which accounted for 36 percent of export trade. Industrial supplies, materials, and foods all reflected substantially lower prices in world markets. Consumer goods prices increased as did auto prices.

Several factors helped limit import price changes during 1986. First, earlier dollar appreciation continued, with a lagged impact, to limit import price increases. Second, the dollar depreciated only slightly, or even appreciated, against currencies of most newly industrialized countries in Southeast Asia. When combined with import trade of Canada and Mexico, most of which is denominated in dollars and therefore should not be expected to be affected by exchange rate changes, these three areas accounted for over 36 percent of U.S. imports. Third, foreign exporters probably reduced profit margins, which had been greatly inflated by dollar appreciation in 1980–84, to lessen price increases to U.S. consumers in order to maintain

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 87-3-4

market shares. Fourth, dollar depreciation reduced production costs of countries exporting to the United States, particularly major foreign industrial importers of petroleum and other raw materials denominated in dollars.

Relative growth rates in real domestic demand also exerted an important influence on U.S. trade. Although differentials between U.S. and foreign growth narrowed, the strength in U.S. domestic demand

Table E.—U.S. Merchandise Trade, Current and Constant (1982) Dollars

(Balance of payments basis, millions of dollars, quarters seasonally adjusted)

	Current dollars								Constant (1982) dollars							
	1984	1985	1986 <sup>p</sup>	1986				1984	1985	1986 <sup>p</sup>	1986					
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>		
<b>Exports</b> .....	219,900	214,424	221,753	53,588	55,075	55,764	57,326	218,761	222,530	238,965	56,706	58,763	60,696	62,800		
Agricultural.....	38,398	29,595	26,938	7,140	6,188	6,511	7,099	35,282	30,401	30,165	7,476	6,604	7,553	8,532		
Nonagricultural.....	181,502	184,829	194,815	46,448	48,887	49,253	50,227	183,479	192,129	208,800	49,230	52,159	53,143	54,268		
Foods, feeds, and beverages.....	31,625	24,043	22,584	6,154	5,176	5,517	5,737	29,379	25,144	25,716	6,610	5,638	6,506	6,962		
Industrial supplies and materials.....	63,362	60,056	63,404	14,861	16,802	15,891	15,850	63,201	62,943	68,634	15,702	18,004	17,393	17,535		
Capital goods, except automotive.....	74,115	75,645	79,184	18,895	19,232	20,414	20,643	77,450	82,120	90,902	21,416	22,015	23,477	23,994		
Automotive vehicles, parts, and engines.....	22,508	24,538	23,898	5,964	5,942	5,722	6,270	21,030	22,392	21,275	5,363	5,301	5,077	5,534		
Consumer goods (nonfood), except automotive.....	13,751	12,952	14,533	3,394	3,478	3,707	3,954	13,670	12,938	14,154	3,329	3,364	3,637	3,804		
<b>Imports</b> .....	332,422	338,863	369,461	90,077	90,775	92,913	95,696	347,879	366,193	419,733	98,678	104,314	108,717	108,024		
Petroleum and products.....	57,315	50,525	33,892	10,022	7,839	7,985	8,046	63,697	59,776	74,639	14,525	13,576	21,817	19,721		
Nonpetroleum products.....	275,107	288,338	335,569	80,055	82,936	84,928	87,650	284,182	306,417	345,094	84,153	85,738	86,900	88,303		
Foods, feeds, and beverages.....	21,303	21,317	24,020	5,926	5,963	6,084	6,047	20,913	21,801	22,894	5,715	5,578	5,907	5,694		
Industrial supplies and materials.....	123,885	113,471	103,070	27,488	25,504	24,605	25,473	134,490	131,815	155,192	34,920	39,171	41,344	39,757		
Capital goods, except automotive.....	61,061	64,022	75,724	17,960	18,825	19,296	19,643	68,371	76,248	90,838	21,805	22,537	23,129	23,367		
Automotive vehicles, parts, and engines.....	56,577	65,105	73,100	17,770	19,057	20,590	20,683	54,119	60,803	66,240	15,670	16,330	17,259	16,981		
Consumer goods (nonfood), except automotive.....	61,282	65,158	77,963	18,332	18,877	19,796	20,958	61,527	65,404	74,201	17,949	18,179	18,608	19,465		

<sup>r</sup> Revised.  
<sup>p</sup> Preliminary.

continued to boost expenditures on U.S. imports as well as domestically produced goods. Relatively weak domestic demand abroad limited the growth of U.S. exports.

**Imports.**—Nonpetroleum imports increased \$47.2 billion, or 16 percent, to \$335.6 billion; volume increased 13 percent. The largest increase was in automotive products from areas other than Canada, which increased \$12.8 billion or 32 percent. Automotive products from these areas had increased 20 percent in 1985 and 31 percent in 1984. In 1986, the number of autos imported from Japan increased 7 percent as did the number of autos sold. The Japanese share of total autos sold in the United States remained at 21 percent. However, in contrast to 1985, prices of Japanese autos rose substantially—11 percent compared with 2 percent. The number of relatively low-priced autos imported from Korea increased substantially. Automotive products from Canada were about unchanged.

Consumer goods increased \$12.7 billion, or 19 percent, up from a 6-percent increase. Textile imports, mostly from newly industrialized countries in Southeast Asia, increased 19 percent. Imports of electronic appliances, including televisions, radios, and video equipment, increased 20 percent.

Capital goods increased \$11.7 billion, or 18 percent, up from a 4-percent increase. Much of the 1986 increase was in nonelectrical machinery—business and office equipment (including computers), and scientific, professional, and service industry equipment. These commodities had also paced the import surge in 1984. Electrical machinery, which had decreased in 1985, rebounded strongly.

Nonpetroleum industrial supplies increased \$6.2 billion, or 10 percent, following a 5-percent decrease. Iron and steel imports continued to decline, although less than in 1985. Paper and paper products increased \$7.7 billion, or 8 percent, and building materials (including lumber from Canada) increased \$6.4 billion or 11 percent. Nonmonetary gold imports increased \$4.7 billion; nearly all of the imports during the second and third quarters were subsequently shipped to Japan for the minting of commemorative gold coins. Additional sizable imports in November were to replenish U.S. dealer stocks following U.S. Bureau of the Mint purchases for the minting of the new American Eagle gold coin.

**Table F.—U.S. Merchandise Trade, Price Indexes (Fixed Weights): Change from Same Period One Year Earlier**

[Percent change: based on index numbers (1982=100), seasonally adjusted]

	1985			1986			
	II	III	IV	I	II	III	IV <sup>P</sup>
<b>Exports</b> .....	-3.6	-3.6	-3.3	-1.9	-2.5	-2.7	-2.3
Foods, feeds, and beverages.....	-12.4	-10.7	-10.5	-5.9	-6.9	-10.6	-8.3
Industrial supplies and materials.....	-5.5	-6.4	-4.3	-2.9	-4.4	-4.0	-5.6
Capital goods, except automotive.....	.4	-.7	-1.7	-1.7	-1.8	-1.0	.1
Automotive vehicles, parts, and engines.....	2.2	2.6	3.3	3.3	2.4	2.0	2.3
Consumer goods (nonfood, except automotive).....	-1.1	-.5	.2	2.0	3.3	3.2	4.1
<b>Imports</b> .....	-4.1	-4.0	-1.9	-2.6	-8.3	-7.8	-6.5
Foods, feeds, and beverages.....	-5.4	-6.8	-2.2	-4.5	9.3	6.8	8.7
Industrial supplies and materials, excluding petroleum.....	-7.5	-6.4	-6.9	-4.3	-4.9	-3.8	-1.2
Petroleum and products.....	-5.8	-7.9	-5.2	-19.2	-51.0	-55.6	-51.5
Capital goods, except automotive.....	-5.9	-4.4	-1.7	2.4	5.4	7.8	8.6
Automotive vehicles, parts, and engines.....	1.2	1.7	5.0	7.9	10.3	12.1	10.1
Consumer goods (nonfood, except automotive).....	-.9	-.2	1.1	2.7	5.1	6.8	6.8

<sup>P</sup> Preliminary.

Petroleum imports decreased \$16.6 billion, or 33 percent, to \$33.9 billion, the lowest level since 1976. Prices dropped sharply early in the year but recovered slightly toward yearend after OPEC members agreed to limit production. For the year, the average price per barrel decreased to \$14.72 from \$26.41. Partly in response, the average number of barrels imported daily increased to 6.53 million from 5.24 million, mostly from Saudi Arabia, Venezuela, and Nigeria. U.S. consumption of petroleum increased 3 percent from 1985, and stocks, excluding those for the Strategic Petroleum Reserve, increased 6 percent. U.S. production decreased 3 percent.

**Exports.**—Nonagricultural exports increased \$10.0 billion, or 5 percent, to \$194.8 billion; volume increased 7 percent. By the fourth quarter, volume was 10 percent higher than the fourth quarter a year earlier. The largest increase was in capital goods, up \$3.5 billion. Among capital goods, computers and parts, broadcasting and communications equipment, and scientific and business equipment increased following no gain in 1985. Consumer goods increased \$1.6 billion or 12 percent. Nonagricultural industrial supplies increased \$4.4 billion or 8 percent; the increase was nearly all due to the previously mentioned Japanese purchases of nonmonetary gold. The gold had been imported into the United States earlier. Iron, steel, and coal shipments were lower. Shipments of lumber and related products, mostly to Japan, increased 12 percent. Low metals and raw materials prices, which continued to fluctuate around levels reached in the 1982 recession and in several cases were more almost one-third below peaks in 1980, continued to depress the value of most materials exports. Automotive

exports decreased \$0.6 billion, or 3 percent; slightly higher exports to areas other than Canada (including assembly plants in Mexico) were more than offset by a sharp decrease in shipments to Canada.

Agricultural exports decreased \$2.7 billion, or 9 percent, to \$26.9 billion, the lowest level since 1977. Volume decreased 1 percent for the year, but increased in the second half. Sizable price declines in world agricultural markets continued: The average price of soybeans declined 9 percent; corn, 18 percent; and wheat, 16 percent. These decreases brought the cumulative declines in prices to 42 percent for wheat since a peak in early 1981, to 40 percent for corn, and to 36 percent for soybeans. Exports continued to be restrained by competition from other suppliers and by importers' increased local production, partly reflecting record or near-record crops of cotton and grains. Also, the dollar exchange rate changed relatively little against currencies of major competitors, such as Canada and Australia, and appreciated against currencies of others, such as Argentina and Brazil. Partly offsetting, the Food Security Act of 1985 lowered price supports beginning with the 1986 crop year and contributed to volume increases in the third and fourth quarters.

**Balances by area.**—The merchandise trade deficit with Japan increased \$11.1 billion to \$54.6 billion; with Western Europe, \$7.2 billion to \$28.6 billion; and with the newly industrialized countries in Southeast Asia (Hong Kong, Korea, Singapore, Taiwan), \$7.4 billion to \$28.8 billion (table G). The deficit with Latin America decreased \$3.8 billion to \$11.4 billion, and with OPEC members other than those in Latin America \$0.7 billion to \$5.9 billion.

**Service transactions**

Net service receipts were \$22.3 billion in 1986 compared with \$21.7 billion in 1985 (table H).

Receipts of income on U.S. direct investment abroad were \$39.1 billion compared with \$34.3 billion. Most of the increase was due to larger capital gains from appreciation of major foreign currencies against the dollar. Operating earnings were essentially flat, as lower petroleum earnings were offset by moderate increases in both manufacturing and other industries. Interest payments decreased \$0.9 billion due to reductions in debt of finance affiliates in the Netherlands Antilles. Receipts of income on other private investment were \$45.2 billion compared with \$50.2 billion, the result of a decline in interest rates that more than offset the increase in bank-reported claims (table I). Receipts of income on U.S. Government assets were \$6.3 billion compared with \$5.5 billion. Most of the increase was due to the second Polish Debt Rescheduling Agreement; the agreement—which covered obligations maturing January 1, 1982, to December 31, 1984—entered into force September 8, 1986. (Related transactions appear in the U.S. Government credits and long-term assets, repayments, and short-term assets accounts.)

Payments of income on foreign direct investment in the United States were \$6.5 billion compared with \$8.1 billion. Lower operating earnings of petroleum companies accounted for the decrease. Operating earnings of other companies, particularly those of automotive and other wholesale trade affiliates, were rela-

**Table G.—U.S. Merchandise Trade Balances by Area**

	[Balance of payments basis, millions of dollars]		
	1984	1985	1986 <sup>p</sup>
<b>Total</b> .....	-112,522	-124,439	-147,708
Canada.....	-14,593	-17,294	-16,036
Western Europe.....	-15,187	-21,439	-28,627
United Kingdom.....	-2,217	-3,387	-4,033
Germany.....	-8,651	-10,596	-14,287
Other.....	-4,319	-7,456	-10,307
Japan.....	-36,969	-43,508	-54,636
Australia, New Zealand, and South Africa.....	2,217	1,366	1,151
Latin America.....	-16,415	-15,216	-11,364
Brazil.....	-5,008	-3,888	-3,023
Mexico.....	-6,056	-5,719	-4,789
Venezuela.....	-3,274	-3,458	-1,717
Other.....	-2,077	-2,156	-1,835
Other Western Hemisphere.....	-2,183	-106	773
OPEC (non-Latin America).....	-8,695	-6,644	-5,907
Asia (non-OPEC).....	-22,207	-23,494	-33,430
Hong Kong, Korea, Singapore, Taiwan.....	-20,145	-21,322	-28,775
Other.....	-2,062	-2,172	-4,655
Eastern Europe.....	2,073	1,411	28

<sup>p</sup> Preliminary.

tively flat, as exchange rate movements substantially increased foreign production costs. Payments of income on other private investment were \$38.8 billion compared with \$35.4 billion. The decline in interest rates more than offset the increase in liabilities reported by banks, resulting in lower bank payments; however, the rise in payments on bonds associated with increased U.S. corporate borrowing abroad was more than offsetting. Payments of income on U.S. Government assets were \$22.4 billion compared with \$21.3 billion.

Net travel and passenger fare payments decreased to \$8.3 billion from \$9.2 billion. Foreign visitors spent \$12.9 billion for travel in the United States, up 11 percent from the previous year. Travel receipts from over-

seas were \$7.9 billion, up 19 percent: The number of visitors from Europe was up 28 percent; from Latin America, 18 percent; and from Japan, 11 percent. Receipts from Canada increased 5 percent to \$3.2 billion, due to an increase in the number of auto and air travelers. Receipts from Mexico decreased 6 percent to \$1.9 billion; the number of Mexican visitors to the U.S. interior fell 12 percent.

U.S. travel payments totaled \$17.8 billion, an 8-percent increase over 1985. Expenditures overseas increased 3 percent to \$10.6 billion. The increase was due to higher expenditures of U.S. travelers. This increase in expenditures, as well as a decrease in the number of travelers, resulted from the drop in the dollar's value. Travelers to Europe decreased 20 percent, but those to the Far East increased 12 percent. Expenditures in Canada increased 22 percent to \$3.3 billion, as the number of travelers increased 12 percent. Travel payments to Mexico totaled \$3.9 billion, up 10 percent, as the number of travelers to Mexico's interior increased 10 percent and the number of border crossers increased 2 percent.

Passenger fare receipts from foreign visitors traveling on U.S. flag carriers increased 13 percent to \$3.4 billion: The number of visitors on U.S. flag carriers was up 22 percent. Increases were largest from Latin America, 48 percent, and Europe, 33 percent. U.S. payments to foreign transoceanic carriers totaled \$6.8 billion, a 7-percent decrease. The number of U.S. travelers on foreign flag carriers fell 4 percent due to a 15-percent drop in travel on European carriers.

U.S. military transactions with foreigners resulted in net payments of \$2.4 billion, down from \$2.9 billion. Transfers under U.S. military sales contracts were \$9.6 billion, an increase of \$0.6 billion. A surge in aircraft deliveries in the second half of the year was partly offset by a continued decline in construction activity abroad. U.S. direct defense expenditures abroad were \$12.0 billion, virtually unchanged. As in 1985, decreases in construction activity and petroleum procurement, now the lowest in years, were offset by increased personnel expenditures due to the lower value of the dollar.

Other net transportation payments were \$1.8 billion, down slightly from a year earlier. Total receipts increased

**Table H.—U.S. International Service Transactions**

[Millions of dollars]

	1980	1981	1982	1983	1984	1985	1986 <sup>p</sup>	Change: 1985-86
<b>Service transactions, net</b> .....	34,945	41,742	36,230	29,957	18,213	21,746	22,284	538
Receipts.....	118,216	138,674	137,467	131,437	140,211	144,074	148,949	4,875
Payments.....	-83,271	-96,932	-101,237	-101,480	-121,998	-122,328	-126,665	-4,337
Military transactions, net <sup>1</sup> .....	-2,237	-1,183	-274	-369	-1,827	-2,917	-2,402	515
Travel and passenger fares, net.....	-825	58	-1,599	-4,595	-7,570	-9,172	-8,313	859
Other transportation, net.....	-172	86	607	368	-1,023	-1,956	-1,806	150
Royalties and license fees, net <sup>2</sup> .....	6,360	6,633	4,558	4,502	4,583	4,976	5,723	747
Investment income, net.....	30,386	34,082	28,666	24,841	18,752	25,188	22,865	-2,323
Direct, net.....	28,511	25,651	18,226	14,901	12,280	26,252	32,598	6,296
Other private, net.....	11,905	21,629	24,607	22,933	21,012	14,751	6,410	-8,341
U.S. Government, net.....	-10,030	-13,198	-14,167	-12,993	-14,540	-15,815	-16,083	-268
Contractor operations, net.....	1,433	2,066	4,271	5,209	5,298	5,827	6,217	590
Reinsurance, net.....	1,591	2,027	2,036	1,786	1,571	1,628	1,500	-128
Communications, net.....	-624	-606	-566	-415	-257	-215	-255	-40
U.S. Government, net <sup>3</sup> .....	-317	-466	-708	-637	-975	-994	-1,061	-67
Other, net <sup>2</sup> .....	-816	-788	-927	-937	-902	-863	-1,147	-284
Other, net <sup>2</sup> .....	1,599	1,899	4,436	5,412	5,861	6,071	7,180	1,109

<sup>p</sup> Preliminary.

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

2. From 1982 forward, royalties and license fees have been redefined to include only intangible property rights. Other direct investment fees and charges, previously included in royalties and license fees, have been transferred to other private services. Data to adjust earlier years are not available. The change was first made in June 1986.

3. Membership contributions to international organizations, previously included in this line, have been reclassified as U.S. Government unilateral transfers. The change was first made in June 1986.



Table I.—Other Private Income<sup>1</sup>

[Billions of dollars]

	1984	1985	1986 <sup>2</sup>
<b>Receipts</b> .....	59.5	50.2	45.2
Dividends .....	.6	.8	.9
Interest on bonds .....	7.2	7.4	7.8
Interest on bank claims <sup>3</sup> .....	44.6	36.7	31.9
Interest on other claims <sup>3</sup> .....	7.1	5.3	4.5
<b>Payments</b> .....	38.5	35.4	38.8
Dividends .....	2.6	2.4	3.0
Interest on bonds .....	1.8	4.3	9.2
Interest on bank liabilities .....	29.7	25.3	23.2
Interest on other liabilities <sup>3</sup> .....	4.4	3.4	3.4

1. Excludes direct investment receipts and payments.

2. Receipts include certain fee-based income.

3. Primarily income of business concerns other than banks.

5 percent to \$14.7 billion. Ocean port expenditure receipts increased to \$5.6 billion due to a 17-percent increase in import tonnage carried on foreign flag vessels. Air freight receipts increased 13 percent to \$0.8 billion. Total payments increased 4 percent to \$16.5 billion. Ocean freight payments increased 2 percent to \$8.5 billion as tanker volume for crude petroleum imports rose 26 percent. Air freight payments increased 23 percent, mostly due to a rise in average freight rates. Air port expenditure payments declined 5 percent as fuel prices dropped.

*Net unilateral transfers.*—Net unilateral transfers increased slightly to \$15.1 billion. U.S. Government grants increased strongly. Most of the step-up was due to additional military grants to countries in the Middle East, financed partly by unutilized funds from prior years' budget appropriations. Economic support and project and technical assistance grants under the Foreign Assistance Act were stable, but grants under programs for use of agricultural products dropped by one-third.

#### U.S. assets abroad

U.S. assets abroad increased \$99.8 billion in 1986 compared with \$32.4 billion in 1985.

*U.S. official reserve assets.*—U.S. official reserve assets decreased \$0.3 billion compared with a \$3.9 billion increase. Increases in foreign currency assets were limited to interest earnings of \$0.7 billion and \$0.2 billion in Mexican currency acquired in short-term support operations. The United States did not intervene in exchange markets. The U.S. reserve position with the IMF decreased \$1.5 billion. As in 1985, the drop was mostly due to a decline in dollars obtained from the IMF by other coun-

tries and a deceleration in IMF lending to those countries. Special drawing rights increased \$0.2 billion compared with \$0.9 billion.

*Claims reported by banks.*—U.S. claims on foreigners reported by U.S. banks increased \$57.3 billion compared with \$0.7 billion (tables J, K). In contrast to 1985 when there was little incentive for U.S. banks to lend, claims increased by a substantial amount in 1986, especially in the third and fourth quarters. Most of that step-up was in the interbank market, and more than one-half of that, in turn, was accounted for by the international activities of Japanese banks.

Japanese international financial activity had expanded rapidly since mid-1984, when restrictions on both inflows and outflows of capital were eased. The result was to broaden the international use of the yen and increase Japanese residents access to international financial markets. In effect, a growing part of Japanese domestic credit flows was diverted from the more regulated Japanese domestic market to the international markets. Japanese banks funded their international lending activity, to a large extent, with deposits collected through their offices in London and in Southeast Asian market centers, and to a lesser extent, through offices in the United States. In the United States, interbank claims, mostly of foreign-owned offices, on banks in Japan increased \$31.7 billion, accounting for more than 50 percent of the total increase in U.S. claims in 1986.

Other interbank activity, particularly by U.S.-owned banks on offices in the Caribbean and in the United Kingdom, also increased, especially in the third and fourth quarters. Part of the increase was attributable to European banks' growing involvement in the securities markets and their issuance of sizable amounts of floating-rate notes taken up in large measure by other banks. Also, these banks were reported to have accumulated large inventories of securities that were to a large extent funded in the interbank market. In other transactions with offices in the Caribbean and United Kingdom, U.S. banks' foreign currency claims increased \$9.2 billion, partly to accommodate a shift in preferences to yen-denominated assets.

Outside the interbank market, claims on newly industrialized coun-

tries in Southeast Asia decreased and discretionary lending to problem debtor countries was limited. As a result of internationally negotiated loan rescue packages, there was a small increase in U.S. claims on foreign public borrowers in Latin America. Banks' claims for domestic customers' accounts reflected significant purchases of Eurodollar certificates of deposit from banks in the United Kingdom for U.S. money market mutual funds.

U.S. banks continued as net borrowers from the international credit markets in 1986, but the increase in claims was larger than the increase in liabilities. Net funds raised from abroad decreased to \$20.1 billion from \$39.7 billion (chart 5).

*Foreign securities.*—Net U.S. purchases of foreign securities were \$4.8 billion compared with \$8.0 billion. U.S. purchases of foreign stocks dropped sharply, more than offsetting a step-up in new bond issues and redemptions of outstanding bonds.

Net U.S. purchases of foreign stocks were \$1.6 billion, down from \$4.0 billion. Net purchases were limited to the first half of the year; net sales occurred during the second half, when most foreign stock markets leveled off after 15-18 months of uninterrupted rise. Net U.S. purchases of Japanese stocks began to slacken in the second quarter and shifted to substantial net sales in the third and fourth, accounting for most of the annual decline. Institutional investors perceived these equities to be overvalued relative to their earnings prospects. Net purchases of Western European stocks also shifted to sales in the second half, but sales were smaller than those of Japanese stocks; for the year, purchases increased about one-half as much as in 1985. Substantial exchange rate gains were realized upon the sale of both Japanese and Western European stocks.

New bond issues in the United States were \$6.7 billion compared with \$5.6 billion. Although issues were low in the first three quarters, they increased in the fourth, when high-rated borrowers in New Zealand, Canada, Scandinavia, and international financial institutions were attracted by a further decline in U.S. interest rates (chart 6).

In transactions in outstanding bonds, net redemptions were \$3.4 billion compared with \$2.1 billion, and

net sales of outstanding bonds were \$0.2 billion compared with net purchases of \$0.5 billion. There were substantial sales of Japanese bonds, as Japanese interest rates were at post-

World War II lows, and of bonds to other Southeast Asian residents, especially in Hong Kong. Offsetting these sales was a large increase in U.S. holdings of British gilt-edge bonds, as

investors added \$13.3 billion to the \$5.4 billion acquired in 1985. The 250-basis point rise in gilt rates beginning in March to 300 basis points above comparable U.S. rates by yearend, combined with dollar appreciation against sterling in the last half of the year, increased the attractiveness of these investments to U.S. residents. Several major U.S. dealers continued to offer currency hedging options on these securities to offset currency fluctuations.

*Direct investment.*—Net outflows for U.S. direct investment abroad were \$32.0 billion compared with \$18.8 billion. Most of the increase was due to an outflow of intercompany debt of \$11.0 billion compared with \$0.4 billion. Over \$6.4 billion of the outflow was for repayment of debt to finance affiliates in the Netherlands Antilles (table L). Other outflows were to fund transportation affiliates. Net equity inflows, at \$1.3 billion, were smaller than a year earlier, largely reflecting the nonrecurrence of two unusually large transactions in 1985. Reinvested earnings increased \$1.6 billion to \$22.2 billion.

#### Foreign assets in the United States

Foreign assets in the United States increased \$213.3 billion in 1986 compared with \$127.1 billion in 1985.

*Foreign official assets.*—Foreign official assets in the United States increased \$33.4 billion compared with a decrease of \$1.3 billion. Increases were particularly large in the second and third quarters, when industrial countries intervened heavily in exchange markets in an attempt to slow the dollar's rapid decline.

Dollar assets of OPEC members decreased \$8.6 billion compared with \$6.6 billion, as petroleum revenues declined further. Dollar assets of other countries increased \$14.2 billion, compared with \$4.1 billion; much of the 1986 increase was accounted for by a Southeast Asian country.

*Liabilities reported by banks.*—Liabilities to foreigners and international financial institutions reported by U.S. banks, excluding U.S. Treasury securities, increased \$77.4 billion compared with \$40.4 billion. Liabilities to Japan increased by a substantial amount, reflecting the step-up in their international banking activities. Part of the increase was to fund a 19-percent increase in loan demand at branches and agencies of foreign

Table J.—Private Capital Flows, Net

[Billions of dollars]

Claims (increase/capital outflow (-)); liabilities (increase/capital inflow (+))	1984	1985	1986 <sup>p</sup>	1986			
				I	II	III <sup>r</sup>	IV <sup>p</sup>
<b>Private capital flows, net</b> .....	84.8	102.7	81.8	20.0	7.0	27.0	27.8
Bank-reported capital, net <sup>1</sup> .....	22.7	39.7	20.1	14.7	-10.8	10.8	5.4
U.S. claims.....	-11.1	-7	-57.3	6.3	-14.4	-19.3	-29.9
U.S. liabilities <sup>1</sup> .....	33.8	40.4	77.4	8.4	3.6	30.1	35.3
Securities, net.....	30.8	63.4	75.2	20.3	25.1	18.0	11.8
Net U.S. purchases of foreign securities.....	-5.1	-8.0	-4.8	-6.1	-1.7	3	2.7
Net foreign purchases of U.S. securities.....	35.9	71.4	80.0	26.4	26.8	17.7	9.1
U.S. Treasury securities.....	23.1	20.5	9.3	7.7	3.8	5	-2.7
Other than U.S. Treasury securities.....	12.8	50.9	70.7	18.7	23.0	17.2	11.8
Direct investment, net.....	21.5	-9	-6.3	-10.1	-4.5	-2.4	10.7
U.S. direct investment abroad.....	-3.9	-18.8	-31.9	-11.5	-8.6	-8.0	-8.8
Foreign direct investment in the United States.....	25.4	17.9	25.6	1.4	4.1	5.6	14.5
Nonbank-reported capital, net.....	9.8	.5	n.a.	-4.9	-2.8	.5	n.a.
U.S. claims.....	5.1	1.7	n.a.	-2.8	-1.2	-.1	n.a.
U.S. liabilities.....	4.7	-1.2	n.a.	-2.1	-1.6	.6	n.a.

n.a. Not available.

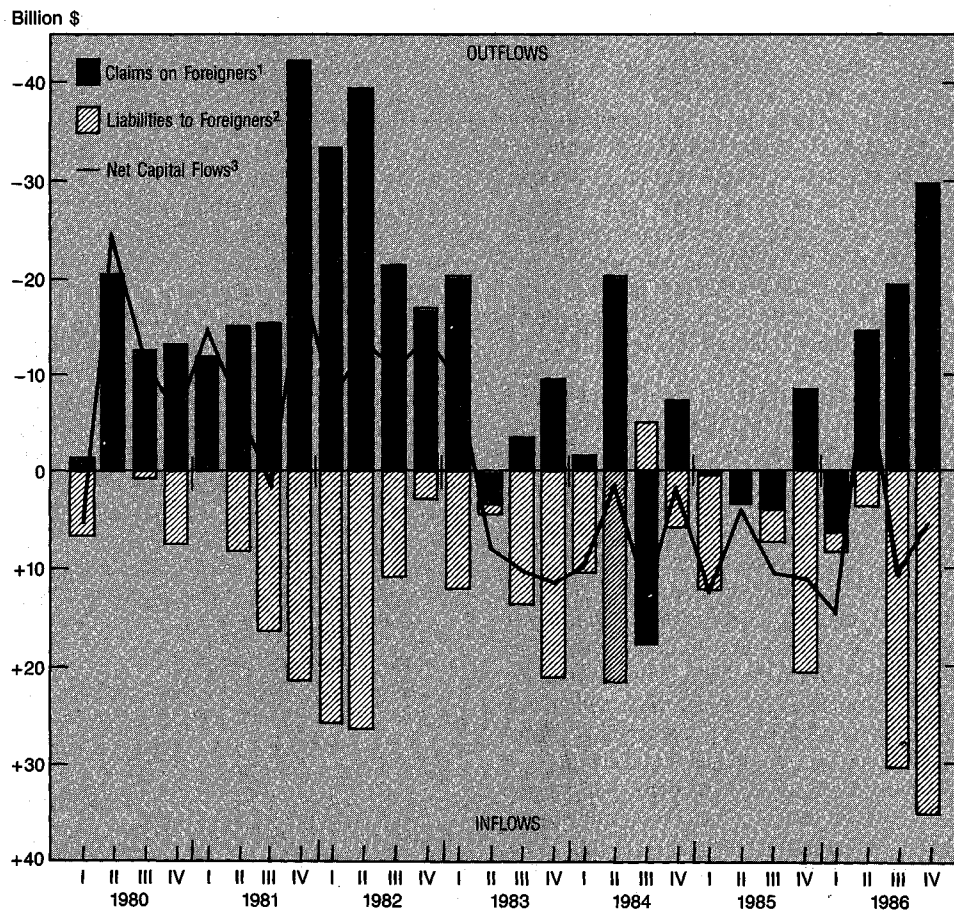
<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

1. Liabilities exclude U.S. Treasury securities.

CHART 5

### Private Bank-Reported Capital Flows



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.

banks in the United States in the second half of the year.

Much of the increase in interbank transactions with other countries occurred in the third and fourth quarters. Large inflows through Caribbean offices in August may have partly reflected the temporary narrowing of U.S. and Eurodollar interest rate differentials, along with strong demand by banks for funds to purchase municipal bonds. Less favorable tax treatment of such purchases was to begin in 1987. In the fourth quarter, exceptionally large inflows occurred

partly to finance acquisitions prior to the ending of favorable tax treatment at yearend afforded by the "General Utilities rule," and partly to meet

substantial yearend financing demands by banks. (The "General Utilities rule" permitted the exchange of assets in acquisitions without any tax

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

[Billions of dollars]

	1984	1985	1986 <sup>p</sup>	1986			
				I	II	III <sup>r</sup>	IV <sup>p</sup>
<b>Claims on foreigners reported by U.S. banks (increase/capital outflow (-))</b> .....	-11.1	-0.7	-57.3	6.3	-14.4	-19.3	-29.9
<i>Of which International banking facilities' (IBF) claims</i> .....	-16.4	-8.7	-25.1	1.9	-2.0	-11.5	-13.5
<b>Banks' claims for own accounts, in dollars:</b>							
Own foreign offices.....	-9.8	-18.2	-37.3	.6	-8.5	-11.5	-17.9
Unaffiliated banks.....	-1.1	9.1	-6.2	6.0	-2.4	-3.7	-6.1
Public borrowers and other foreigners.....	2.1	8.6	1.5	2	1.7	2.6	-3.0
<b>Banks' claims for domestic customers' accounts and all foreign currency claims</b> .....	-2.3	-2	-15.3	-5	-5.2	-6.7	-2.9
<b>Liabilities to foreigners reported by U.S. banks (including U.S. Treasury securities) (increase/capital inflow (+))<sup>1</sup></b> .....	56.9	60.9	86.8	16.1	7.4	30.7	32.6
<i>Of which International banking facilities' (IBF) liabilities</i> .....	16.6	8.9	33.3	1.4	-3.4	13.2	22.1
<b>Banks' liabilities for own accounts, in dollars:</b>							
Own foreign offices.....	6.6	23.0	35.7	2.3	1.7	11.0	20.7
Unaffiliated banks.....	14.5	4.5	21.9	.9	-1.9	10.2	12.7
Other private foreigners and international financial institutions.....	8.2	3.5	2.1	-7	.3	1.6	.9
Banks' custody liabilities and all foreign currency liabilities.....	4.6	9.4	17.8	5.9	3.5	7.4	1.0
U.S. Treasury securities.....	23.0	20.5	9.3	7.7	3.8	.5	-2.7

<sup>p</sup> Preliminary.  
<sup>r</sup> Revised.  
 1. Excludes liabilities to foreign official agencies.

CHART 6  
 U.S. and Foreign Interest Rates

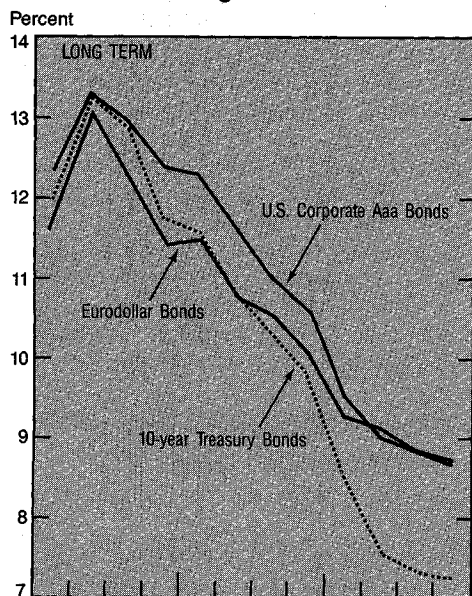


Table L.—Selected Direct Investment Transactions with Netherlands Antilles Finance Affiliates

[Millions of dollars]

(Credits +; debits -)	1984	1985	1986 <sup>p</sup>	1985				1986			
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>p</sup>
<b>Capital</b> .....	1,730	-3,040	-5,603	53	-917	-927	-1,249	-1,836	-2,070	-1,014	-683
Equity capital.....	-981	703	798	201	-2	196	368	25	256	251	265
Reinvested earnings.....	-943	-874	-21	-199	-250	-245	-150	-146	-176	310	-90
Intercompany debt.....	3,654	-2,868	-6,380	51	-635	-818	-1,466	-1,716	-2,150	-1,575	-949
<b>Income</b> .....	-3,429	-3,240	-2,753	-802	-821	-847	-770	-718	-718	-657	-660
<i>Of which interest</i> .....	-5,213	-4,957	-4,016	-1,255	-1,249	-1,267	-1,186	-1,073	-1,029	-956	-958

<sup>p</sup> Preliminary.  
<sup>r</sup> Revised.

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

Table M.—New International Bond Issues by U.S. Borrowers

[Millions of dollars]

	1984 <sup>1</sup>	1985	1986 <sup>p</sup>	1986			
				I	II	III	IV <sup>p</sup>
<b>Total</b> .....	10,683	39,644	40,053	10,652	11,825	10,254	7,322
<b>By issuer:</b>							
Industrial corporations <sup>2</sup> .....	4,772	13,756	16,632	5,288	6,536	2,961	1,847
Banking corporations.....	2,640	10,446	4,065	835	793	1,185	1,252
Nonbank financial institutions.....	964	7,123	12,267	2,195	2,716	4,365	2,991
U.S. federally sponsored agencies.....	300	2,047	675	675			
All other borrowers.....	2,007	6,272	6,414	1,659	1,780	1,743	1,232
<b>By instrument:</b>							
Straight fixed-rate bonds.....	6,538	22,454	24,194	8,315	7,321	5,143	3,415
Floating-rate notes.....	2,615	11,572	8,154	585	1,100	3,120	3,349
Zero-coupon bonds.....	1,130	1,358	302	302			
Bonds convertible into stock.....		1,203	3,021	300	1,209	1,195	317
Other debt instruments.....	400	3,057	4,382	1,150	2,195	796	241
<b>By currency:</b>							
U.S. dollars.....	9,882	31,373	28,766	6,819	8,303	7,619	6,025
Dual currency <sup>3</sup> .....		2,280	816	572			244
Foreign currencies.....	801	5,991	10,471	3,261	3,522	2,635	1,053
Japanese yen.....	374	1,619	3,395	1,705	931	450	309
Swiss franc.....	255	1,857	3,673	1,196	1,434	475	568
German mark.....	48	1,089	797	50	447	300	
British pound.....	65	709	562		262	300	
Other currencies <sup>4</sup> .....	59	717	2,044	310	448	1,110	176

<sup>p</sup> Preliminary.

Note.—Direct placements abroad by U.S. borrowers. Prior to the removal of the withholding tax on interest payments to foreigners in July 1984, most borrowing was conducted through finance affiliates in the Netherlands Antilles and recorded in the direct investment abroad accounts.

1. Data for 1984 are for third and fourth quarters only.

2. Fortune 500 industrial corporations.

3. Generally, repayment of principal in dollars, with initial issue and interest paid in foreign currency.

4. Includes European Currency Unit.

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.

consequences. The new tax law, effective January 1987, repeals that treatment and requires that taxes be paid on the appreciated value of the assets exchanged.) Liabilities denominated in foreign currencies to offices in Caribbean and U.K. banking centers increased \$14.1 billion.

**U.S. Treasury securities.**—Net foreign purchases of U.S. Treasury securities by private foreigners and international financial institutions were \$9.3 billion compared with \$20.5 billion. Treasury bond yields fell further, as did the decline in the dollar's value, particularly against the Japanese yen. Japanese net purchases accounted for less than one-fifth of total net purchases compared with 85 percent in 1985, as Japanese residents shifted purchases to other types of securities, both in the United States and abroad. In contrast, purchases by British residents shifted from net sales to large net purchases.

**U.S. securities.**—Net foreign purchases of U.S. securities other than U.S. Treasury securities increased to a record \$70.7 billion, surpassing the previous record of \$50.9 billion in 1985. Foreigners purchased \$39.4 billion in Eurobonds issued abroad by U.S. corporations, up slightly from \$37.6 billion, and \$17.2 billion in U.S.

stocks, more than triple net purchases of \$4.9 billion in 1985 (chart 7).

Further declines in interest rates stimulated continued refinancing activity in the Eurobond market. In addition, financing demands for acquisitions remained strong. Although total U.S. corporate bond borrowing from all sources increased to \$210 billion from \$134 billion, the overseas portion dropped to 19 percent from 28 percent.

Industrial corporations increased their borrowing abroad to \$16.6 billion, but borrowing dropped substantially in the last half of the year (table M). Borrowing by bank holding companies fell by more than one-half, to \$4.1 billion, mostly in floating-rate notes, while borrowing of nonbank financial institutions, including brokerage houses, almost doubled to \$12.3 billion.

As in 1985, straight fixed-rate bonds accounted for about 60 percent of total borrowing, or \$24.2 billion. Floating-rate notes dropped to only \$1.6 billion in the first half, but rebounded to \$6.5 billion in the second half. Zero-coupon issues were virtually nonexistent, as foreign rulings on tax treatment of deferred interest and capital gains were adverse, especially for Japanese investors. Convertible issues nearly tripled to \$3.0 billion, coinciding with the rise of U.S. stock prices and increased interest in Euro-equities.

Nearly three-quarters of total borrowing remained denominated in dollars. Borrowing denominated in Swiss francs and Japanese yen each doubled to \$3.7 billion and \$3.4 billion, respectively. More than one-half of the yen borrowing occurred in the first quarter, and more than three-quarters of the Swiss franc borrowing occurred in the first half of the year.

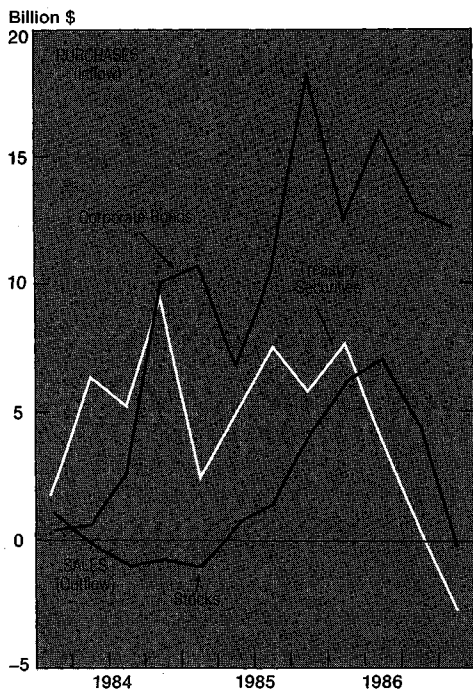
Net foreign purchases of outstanding bonds were \$14.0 billion, compared with \$8.4 billion. (Some of the 1986 transactions may eventually be classified as new issues, but information necessary for such identification is not currently available.) Additional short- and intermediate-term U.S. corporate borrowing involved increased use of Euronote note issuance facilities and Eurocommercial paper.

Net foreign purchases of U.S. stocks were \$17.3 billion compared with \$4.9 billion (chart 8). Strength in foreign purchases, which had begun in mid-1985, continued in 1986 when U.S. market prices increased 20 percent,

mostly in the first half of the year. While net purchases remained strong throughout much of the year, all major European countries shifted to net sales in October, which resulted in net sales for the fourth quarter. By December, nearly all of these same countries had returned as net purchasers. For the year, net purchases by British residents were \$4.6 billion, a \$2.9 billion increase. Swiss purchases increased to \$1.7 billion after small net sales. Japanese purchases increased \$3.0 billion to \$3.3 billion.

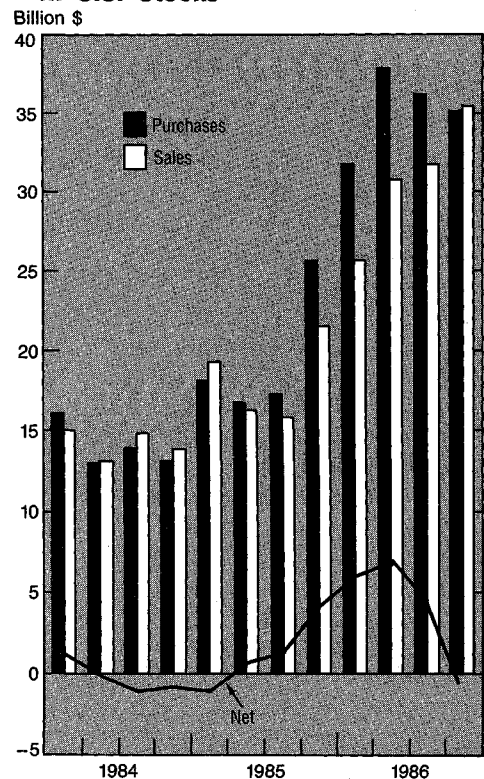
**Direct investment.**—Net inflows for foreign direct investment in the United States were a record \$25.6 billion compared with \$17.9 billion. Equity capital inflows increased to \$17.7 billion from \$11.9 billion, due to numerous sizable acquisitions, especially in the last half of the year. Acquisitions were spurred by significant appreciation of foreign currencies over the past 2 years, cost incentives to shift production to the United States, and the tax considerations mentioned previously. Low-cost debt, both in the United States and abroad, also contributed to acquisitions, especially in the fourth quarter. Funding from abroad was supplemented by

**CHART 7**  
**Net Purchases and Sales of U.S. Securities by Private Foreigners**



U.S. Department of Commerce, Bureau of Economic Analysis 87-3-7

**CHART 8**  
**Private Foreign Transactions in U.S. Stocks**



U.S. Department of Commerce, Bureau of Economic Analysis 87-3-8

substantial funding from U.S. sources. Intercompany debt inflows were \$8.4 billion, up from \$4.8 billion. Reinvested earnings were a negative \$0.6 bil-

lion, compared with a positive \$1.1 billion, due to the previously mentioned drop in operating earnings of petroleum companies.

The statistical discrepancy (errors and omissions in reported transactions) increased to an unrecorded net inflow of \$27.1 billion from \$23.0 billion.

Table N.—Selected U.S. Transactions With OPEC Members <sup>1</sup>

(Millions of dollars)

(Credits +; debits -)	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982 <sup>r</sup>	1983 <sup>r</sup>	1984 <sup>r</sup>	1985 <sup>r</sup>	1986 <sup>p</sup>
<b>Exports of goods and services:</b>															
Merchandise, adjusted, excluding military.....	2,551	3,414	6,219	9,957	11,561	12,877	14,846	14,556	17,368	21,097	20,651	15,256	13,771	11,409	10,496
Transfers under U.S. military agency sales contracts.....	448	657	1,258	1,765	2,865	4,318	4,734	3,077	2,962	3,655	4,694	5,380	3,077	2,836	1,123
Royalties and license fees from affiliated foreigners <sup>2</sup> .....	15	15	16	10	9	17	17	10	( <sup>b</sup> )	16	24	11	10	12	9
Royalties and license fees from unaffiliated foreigners.....	9	11	14	20	29	25	31	36	47	53	92	65	57	59	65
Other private services from affiliated foreigners <sup>2</sup> .....	110	123	165	174	200	184	267	246	( <sup>b</sup> )	227	230	260	213	184	154
Other private services from unaffiliated foreigners.....	139	146	253	372	590	799	948	606	803	926	1,021	1,050	1,015	1,022	937
U.S. Government miscellaneous services.....	5	7	7	8	22	18	32	37	34	28	29	44	46	41	16
<b>Receipts of income on U.S. assets abroad:</b>															
Direct investment.....	2,751	3,928	6,106	3,717	3,498	3,360	3,142	4,514	2,591	4,133	3,463	1,910	3,178	2,558	1,651
Other private receipts.....	85	166	330	332	405	489	841	1,206	1,517	2,187	2,710	2,480	2,648	2,152	1,631
U.S. Government receipts.....	76	87	105	118	117	134	135	155	147	167	174	274	212	222	189
<b>Imports of goods and services:</b>															
Merchandise, adjusted, excluding military.....	-2,974	-5,097	-17,234	-18,897	-27,409	-35,778	-33,286	-45,039	-55,602	-49,934	-31,517	-25,282	-26,852	-22,680	-18,982
Direct defense expenditures.....	-105	-75	-240	-141	-441	-790	-1,455	-1,580	-1,489	-1,862	-1,798	-1,976	-1,439	-858	-550
Royalties and license fees to affiliated foreigners <sup>2</sup> .....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	( <sup>b</sup> )	( <sup>b</sup> )	( <sup>b</sup> )	( <sup>b</sup> )	( <sup>b</sup> )	( <sup>b</sup> )
Royalties and license fees to unaffiliated foreigners.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	( <sup>b</sup> )	( <sup>b</sup> )	( <sup>b</sup> )	( <sup>b</sup> )	( <sup>b</sup> )	( <sup>b</sup> )	( <sup>b</sup> )
Other private services to affiliated foreigners <sup>2</sup> .....	(*)	(*)	(*)	(*)	(*)	(*)	4	2	( <sup>b</sup> )	( <sup>b</sup> )	( <sup>b</sup> )	( <sup>b</sup> )	( <sup>b</sup> )	( <sup>b</sup> )	( <sup>b</sup> )
Other private services to unaffiliated foreigners.....	-16	-20	-20	-22	-31	-57	-79	-92	-113	-104	-162	-194	-172	-166	-179
U.S. Government miscellaneous services.....	-34	-34	-34	-40	-60	-61	-70	-71	-73	-85	-98	-106	-114	-118	-101
<b>Payments of income on foreign assets in the United States:</b>															
Direct investment.....	(*)	(*)	-5	-11	-5	6	-27	-49	-40	-48	-165	9	31	383	207
Other private payments.....	-52	-103	-451	-574	-655	-788	-1,096	-1,646	-2,415	-3,120	-3,384	-2,746	-2,925	-2,382	-2,125
U.S. Government payments.....	-19	-38	-276	-650	-816	-1,093	-1,271	-1,382	-2,408	-3,901	-5,821	-5,176	-4,463	-3,774	-2,800
U.S. Government grants.....	-44	-35	-46	-41	-26	-31	-25	-33	-43	-48	-47	-52	-64	-58	-67
U.S. Government pensions and other transfers.....	-2	-2	-3	-3	-4	-4	-4	-15	-17	-7	-7	-8	-8	-9	-9
U.S. assets abroad, net (increase/capital outflow (-)).....	-996	702	5,912	-4,225	-1,821	-1,332	-4,527	-1,672	290	-3,147	-6,881	-3,318	-884	1,628	-372
<b>U.S. Government assets, other than official reserve assets, net:</b>															
U.S. credits and other long-term assets.....	-214	-391	-211	-44	-261	-39	-107	-179	-251	-188	41	82	-92	-7	177
Repayments on U.S. credits and other long-term assets.....	-408	-594	-436	-256	-467	-317	-412	-465	-353	-432	-195	-525	-425	-358	-171
U.S. foreign currency holdings and U.S. short-term assets, net.....	194	205	229	212	212	269	316	277	112	251	238	586	331	348	342
U.S. private assets, net.....	-782	1,093	6,123	-4,181	-1,560	-1,293	-4,420	-1,493	541	-2,959	-6,922	-3,400	-792	1,635	-549
Direct investment abroad.....	-294	1,667	7,121	-3,022	-305	2	-925	-1,733	2,106	-523	-1,595	-316	-1,411	-71	-866
Foreign securities.....	8	9	5	32	35	18	-164	258	321	130	-218	-77	324	156	55
U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	-111	-153	-467	-548	41	-371	141	-209	-202	-264	589	98	171	229	2
U.S. claims reported by U.S. banks, not included elsewhere.....	-385	-425	-536	-643	-1,331	-942	-3,472	241	-1,684	-2,302	-5,698	-3,105	124	1,321	260
<b>Foreign assets in the United States, net (increase/capital inflow (+)):</b>															
Of which: foreign official.....	565	1,026	11,499	7,924	10,837	7,324	338	7,047	14,968	14,784	10,068	-7,752	-2,766	-4,305	-9,055
U.S. Treasury securities.....	362	720	10,455	6,937	9,084	6,369	-1,074	5,498	12,680	13,092	7,563	-8,392	-4,304	-6,599	-8,649
Other U.S. securities.....	184	50	5,473	2,426	3,206	3,477	-2,602	2,179	9,566	10,338	7,346	-6,650	-3,501	-1,795	-4,492
Other U.S. Government liabilities.....	-26	-2	1,191	3,199	3,005	2,938	1,620	1,089	4,688	4,621	-382	-1,947	-3,028	-2,327	-1,891
U.S. liabilities reported by U.S. banks, not included elsewhere.....	-141	281	133	944	2,480	390	139	-1,033	543	416	737	-107	998	75	-779
Direct investment in the United States.....	574	550	4,098	631	1,638	409	934	5,088	-1,161	-2,054	4,660	1,043	3,458	325	-823
U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	-18	2	111	-32	-6	-10	111	20	240	2,689	715	-1	754	-332	480
All other transactions with OPEC and transfers of funds between foreign areas, net.....	-2,512	-4,881	-13,575	207	1,135	10,383	16,505	20,087	21,083	14,624	6,332	19,452	14,856	11,245	17,025
<b>Memorandum:</b>															
Balance on merchandise trade.....	-423	-1,683	-11,015	-8,940	-15,848	-22,901	-18,440	-30,483	-38,234	-28,837	-10,866	-10,026	-13,081	-11,271	-8,486

<sup>b</sup> Suppressed to avoid disclosure of data of individual companies.

<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

\* Less than \$500,000 (±).

1. OPEC members are Algeria, Ecuador, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, Venezuela, and associate member Gabon. Individual country information is not available for all accounts; therefore, some accounts are estimated from regional data.

2. Royalties and license fees of affiliated foreigners have been redefined to include only intangible property rights. Other fees and charges, previously included in royalties and license fees, have been transferred to other private services of affiliated foreigners.

Table 1-2.—U.S. International Transactions

(Millions of dollars)

Line	(Credits +; debits -) <sup>1</sup>	1985	1986 <sup>2</sup>	Not seasonally adjusted				Seasonally adjusted			
				1986							
				I	II	III <sup>r</sup>	IV <sup>p</sup>	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
1	Exports of goods and services <sup>2</sup> .....	358,498	370,702	90,891	93,861	90,243	95,707	91,498	91,986	92,843	94,374
2	Merchandise, adjusted, excluding military <sup>3</sup> .....	214,424	221,753	53,525	56,737	53,444	58,047	53,588	55,075	55,764	57,326
3	Transfers under U.S. military agency sales contracts.....	9,001	9,577	2,022	2,342	2,346	2,867	2,022	2,342	2,346	2,867
4	Travel.....	11,663	12,928	3,085	3,228	3,692	2,923	3,118	3,089	3,267	3,454
5	Passenger fares.....	2,989	3,381	712	918	1,013	738	836	831	853	861
6	Other transportation.....	13,972	14,708	3,447	3,547	3,820	3,893	3,548	3,580	3,789	3,891
7	Royalties and license fees from affiliated foreigners <sup>4</sup> .....	4,123	4,850	894	1,191	1,248	1,516	975	1,217	1,383	1,325
8	Royalties and license fees from unaffiliated foreigners.....	1,700	1,962	478	488	492	503	478	488	492	503
9	Other private services from affiliated foreigners.....	2,526	2,718	619	775	659	665	643	782	690	603
10	Other private services from unaffiliated foreigners.....	7,235	7,701	1,918	1,902	1,906	1,975	1,918	1,902	1,906	1,975
11	U.S. Government miscellaneous services.....	874	512	165	107	131	109	173	91	111	137
	Receipts of income on U.S. assets abroad:										
12	Direct investment.....	34,320	39,073	10,510	9,832	8,553	10,178	10,695	9,750	9,461	9,167
13	Other private receipts.....	50,180	45,225	11,934	11,501	10,896	10,893	11,934	11,501	10,896	10,893
14	U.S. Government receipts.....	5,491	6,815	1,582	1,293	2,042	1,398	1,570	1,388	1,985	1,372
15	Transfers of goods and services under U.S. military grant programs, net.....	64	73	22	12	19	19	22	12	19	19
	Imports of goods and services.....	-461,191	-496,126	-118,995	-125,251	-125,420	-126,460	-122,547	-122,336	-123,979	-127,266
17	Merchandise, adjusted, excluding military <sup>3</sup> .....	-338,863	-369,461	-88,084	-92,671	-92,562	-96,144	-90,077	-90,775	-92,913	-95,696
18	Direct defense expenditures.....	-11,918	-11,979	-3,088	-3,037	-2,916	-2,938	-3,088	-3,037	-2,916	-2,938
19	Travel.....	-16,502	-17,789	-3,303	-4,755	-6,008	-3,723	-4,484	-4,366	-4,444	-4,495
20	Passenger fares.....	-7,322	-6,833	-1,511	-1,997	-1,879	-1,446	-1,732	-1,494	-1,771	-1,836
21	Other transportation.....	-15,928	-16,514	-3,834	-4,091	-4,335	-4,255	-3,974	-3,976	-4,238	-4,326
22	Royalties and license fees to affiliated foreigners <sup>4</sup> .....	-467	-649	-145	-149	-171	-184	-145	-149	-171	-184
23	Royalties and license fees to unaffiliated foreigners.....	-380	-440	-111	-110	-109	-111	-111	-110	-109	-111
24	Other private services to affiliated foreigners.....	694	1,227	290	326	281	330	290	326	281	330
25	Other private services to unaffiliated foreigners.....	-3,965	-4,282	-1,064	-1,067	-1,058	-1,093	-1,064	-1,067	-1,058	-1,093
26	U.S. Government miscellaneous services.....	-1,737	-1,659	-446	-390	-469	-354	-463	-444	-444	-375
	Payments of income on foreign assets in the United States:										
27	Direct investment.....	-8,068	-6,535	-2,391	-2,164	-1,044	-935	-2,391	-2,164	-1,044	-935
28	Other private payments.....	-35,429	-38,815	-9,600	-9,587	-9,455	-10,174	-9,600	-9,587	-9,455	-10,174
29	U.S. Government payments.....	-21,306	-22,398	-5,708	-5,560	-5,697	-5,433	-5,708	-5,560	-5,697	-5,433
30	U.S. military grants of goods and services, net.....	-64	-73	-22	-12	-19	-19	-22	-12	-19	-19
31	Unilateral transfers (excluding military grants of goods and services), net.....	-14,983	-15,145	-2,916	-4,068	-4,068	-4,093	-2,991	-4,047	-4,163	-3,945
32	U.S. Government grants (excluding military grants of goods and services).....	-11,196	-11,825	-2,069	-3,245	-3,419	-3,092	-2,069	-3,245	-3,419	-3,092
33	U.S. Government pensions and other transfers.....	-2,171	-2,093	-464	-529	-442	-658	-527	-531	-499	-536
34	Private remittances and other transfers.....	-1,616	-1,227	-384	-294	-206	-344	-395	-271	-245	-317
35	U.S. assets abroad, net (increase/capital outflow (-)).....	-32,436	-99,815	-14,700	-26,010	-28,210	-30,895	-13,009	-25,661	-28,201	-32,944
36	U.S. official reserve assets, net <sup>5</sup> .....	-3,858	312	-115	16	280	132	-115	16	280	132
37	Gold.....	-897	-246	-274	-104	163	-81	-274	-104	163	-81
38	Special drawing rights.....	908	1,501	344	366	508	283	344	366	508	283
39	Reserve position in the International Monetary Fund.....	-3,869	-942	-185	-246	-391	-120	-185	-246	-391	-120
40	Foreign currencies.....	-2,824	-1,978	-380	-146	-1,455	3	-250	-209	-1,429	-91
41	U.S. Government assets, other than official reserve assets, net.....	-7,579	-8,924	-1,808	-1,636	-4,147	-1,393	-1,808	-1,636	-4,147	-1,393
42	U.S. credits and other long-term assets.....	4,644	6,015	1,411	1,446	1,734	1,424	1,542	1,383	1,760	1,330
43	Repayments on U.S. credits and other long-term assets <sup>6</sup> .....	111	990	16	44	958	-88	16	44	958	-88
44	U.S. foreign currency holdings and U.S. short-term assets, net.....	-25,754	-98,149	-14,204	-25,881	-27,035	-31,030	-12,644	-25,468	-27,052	-32,985
45	U.S. private assets, net.....	-18,752	-31,922	-11,562	-8,610	-7,970	-3,781	-10,002	-8,197	-7,987	-5,736
46	Direct investment.....	-7,977	-4,765	-6,133	-1,664	349	2,683	-1,664	349	2,683	349
47	Foreign securities.....	1,665	n.a.	-2,842	-1,220	-88	n.a.	-2,842	-1,220	-88	n.a.
48	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	691	-57,312	6,333	-14,387	-19,326	-29,932	6,333	-14,387	-19,326	-29,932
49	U.S. claims reported by U.S. banks, not included elsewhere.....										
50	Foreign assets in the United States, net (increase/capital inflow (+)).....	127,106	213,294	36,620	47,526	69,523	59,625	36,620	47,526	69,523	59,625
51	Foreign official assets in the United States, net.....	-1,324	33,394	2,469	14,704	15,448	774	2,469	14,704	15,448	774
52	U.S. Government securities.....	-841	33,281	3,079	13,894	11,917	4,391	3,079	13,894	11,917	4,391
53	U.S. Treasury securities <sup>7</sup> .....	-546	34,495	3,256	14,538	12,193	4,508	3,256	14,538	12,193	4,508
54	Other <sup>8</sup> .....	-295	-1,214	-177	-644	-276	-117	-177	-644	-276	-117
55	Other U.S. Government liabilities <sup>9</sup> .....	483	1,067	288	679	900	799	288	679	900	799
56	U.S. liabilities reported by U.S. banks, not included elsewhere.....	522	-126	-1,261	662	2,933	-2,460	-1,261	662	2,933	-2,460
57	Other foreign official assets <sup>10</sup> .....	-1,488	-828	363	-531	-302	-358	363	-531	-302	-358
58	Other foreign assets in the United States, net.....	128,430	179,900	34,151	32,822	54,075	58,851	34,151	32,822	54,075	58,851
59	Direct investment.....	17,856	25,585	1,422	4,088	5,632	14,442	1,422	4,088	5,632	14,442
60	U.S. Treasury securities.....	20,500	9,334	7,666	3,807	541	-2,680	7,666	3,807	541	-2,680
61	U.S. securities other than U.S. Treasury securities.....	50,859	70,658	18,686	23,018	17,185	11,769	18,686	23,018	17,185	11,769
62	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	-1,172	n.a.	-2,057	-1,644	589	n.a.	-2,057	-1,644	589	n.a.
63	U.S. liabilities reported by U.S. banks, not included elsewhere.....	40,387	77,435	8,434	3,553	30,128	35,320	8,434	3,553	30,128	35,320
64	Allocations of special drawing rights.....										
65	Statistical discrepancy (sum of above items with sign reversed).....	23,006	27,091	9,100	13,942	-2,068	6,116	10,429	12,532	-6,023	10,156
65a	Of which seasonal adjustment discrepancy.....							1,329	-1,410	-3,956	4,040
	Memoranda:										
66	Balance on merchandise trade (lines 2 and 17).....	-124,439	-147,708	-34,559	-35,934	-39,118	-38,097	-36,489	-35,700	-37,149	-38,370
67	Balance on goods and services (lines 1 and 16) <sup>11</sup> .....	-102,694	-125,424	-28,104	-31,390	-35,177	-30,753	-31,049	-30,350	-31,136	-32,892
68	Balance on goods, services, and remittances (lines 67, 33, and 34).....	-106,481	-128,744	-28,951	-32,213	-35,825	-31,765	-31,971	-31,152	-31,880	-33,745
69	Balance on current account (lines 67 and 31) <sup>11</sup> .....	-117,677	-140,569	-31,020	-35,458	-39,245	-34,847	-34,040	-34,397	-35,299	-36,837
	Transactions in U.S. official reserve assets and in foreign official assets in the United States:										
70	Increase (-) in U.S. official reserve assets, net (line 36).....	-3,858	312	-115	16	280	132	-115	16	280	132
71	Increase (+) in foreign official assets in the United States (line 51 less line 55).....	-1,807	32,327	2,181	14,025	14,548	1,573	2,181	14,025	14,548	1,573

See footnotes on page 62.



Table 3.—U.S. Merchandise Trade—Continued

(Millions of dollars)

Line		1985	1986 <sup>a</sup>	Not seasonally adjusted								Seasonally adjusted							
				1985			1986					1985			1986				
				II	III	IV	I	II	III <sup>b</sup>	IV <sup>b</sup>	I	II	III	IV	I <sup>c</sup>	II <sup>c</sup>	III <sup>c</sup>	IV <sup>c</sup>	
<b>B</b>	<b>Merchandise trade, by area and country, adjusted to balance of payments basis, excluding military <sup>d</sup>—Continued:</b>																		
	<b>IMPORTS</b>																		
35	<b>Total, all countries</b> .....	338,863	369,461	85,824	83,830	90,396	88,084	92,671	92,562	96,144	84,242	84,173	90,079	90,077	90,775	92,913	95,696		
36	Western Europe.....	77,454	89,327	19,838	18,805	21,395	21,265	22,986	21,560	23,516	19,414	18,882	21,323	21,807	22,476	21,638	23,406		
37	European Communities.....	62,591	74,485	16,039	15,308	17,305	17,255	19,112	18,516	19,602	15,698	15,371	17,245	17,703	18,689	18,584	19,509		
38	Belgium and Luxembourg.....	3,269	3,956	888	772	861	877	1,196	941	942	867	776	858	902	1,169	946	989		
39	France.....	8,908	9,568	2,492	2,036	2,385	2,207	2,684	2,289	2,388	2,432	2,046	2,377	2,274	2,618	2,299	2,377		
40	Germany, Federal Republic of.....	19,535	24,583	4,809	4,619	5,532	5,637	6,131	6,159	6,655	4,686	4,637	5,515	5,799	5,981	6,180	6,622		
41	Italy.....	9,355	10,379	2,317	2,348	2,559	2,555	2,467	2,742	2,616	2,269	2,356	2,550	2,617	2,411	2,750	2,601		
42	Netherlands.....	4,121	4,158	1,101	1,036	1,133	966	1,077	1,049	1,067	1,084	1,040	1,129	986	1,057	1,053	1,063		
43	United Kingdom.....	14,474	15,139	3,748	3,750	4,002	3,500	3,877	3,649	4,114	3,693	3,766	3,986	3,576	3,803	3,665	4,096		
44	Other.....	2,939	6,703	684	747	833	1,514	1,681	1,688	1,820	667	750	830	1,551	1,649	1,693	1,811		
45	Western Europe, excluding EC.....	14,863	14,842	3,799	3,497	4,090	4,011	3,874	3,043	3,914	3,716	3,511	4,078	4,104	3,786	3,055	3,898		
46	Canada <sup>e</sup> .....	71,178	70,285	18,855	16,656	18,308	17,613	18,050	16,656	17,966	18,480	16,721	18,245	18,028	17,664	16,713	17,880		
47	Japan.....	65,653	81,011	16,247	16,542	17,957	18,164	20,539	21,009	21,299	15,832	16,606	17,897	18,692	20,040	21,083	21,196		
48	Australia, New Zealand, and South Africa.....	5,601	5,958	1,456	1,541	1,332	1,413	1,383	1,474	1,688	1,427	1,546	1,327	1,448	1,351	1,479	1,680		
49	Eastern Europe.....	1,847	1,997	496	391	477	474	591	477	455	492	391	476	482	582	480	453		
50	Latin America and Other Western Hemisphere.....	46,110	41,520	11,212	11,489	12,090	10,731	10,497	9,813	10,479	11,131	11,549	12,049	10,873	10,354	9,858	10,435		
51	Brazil.....	7,194	6,929	1,785	1,873	1,746	1,677	1,812	1,633	1,808	1,746	1,879	1,739	1,721	1,771	1,689	1,799		
52	Mexico.....	19,104	17,154	4,837	4,637	4,945	4,378	4,422	3,977	4,377	4,807	4,661	4,928	4,445	4,353	3,996	4,360		
53	Venezuela.....	6,521	4,828	1,510	1,703	1,934	1,342	1,181	1,144	1,162	1,534	1,716	1,928	1,320	1,197	1,153	1,159		
54	Other.....	13,291	12,609	3,081	3,275	3,465	3,335	3,082	3,060	3,132	3,044	3,293	3,454	3,387	3,034	3,071	3,117		
55	Other countries in Asia and Africa.....	71,025	79,363	17,720	18,406	18,837	18,424	18,625	21,573	20,741	17,468	18,477	18,762	18,747	18,308	21,662	20,646		
56	Asia.....	61,015	71,538	14,722	16,093	16,188	16,309	16,852	19,533	18,843	14,439	16,154	16,125	16,652	16,524	19,608	18,753		
57	Members of OPEC.....	8,460	8,357	1,976	2,057	2,863	2,442	1,906	2,031	1,979	1,996	2,070	2,852	2,412	1,927	2,046	1,973		
58	China.....	3,530	4,702	922	1,046	1,050	1,050	981	1,317	1,277	910	1,050	1,045	1,147	963	1,321	1,271		
59	Hong Kong.....	7,936	8,805	1,796	2,211	2,098	1,878	1,965	2,489	2,473	1,745	2,218	2,090	1,932	1,916	2,497	2,461		
60	Korea, Republic of.....	9,978	12,820	2,505	2,770	2,482	2,712	3,092	3,643	3,373	2,444	2,780	2,473	2,788	3,018	3,656	3,357		
61	Singapore.....	4,126	4,651	1,029	1,017	1,043	1,011	1,097	1,284	1,309	1,006	1,021	1,039	1,038	1,073	1,238	1,303		
62	Taiwan.....	15,480	19,905	3,816	4,231	3,827	4,160	4,694	5,559	5,391	3,718	4,246	3,813	4,280	4,580	5,579	5,365		
63	Africa.....	9,891	7,723	2,975	2,267	2,625	2,094	1,750	2,000	1,878	3,008	2,278	2,611	2,073	1,762	2,015	1,873		
64	Members of OPEC.....	5,945	4,332	1,834	1,354	1,554	1,171	956	1,097	1,108	1,866	1,360	1,645	1,146	975	1,106	1,105		
65	International organizations and unallocated.....																		
	<b>Memoranda:</b>																		
66	Industrial countries <sup>g</sup> .....	219,883	246,581	56,397	53,545	58,992	58,455	62,958	60,699	64,469	55,152	53,755	58,792	59,975	61,531	60,913	64,162		
67	Members of OPEC <sup>g</sup> .....	22,680	18,982	5,673	5,626	6,965	5,332	4,386	4,626	4,386	5,748	5,660	6,938	5,257	4,439	4,672	4,614		
68	Other countries <sup>g</sup> .....	96,302	103,898	23,755	24,660	24,439	24,297	25,327	27,227	27,047	23,342	24,757	24,349	24,845	24,805	27,328	26,920		
	<b>BALANCE (EXCESS OF EXPORTS +)</b>																		
69	<b>Total, all countries</b> .....	-124,439	-147,708	-30,352	-33,645	-36,976	-34,559	-35,934	-39,118	-38,096	-30,367	-31,675	-37,352	-36,489	-35,700	-37,149	-38,370		
70	Western Europe.....	-21,439	-28,627	-5,798	-6,270	-6,900	-5,998	-8,030	-7,502	-7,098	-5,811	-5,755	-7,010	-6,511	-7,958	-6,957	-7,200		
71	European Communities.....	-17,400	-22,288	-4,532	-5,279	-5,851	-3,912	-6,331	-6,725	-5,320	-4,555	-4,879	-5,926	-4,337	-6,272	-6,260	-5,419		
72	Belgium and Luxembourg.....	1,536	1,495	264	375	407	467	196	332	500	241	420	399	449	177	377	492		
73	France.....	-2,311	-2,407	-976	-690	-741	-364	-934	-500	-609	-970	-645	-744	-420	-933	-441	-614		
74	Germany, Federal Republic of.....	-10,596	-14,287	-2,518	-2,691	-3,232	-3,097	-3,741	-3,845	-3,604	-2,470	-2,619	-3,240	-3,249	-3,664	-3,766	-3,609		
75	Italy.....	-4,798	-5,619	-1,056	-1,396	-1,451	-1,364	-1,164	-1,754	-1,338	-1,043	-1,358	-1,455	-1,425	-1,142	-1,713	-1,340		
76	Netherlands.....	3,120	3,528	695	657	881	1,056	737	558	1,182	686	776	1,020	794	643	1,130	1,240		
77	United Kingdom.....	-3,387	-4,033	-950	-1,350	-1,411	-655	-1,050	-1,109	-1,219	-1,001	-1,268	-1,407	-711	-1,077	-1,022	-1,223		
78	Other.....	-474	-964	7	-184	-254	44	-374	-402	-232	1	-159	-256		-389	-339	-257		
79	Western Europe, excluding EC.....	-4,039	-6,339	-1,266	-991	-1,050	-2,085	-1,700	-777	-1,777	-1,256	-876	-1,084	-2,175	-1,684	-698	-1,782		
80	Canada <sup>e</sup> .....	-17,294	-16,036	-3,730	-3,895	-5,697	-4,569	-4,162	-3,915	-3,390	-3,875	-5,634	-4,884	-4,294	-3,578	-3,339	-3,839		
81	Japan.....	-43,508	-54,636	-10,891	-11,259	-12,308	-12,731	-12,726	-14,378	-14,802	-10,580	-11,017	-12,408	-13,280	-12,416	-14,105	-14,833		
82	Australia, New Zealand, and South Africa.....	1,366	1,151	223	339	372	446	197	296	211	182	402	372	423	161	357	209		
83	Eastern Europe.....	1,411	28	365	-40	386	360	-66	-199	-66	412	-5	347	328	-48	-183	-69		
84	Latin America and Other Western Hemisphere.....	-15,322	-10,591	-3,640	-3,889	-4,041	-3,630	-2,545	-1,935	-2,481	-3,778	-3,597	-4,101	-3,765	-2,645	-1,629	-2,553		
85	Brazil.....	-3,883	-3,023	-1,052	-1,179	-717	-891	-998	-447	-688	-1,034	-1,151	-719	-936	-989	-394	-703		
86	Mexico.....	-5,719	-4,789	-1,456	-1,370	-1,542	-1,308	-1,111	-980	-1,390	-1,523	-1,258	-1,551	-1,364	-1,142	-879	-1,403		
87	Venezuela.....	-3,458	-1,717	-686	-918	-1,228	-642	-329	-378	-368	-735	-882	-1,238	-622	-367	-352	-377		
88	Other.....	-2,262	-1,062	-446	-423	-554	-790	-107	-130	-35	-486	-305	-592	-843	-147	-4	-69		
89	Other countries in Asia and Africa.....	-29,845	-38,997	-6,923	-8,706	-8,788	-8,439	-8,601	-11,485	-10,473	-6,958	-8,243	-8,918	-8,					



Table 3.—U.S. Merchandise Trade—Continued

(Millions of dollars)

Line		1985	1986 <sup>p</sup>	Not seasonally adjusted								Seasonally adjusted							
				1985				1986				1985				1986			
				II	III	IV	I	II	III <sup>r</sup>	IV <sup>p</sup>		II	III	IV	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>	
<b>C</b>	<b>Merchandise trade, by principal end use category, adjusted to balance of payments basis, excluding military:<sup>2</sup></b>																		
	<b>EXPORTS</b>																		
1	<b>Total (A-8)</b> .....	214,424	221,753	55,472	50,185	53,420	53,525	56,737	53,444	58,047	53,875	52,498	52,727	53,588	55,075	55,764	57,326		
2	Agricultural products.....	29,595	26,988	7,026	5,824	7,929	7,560	5,806	5,750	7,822	7,458	6,678	7,121	7,140	6,188	6,511	7,099		
3	Nonagricultural products.....	184,829	194,815	48,446	44,361	45,491	45,965	50,931	47,694	50,225	46,417	45,820	45,606	46,448	48,887	49,253	50,227		
4	Foods, feeds, and beverages.....	24,043	22,584	5,756	5,097	6,328	6,264	4,857	5,267	6,196	6,101	5,408	5,767	6,154	5,176	5,517	5,737		
5	Foods, feeds, and beverages—agricultural.....	22,840	21,014	5,489	4,524	6,149	6,026	4,574	4,531	5,883	5,768	5,070	5,532	5,769	4,837	5,070	5,338		
6	Grains.....	12,713	9,988	3,153	2,584	3,223	2,929	2,062	2,468	2,479	3,388	2,782	2,919	2,789	2,190	2,690	2,268		
7	Soybeans.....	3,751	4,358	716	468	1,302	1,517	940	447	1,455	848	681	1,144	1,313	1,105	654	1,287		
8	Other agricultural foods, feeds, and beverages.....	6,375	6,717	1,620	1,522	1,624	1,581	1,572	1,616	1,949	1,563	1,607	1,469	1,667	1,541	1,725	1,784		
9	Nonagricultural foods, feeds, and beverages.....	1,203	1,570	267	574	179	238	282	736	-314	393	338	235	384	447	399			
10	Industrial supplies and materials.....	60,056	63,404	15,044	14,555	14,987	14,500	17,176	15,768	15,960	14,718	14,794	14,887	14,861	16,802	15,891	15,850		
11	Agricultural.....	6,357	5,343	1,445	1,203	1,673	1,403	1,112	1,102	1,726	1,598	1,510	1,482	1,239	1,233	1,324	1,547		
12	Nonagricultural.....	53,700	58,061	13,599	13,352	13,314	13,097	16,063	14,666	14,235	13,119	13,284	13,405	13,622	15,569	14,568	14,303		
13	Energy products.....	10,153	8,245	2,406	2,517	2,850	2,143	2,162	1,949	1,991	2,264	2,427	2,862	2,398	2,030	1,966			
14	Fuels and lubricants.....	10,144	8,240	2,400	2,515	2,850	2,140	2,162	1,948	1,990	2,258	2,425	2,862	2,395	2,030	1,965			
15	Petroleum and products.....	4,996	3,790	997	1,185	1,543	1,170	895	780	945	989	1,204	1,546	1,160	890	793	946		
16	Other nonagricultural.....	43,546	49,816	11,192	10,835	10,454	10,954	13,901	12,717	12,244	10,855	10,857	10,543	11,224	13,539	12,717	12,337		
17	Nonmonetary gold.....	1,740	5,890	299	506	470	334	3,169	1,663	725	299	506	470	334	1,169	1,663	725		
18	Capital goods, except automotive.....	75,645	79,184	19,791	17,868	18,828	18,919	19,929	19,364	20,972	19,118	18,745	18,587	18,895	19,232	20,414	20,643		
19	Machinery, except consumer-type.....	60,754	62,061	15,960	14,474	14,752	14,931	15,662	15,088	16,371	15,548	14,762	14,652	15,148	15,278	15,385	16,240		
20	Civilian aircraft, complete—all types.....	6,742	7,604	1,813	1,385	1,858	1,708	1,897	1,915	2,085	1,590	1,906	1,731	1,485	1,623	2,587	1,905		
21	Parts and engines for civilian aircraft.....	6,393	7,678	1,599	1,596	1,754	1,827	1,871	1,937	2,045	1,560	1,662	1,740	1,808	1,826	2,018	2,026		
22	Other transportation equipment.....	1,755	1,851	420	414	464	455	500	424	472	420	414	464	455	500	424	472		
23	Automotive vehicles, parts and engines.....	24,538	23,898	6,934	5,571	5,873	6,144	6,606	5,095	6,053	6,230	6,258	6,089	5,964	5,942	5,722	6,270		
24	To Canada.....	18,899	18,126	5,475	4,188	4,442	4,794	5,077	3,744	4,510	4,812	4,835	4,678	4,590	4,447	4,326	4,764		
25	To all other areas.....	5,640	5,772	1,459	1,383	1,431	1,350	1,529	1,351	1,542	1,419	1,423	1,412	1,374	1,496	1,396	1,507		
26	Consumer goods (nonfood), except automotive.....	12,952	14,533	3,352	3,047	3,222	3,374	3,622	3,590	3,947	3,215	3,140	3,235	3,394	3,478	3,707	3,954		
27	All other, including balance of payments adjustments not included in lines C 4–26.....	17,190	18,150	4,595	4,047	4,182	4,324	4,547	4,360	4,919	4,493	4,153	4,162	4,320	4,445	4,513	4,872		
	<b>IMPORTS</b>																		
28	<b>Total (A-16)</b> .....	338,863	369,461	85,824	83,830	90,396	88,084	92,671	92,562	96,144	84,242	84,173	90,079	90,077	90,775	92,913	95,696		
29	Petroleum and products.....	50,525	33,892	13,368	12,288	14,173	10,242	7,675	7,913	8,062	13,632	12,371	14,119	10,022	7,839	7,985	8,046		
30	Nonpetroleum products.....	288,338	335,569	72,456	71,542	76,223	77,842	84,996	84,649	88,082	70,610	71,802	75,960	80,055	82,936	84,928	87,650		
31	Foods, feeds, and beverages.....	21,317	24,020	5,297	5,003	5,599	5,887	6,048	5,899	6,186	5,219	5,170	5,504	5,926	5,963	6,084	6,047		
32	Industrial supplies and materials.....	113,471	103,070	29,727	27,819	29,507	27,402	25,997	24,477	25,194	29,394	28,010	29,732	27,488	25,504	24,605	25,473		
33	Energy products.....	56,022	38,108	14,880	13,465	15,513	11,546	8,546	8,761	9,256	15,158	13,694	15,411	11,247	8,719	8,929	9,212		
34	Fuels and lubricants.....	54,992	37,292	14,616	13,173	15,263	11,282	8,343	8,586	9,081	14,894	13,402	15,161	10,984	8,516	8,755	9,038		
35	Nonenergy products.....	57,449	64,962	14,847	14,353	13,994	15,857	17,451	15,717	15,938	14,236	14,316	14,321	16,241	16,785	15,676	16,260		
36	Nonmonetary gold.....	3,179	7,879	564	917	689	1,875	2,622	1,251	2,131	564	917	689	1,875	2,622	1,251	2,131		
37	Capital goods, except automotive.....	64,022	75,724	15,948	15,700	17,111	17,310	19,049	19,416	19,949	15,735	15,587	16,876	17,960	18,825	19,296	19,643		
38	Machinery, except consumer-type.....	56,811	67,895	14,046	13,971	15,166	15,407	16,888	17,558	18,042	13,834	13,857	14,930	16,056	16,664	17,438	17,737		
39	Civilian aircraft, engines and parts.....	5,973	6,975	1,595	1,389	1,654	1,673	2,022	1,613	1,662	1,595	1,389	1,655	1,678	2,022	1,613	1,662		
40	Other transportation equipment.....	1,238	854	307	341	291	225	140	244	244	307	341	291	225	140	244	244		
41	Automotive vehicles, parts and engines.....	65,105	78,100	16,894	15,110	18,255	17,930	20,446	18,645	21,079	15,716	16,720	17,948	17,770	19,057	20,590	20,683		
42	From Canada.....	24,624	24,793	6,574	5,436	6,653	6,274	6,747	5,238	6,534	5,867	6,307	6,554	6,214	6,025	6,084	6,470		
43	Passenger cars, new and used.....	11,168	11,824	2,956	2,514	3,170	2,380	3,357	2,174	3,433	2,548	2,969	3,160	2,852	2,925	2,589	3,458		
44	From all other areas.....	40,480	53,306	10,319	9,674	11,602	11,656	13,699	13,407	14,545	9,849	10,412	11,394	11,555	13,032	14,506	14,213		
45	Passenger cars, new and used.....	24,897	33,361	6,447	5,723	7,364	6,988	8,575	8,485	9,314	6,020	6,453	7,196	6,786	7,971	9,579	9,026		
46	Consumer goods (nonfood) except automotive.....	65,158	77,963	15,333	17,779	17,346	17,073	18,401	21,602	20,887	15,719	16,254	17,399	18,332	18,877	19,796	20,958		
47	All other, including balance of payments adjustments not included in lines C 31–46.....	9,790	10,584	2,625	2,419	2,578	2,482	2,730	2,523	2,849	2,459	2,432	2,620	2,601	2,549	2,542	2,892		

See footnotes on page 62.





Table 4.—Selected U.S. Government Transactions

[Millions of dollars]

Line		1985	1986 <sup>p</sup>	1985				1986			
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>r</sup>
A1	U.S. Government grants (excluding military) and transactions increasing Government assets, total.....	18,664	19,819	4,088	4,809	4,795	4,973	3,860	4,837	6,608	4,513
	By category										
2	Grants, net (table 1, line 32, with sign reversed).....	11,196	11,825	2,224	2,577	3,087	3,307	2,069	3,245	3,419	3,092
3	Financing military purchases <sup>1</sup> .....	2,964	3,373	874	891	564	635	668	1,252	1,453	500
4	Other grants.....	8,232	7,952	1,350	1,687	2,523	2,672	1,401	1,994	1,966	2,592
5	Credits and other long-term assets (table 1, line 42, with sign reversed).....	7,579	8,924	1,793	2,495	1,727	1,564	1,808	1,636	4,147	1,333
6	Capital subscriptions and contributions to international financial institutions, excluding IMF.....	1,302	1,481	335	340	336	290	208	394	715	165
7	Credits repayable in U.S. dollars.....	5,754	6,910	1,301	2,043	1,251	1,159	1,483	1,138	3,282	1,007
8	Credits repayable in other than U.S. dollars.....	82	92	52	6	14	9	17	3	44	29
9	Other long-term assets.....	442	440	104	105	127	106	100	101	107	133
10	Foreign currency holdings and short-term assets, net (table 1, line 44, with sign reversed).....	-111	-930	70	-262	-20	102	-16	-44	-958	88
11	Foreign currency holdings (excluding administrative cash holdings), net.....	-82	5	-19	1	-27	-38	12	-2	-14	9
	Receipts from:										
12	Sales of agricultural commodities.....	10	47	(*)	10	(*)	(*)	9	25	8	6
13	Interest.....	85	52	8	12	7	8	19	14	7	11
14	Repayments of principal.....	104	111	20	25	32	27	36	23	15	37
15	Reverse grants.....										
16	Other sources.....	15	57	3	5	2	4	30	11	6	10
	Less currencies disbursed for:										
17	Grants and credits in the recipient's currency.....	2	5	(*)	(*)	(*)	1	3	(*)	1	1
18	Other grants and credits.....	4	1				4	1			
19	Other U.S. Government expenditures.....	240	257	50	50	67	73	77	75	50	55
20	Assets acquired in performance of U.S. Government guarantee and insurance obligations, net.....	-53	-993	6	-202	25	118	-49	18	-935	34
21	Other assets held under Commodity Credit Corporation Charter Act, net.....	14	(*)	(*)	(*)	4	9	(*)	(*)	(*)	(*)
22	Assets financing military sales contracts, net <sup>2</sup> .....										
23	Other short-term assets (including changes in administrative cash holdings), net.....	11	-3	83	-61	-23	13	21	-60	-9	45
	By program										
24	Capital subscriptions and contributions to international financial institutions, excluding IMF.....	1,302	1,481	335	340	336	290	208	394	715	165
25	Under Agricultural Trade Development and Assistance Act and related programs.....	2,258	1,842	512	705	680	862	442	365	637	398
26	Under Foreign Assistance Act and related programs.....	12,195	13,177	2,545	2,925	3,145	3,580	2,507	3,553	3,856	3,260
27	Under Export-Import Bank Act.....	1,779	1,252	373	623	399	385	352	332	462	106
28	Under Commodity Credit Corporation Charter Act.....	246	957	46	35	34	130	93	69	751	44
29	Under other grant and credit programs.....	524	706	111	145	124	143	131	106	113	356
30	Other foreign currency assets acquired (lines A13, A14, and A16).....	154	220	32	42	40	40	84	49	29	58
31	Less foreign currencies used by U.S. Government other than for grants or credits (line A19).....	240	257	50	50	67	73	77	75	50	55
32	Other (including changes in administrative cash holdings), net.....	446	441	184	42	104	117	120	45	96	180
	By disposition <sup>3</sup>										
33	Estimated transactions involving no direct dollar outflow from the United States.....	12,218	13,241	3,068	3,715	2,785	2,649	3,031	3,284	4,591	2,335
34	Expenditures on U.S. merchandise.....	6,150	5,065	1,554	1,692	1,531	1,373	1,315	1,428	1,289	1,032
35	Expenditures on U.S. services <sup>4</sup> .....	2,382	3,103	573	679	541	588	686	525	1,171	722
36	Financing of military sales contracts by U.S. Government <sup>5</sup> (line C6).....	2,945	3,742	774	1,058	537	575	603	1,160	1,447	532
37	By long-term credits.....	1,536	1,448	289	567	267	414	303	412	384	348
38	By short-term credits <sup>1</sup> .....										
39	By grants <sup>1</sup> .....	1,409	2,294	485	492	271	161	300	747	1,063	184
40	U.S. Government grants and credits to repay prior U.S. Government credits <sup>1, 4</sup> .....	491	1,157	101	251	92	47	352	187	562	57
41	U.S. Government long- and short-term credits to repay prior U.S. private credits <sup>6</sup> and other assets.....	503	465	119	91	148	146	170	59	186	51
42	Increase in liabilities associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) <sup>7</sup> (line C11).....	5	-11	4	-1	5	-4	-10	8	-9	1
43	Less receipts on short-term U.S. Government assets (a) financing military sales contracts, <sup>1</sup> (b) financing repayment of private credits and other assets, and (c) financing expenditures on U.S. merchandise.....	19	23	7	5	3	4	7	7	5	4
44	Less foreign currencies used by U.S. Government other than for grants or credits (line A19).....	240	257	50	50	67	73	77	75	50	55
45	Estimated dollar payments to foreign countries and international financial institutions.....	6,447	6,578	1,020	1,094	2,009	2,324	830	1,554	2,017	2,178
B1	Repayments on U.S. Government long-term assets, total (table 1, line 43).....	4,644	6,015	935	1,230	1,270	1,210	1,411	1,446	1,734	1,424
2	Receipts of principal on U.S. Government credits.....	4,215	5,574	830	1,125	1,161	1,100	1,302	1,337	1,621	1,314
3	Under Agricultural Trade Development and Assistance Act and related programs.....	238	361	30	51	68	140	87	46	92	136
4	Under Foreign Assistance Act and related programs.....	1,180	1,625	239	308	346	287	461	320	347	497
5	Under Export-Import Bank Act.....	2,481	2,921	544	743	663	531	717	916	745	543
6	Under Commodity Credit Corporation Charter Act.....	150	548	10	23	78	38	28	51	436	33
7	Under other credit programs.....	117	120	7	(*)	6	104	11	4	1	105
8	Receipts on other long-term assets.....	429	441	105	105	109	110	109	110	113	110
C1	U.S. Government liabilities other than securities, total, net increase (+) (table 1, line 55).....	483	1,067	-445	606	58	263	288	679	900	-799
2	Associated with military sales contracts <sup>2</sup> .....	689	1,110	-358	558	132	357	318	674	966	-848
3	U.S. Government cash receipts from foreign governments (including principal repayments on credits financing military sales contracts), net of refunds <sup>1</sup> .....	7,984	7,256	2,523	1,405	1,370	2,686	1,955	1,442	1,512	2,347
4	Less U.S. Government receipts from principal repayments.....	607	875	116	179	165	146	219	150	170	337
5	Less U.S. Treasury securities issued in connection with prepayments for military purchases in the United States.....	693	-565	840	-482	-585	860	(*)	-564	-524	523
6	Plus financing of military sales contracts by U.S. Government <sup>5</sup> (line A36).....	2,945	3,742	774	1,058	537	575	603	1,160	1,447	532
7	By long-term credits.....	1,536	1,448	289	567	267	414	303	412	384	348
8	By short-term credits <sup>1</sup> .....										
9	By grants <sup>1</sup> .....	1,409	2,294	485	492	271	161	300	747	1,063	184
10	Less transfers of goods and services (including transfers financed by grants for military purchases, and by credits) <sup>1, 2</sup> (table 1, line 3).....	9,001	9,577	2,699	2,209	2,195	1,898	2,022	2,342	2,346	2,867
11	Associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) <sup>7</sup> (line A42).....	5	-11	4	-1	5	-4	-10	8	-9	1
12	Associated with other liabilities.....	-211	-32	-91	50	-80	-90	-20	-3	-58	48
13	Sales of nuclear material by Department of Energy.....	-109	-77	-38	-11	-28	-32	-24	-15	-21	-16
14	Sales of space launch and other services by National Aeronautics and Space Administration.....	-144	47	-16	-36	-48	-44	5	24	2	16
15	Other sales and miscellaneous operations.....	41	-2	-37	97	-4	-14	(*)	-12	-39	49

See footnotes on page 62.

Table 5.—Direct Investment: Income, Capital, Royalties and License Fees, and Other Private Services

(Millions of dollars)

Line	(Credits +; debits -)	1985	1986 <sup>p</sup>	1985				1986			
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>p</sup>
<b>U.S. direct investment abroad:</b>											
1	Income (table 1, line 12)	34,320	39,073	4,285	8,238	9,723	12,074	10,510	9,832	8,553	10,178
2	Income before capital gains/losses	29,420	30,601	7,044	7,275	8,031	9,070	8,035	7,671	6,350	8,546
3	Capital gains/losses (gains +; losses -) <sup>1</sup>	4,899	8,472	-2,759	963	3,692	3,003	2,475	2,161	2,204	1,632
4	Earnings (net of withholding taxes)	38,582	42,425	5,356	9,335	10,805	13,087	11,438	10,683	9,340	10,964
5	Distributed earnings	17,918	20,197	4,432	2,904	3,630	6,951	4,152	3,184	4,246	8,616
6	Reinvested earnings	20,664	22,228	924	6,431	7,175	6,135	7,286	7,500	5,094	2,348
7	Interest (net of withholding taxes)	-4,262	-3,351	-1,071	-1,097	-1,082	-1,013	-928	-851	-787	-786
8	U.S. parents' receipts	1,618	1,524	392	387	411	428	365	401	375	383
9	U.S. parents' payments	-5,880	-4,875	-1,463	-1,483	-1,493	-1,440	-1,293	-1,252	-1,162	-1,169
10	Capital (table 1, line 46)	-18,752	-31,922	346	-4,495	-6,004	-3,599	-11,562	-8,610	-7,970	-3,781
11	Equity capital	2,280	1,297	249	-548	2,601	-22	-112	671	523	216
12	Increases in equity capital <sup>2</sup>	-6,675	-5,817	-1,479	-1,477	-1,380	-2,339	-1,433	-1,220	-1,514	-1,649
13	Decreases in equity capital <sup>3</sup>	8,956	7,114	1,728	3,982	2,917	1,821	1,890	2,037	1,865	2,037
14	Reinvested earnings	-20,664	-22,228	-924	-6,431	-7,175	-6,135	-7,286	-7,500	-5,094	-2,348
15	Intercompany debt	-368	-10,991	1,021	2,484	-1,431	-2,442	-4,164	-1,781	-3,399	-1,648
16	U.S. parents' receivables	-455	-3,361	-567	1,514	-1,450	48	-1,875	-2,512	1,336	-311
17	U.S. parents' payables	87	-7,630	1,588	970	19	-2,490	-2,289	731	-4,735	-1,337
18	Royalties and license fees (table 1, line 7)	4,123	4,850	858	906	866	1,473	894	1,191	1,248	1,516
19	U.S. parents' receipts	4,235	4,937	879	938	918	1,501	916	1,212	1,270	1,540
20	U.S. parents' payments	-112	-88	-20	-32	-32	-28	-21	-21	-21	-24
21	Other private services (table 1, line 9)	2,526	2,718	616	620	599	690	619	775	658	665
22	U.S. parents' receipts	4,811	5,325	1,119	1,156	1,171	1,365	1,266	1,353	1,341	1,365
23	U.S. parents' payments	-2,285	-2,607	-503	-535	-572	-675	-647	-578	-683	-700
<b>By industry of affiliate:<sup>4</sup></b>											
24	Income (line 1)	34,320	39,073	4,285	8,238	9,723	12,074	10,510	9,832	8,553	10,178
25	Petroleum	9,204	7,803	1,415	2,244	2,140	3,404	3,138	1,834	1,097	1,733
26	Manufacturing	14,954	18,247	1,527	3,337	4,518	5,573	3,904	4,805	4,309	5,229
27	Other	10,162	13,023	1,342	2,658	3,065	3,097	3,468	3,193	3,147	3,216
28	Income before capital gains/losses (line 2)	29,420	30,601	7,044	7,275	8,031	9,070	8,035	7,671	6,350	8,546
29	Petroleum	9,664	6,408	2,612	2,248	1,800	3,004	2,573	1,446	919	1,470
30	Manufacturing	11,863	14,278	2,599	2,326	2,869	4,069	3,167	3,618	3,163	4,330
31	Other	7,893	9,916	1,832	2,158	1,906	1,997	2,295	2,608	2,268	2,745
<b>Capital:</b>											
32	Equity capital (line 11)	2,280	1,297	249	-548	2,601	-22	-112	671	523	216
33	Petroleum	2,604	59	81	37	2,577	-90	-131	-330	651	-132
34	Manufacturing	-1,119	983	-105	-401	-319	-294	316	210	214	243
35	Other	795	256	273	-184	343	362	-297	790	-342	104
36	Reinvested earnings (line 14, or line 6 with sign reversed)	-20,664	-22,228	-924	-6,431	-7,175	-6,135	-7,286	-7,500	-5,094	-2,348
37	Petroleum	-2,434	-1,756	117	-1,428	-776	-347	-1,491	-729	178	286
38	Manufacturing	-10,514	-11,436	-378	-2,540	-3,501	-4,095	-2,326	-3,894	-2,979	-1,738
39	Other	-7,716	-9,036	-663	-2,463	-2,898	-1,693	-2,877	-2,293	-897	-897
40	Intercompany debt (line 15)	-368	-10,991	1,021	2,484	-1,431	-2,442	-4,164	-1,781	-3,399	-1,648
41	Petroleum	1,464	2,124	101	2,295	-922	-10	-889	1,096	-1,413	-918
42	Manufacturing	1,176	-2,192	451	504	410	-189	-544	-138	-427	-1,083
43	Other	-3,008	-6,675	469	-315	-918	-2,244	-2,731	-2,739	-1,559	353
<b>Foreign direct investment in the United States:</b>											
44	Income (table 1, line 27)	-8,068	-6,535	-2,475	-2,691	-2,144	-759	-2,391	-2,164	-1,044	-935
45	Income before capital gains/losses	-7,453	-6,274	-2,166	-2,153	-2,281	-853	-1,606	-2,315	-1,160	-1,192
46	Capital gains/losses (gains +; losses -) <sup>5</sup>	-615	-261	-309	-538	137	94	-785	151	115	258
47	Earnings (net of withholding taxes)	-5,040	-3,254	-1,766	-1,959	-1,332	17	-1,699	-1,355	-196	-4
48	Distributed earnings	-3,934	-3,805	-1,082	-1,465	-639	-748	-991	-883	-1,068	-863
49	Reinvested earnings	-1,106	552	-684	-494	-692	-764	-707	-472	871	860
50	Interest (net of withholding taxes)	-3,028	-3,281	-709	-732	-812	-776	-693	-810	-848	-931
51	U.S. affiliates' payments	-3,713	-4,193	-869	-898	-972	-975	-899	-1,042	-1,085	-1,167
52	U.S. affiliates' receipts	685	912	160	166	160	199	206	232	237	236
53	Capital (table 1, line 59)	17,855	25,585	3,007	5,757	6,111	2,382	1,422	4,088	5,632	14,442
54	Equity capital	11,902	17,736	2,545	3,254	3,518	3,585	634	2,047	5,869	8,987
55	Increases in equity capital <sup>2</sup>	14,949	20,803	3,003	3,318	4,101	4,526	2,031	2,821	6,274	9,676
56	Decreases in equity capital <sup>3</sup>	-3,046	-3,067	-458	-800	-647	-941	-1,197	-774	-405	-690
57	Reinvested earnings	-1,106	552	-684	-494	-692	-764	-707	-472	871	860
58	Intercompany debt	4,848	8,400	378	2,745	2,164	-439	-119	1,570	634	6,315
59	U.S. affiliates' payables	7,336	12,857	1,247	2,928	2,036	1,125	2,164	2,226	1,280	7,137
60	U.S. affiliates' receivables	-2,488	-4,457	-869	-183	128	-1,564	-2,284	-656	-645	-872
61	Royalties and license fees (table 1, line 22)	-467	-649	-128	-96	-119	-124	-145	-149	-171	-184
62	U.S. affiliates' payments	-570	-765	-143	-123	-140	-163	-171	-192	-195	-206
63	U.S. affiliates' receipts	103	116	15	27	21	39	27	43	24	22
64	Other private services (table 1, line 24)	693	1,227	88	131	195	279	289	326	281	330
65	U.S. affiliates' payments	-1,330	-1,550	-335	-333	-301	-361	-326	-390	-385	-449
66	U.S. affiliates' receipts	2,023	2,777	423	465	496	639	616	716	666	779
<b>By industry of affiliate:<sup>4</sup></b>											
67	Income (line 44)	-8,068	-6,535	-2,475	-2,691	-2,144	-759	-2,391	-2,164	-1,044	-935
68	Petroleum	-2,425	-839	-663	-735	-864	-162	-435	112	-177	-340
69	Manufacturing	-1,116	-1,312	-475	-510	-347	-216	-302	-577	-72	-361
70	Other	-4,528	-4,384	-1,337	-1,445	-933	-813	-1,655	-1,700	-795	-234
71	Income before capital gains/losses (line 45)	-7,453	-6,274	-2,166	-2,153	-2,281	-853	-1,606	-2,315	-1,160	-1,192
72	Petroleum	-2,548	-1,535	-665	-708	-838	-337	-459	-533	-152	-389
73	Manufacturing	-1,537	-1,836	-479	-538	-343	-176	-338	-589	-341	-569
74	Other	-3,368	-2,903	-1,022	-907	-1,099	-339	-809	-1,193	-666	-234
<b>Capital:</b>											
75	Equity capital (line 54)	11,902	17,736	2,545	3,254	3,518	3,585	634	2,047	5,869	8,987
76	Petroleum	833	763	63	144	318	309	17	4	696	46
77	Manufacturing	4,705	6,420	1,028	1,599	1,133	946	68	849	2,052	3,451
78	Other	6,364	10,553	1,454	775	1,804	2,331	748	1,194	3,121	5,490
79	Reinvested earnings (line 57, or line 49 with sign reversed)	1,106	552	684	494	692	-764	707	472	-871	-860
80	Petroleum	833	763	63	144	318	309	17	4	696	46
81	Manufacturing	-456	-591	89	152	-12	-685	-82	127	-388	-253
82	Other	679	289	266	101	245	67	707	788	-439	-661
83	Intercompany debt (line 58)	4,848	8,400	378	2,745	2,164	-439	-119	1,570	634	6,315
84	Petroleum	1,002	1,235	-74	1,292	61	-276	-226	516	-601	1,546
85	Manufacturing	4,373	3,329	1,198	1,084	1,673	418	-281	465	559	3,086
86	Other	-527	3,336	-746	369	430	-580	388	589	677	1,683

See footnotes on page 62.

Table 6.—Securities Transactions

[Millions of dollars]

Line	(Credits +; debits -)	1985	1986 <sup>P</sup>	1985				1986			
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>P</sup>
A1	Foreign securities, net U.S. purchases (-), (table 1, line 47 or lines 2 + 12 below) .....	-7,977	-4,765	-2,577	-2,325	-1,664	-1,411	-6,133	-1,664	349	2,683
2	Stocks, net U.S. purchases.....	-3,959	-1,592	-1,951	-210	-1,009	-789	-2,109	-2,138	989	1,666
3	New issues in the United States.....	-435	-924	-85	-11	-152	-187		-309	-240	-375
4	Of which Canada.....	-72	-104	-72							-104
5	Japan.....										
6	Transactions in outstanding stocks, net.....	-3,524	-668	-1,866	-199	-857	-602	-2,109	-1,829	1,229	2,041
7	Western Europe.....	-1,576	-850	-851	-307	-213	-205	-562	-1,105	85	782
8	Of which United Kingdom.....	-687	-786	-386	-212	-172	83	-368	-717	156	143
9	Canada.....	-1,160	-976	-297	-152	-267	-444	-536	-329	11	-122
10	Japan.....	-111	1,818	-566	371	-96	180	-1,098	-202	1,364	1,754
11	Other.....	-675	-660	-152	-111	-281	-133	87	-193	-181	-373
12	Bonds, net U.S. purchases.....	-4,018	-3,172	-626	-2,116	-654	-622	-4,024	475	-640	1,017
13	New issues in the United States.....	-5,596	-6,708	-1,278	-1,610	-1,210	-1,498	-1,863	-843	-896	-3,106
14	By issuer:										
15	Central governments and their agencies and corporations.....	-3,223	-3,150	-290	-497	-1,210	-1,226	-885	-497	-342	-1,426
16	Other governments and their agencies and corporations <sup>1</sup> .....	-400	-1,186	-200	-200			-385	-247	-159	-395
17	Private corporations.....	-934	-926	-195	-739			-96		-150	-680
18	International financial institutions <sup>2</sup> .....	-1,039	-1,446	-593	-174			-497	-99	-245	-605
19	By area:										
20	Western Europe.....	-1,509	-996	-200	-527	-239	-543		-197		-799
21	Canada.....	-2,229	-1,477	-350	-831	-900	-148	-481	-247	-159	-590
22	Japan.....	-198					-198				
23	Latin America.....	-55		-45	-10						
24	Other countries.....	-566	-2,789	-90	-68	-71	-337	-885	-300	-492	-1,112
25	International financial institutions <sup>2</sup> .....	-1,039	-1,446	-593	-174			-272	-497	-99	-245
26	Redemptions of U.S.-held foreign bonds <sup>3</sup> .....	2,125	3,358	525	500	525	575	625	1,003	700	1,030
27	Western Europe.....										
28	Canada.....	1,400	2,083	400	400	325	275	350	803	400	530
29	Other countries.....										
30	International financial institutions <sup>2</sup> .....	725	1,275	125	100	200	300	275	200	300	500
31	Other transactions in outstanding bonds, net <sup>3</sup> .....	-547	178	127	-1,006	31	301	-2,786	315	-444	3,093
32	Western Europe.....	-6,260	-14,565	-780	-2,702	-1,629	-1,149	-5,269	-2,351	-4,562	-2,383
33	Of which United Kingdom.....	-5,407	-13,311	-969	-1,752	-1,600	-1,086	-5,494	-1,593	-4,189	-2,085
34	Canada.....	376	-408	-87	340	115	8	-362	-414	866	2
35	Japan.....	-472	5,980	-41	193	-250	-374	1,728	76	954	3,222
36	Other.....	5,809	9,171	1,035	1,163	1,795	1,816	1,117	3,004	2,798	2,252
B1	U.S. securities, excluding Treasury securities and transactions of foreign official agencies, net foreign purchases (+), (table 1, line 61 or lines 2 + 10 below).....	50,859	70,658	9,567	7,223	11,628	22,441	18,686	23,018	17,185	11,769
2	Stocks, net foreign purchases.....	4,855	17,248	-1,140	551	1,375	4,069	6,104	6,991	4,466	-313
3	By area:										
4	Western Europe.....	2,079	9,327	-1,359	-271	862	2,847	4,743	3,825	1,982	-1,223
5	Of which Germany.....	730	320	-357	67	232	788	598	-28	-164	-86
6	Switzerland.....	-75	1,562	-412	-89	-87	513	1,427	812	-83	-594
7	United Kingdom.....	1,686	4,619	-253	-248	693	1,494	2,227	1,335	1,454	-397
8	Canada.....	355	792	217	-23	169	-8	135	226	403	28
9	Japan.....	298	3,287	-191	191	-124	422	351	858	1,395	683
10	Other.....	2,123	3,842	193	654	468	808	875	2,082	686	199
11	Corporate and other bonds, net foreign purchases.....	46,004	53,410	10,707	6,672	10,253	18,372	12,582	16,027	12,719	12,082
12	By type:										
13	New issues sold abroad by U.S. corporations <sup>4</sup> .....	37,597	39,378	9,628	5,274	10,238	12,457	9,977	11,825	10,254	7,322
14	U.S. federally-sponsored agency bonds, net.....	4,651	8,378	644	639	1,227	2,141	1,380	2,766	1,357	2,375
15	Other outstanding bonds, net.....	3,756	5,654	435	759	-1,212	3,774	1,225	1,436	608	2,385
16	By area:										
17	Western Europe.....	39,424	39,288	9,852	5,313	8,759	15,500	9,670	12,685	8,322	8,611
18	Of which Germany.....	2,001	-301	-202	151	439	1,613	-190	128	-196	-43
19	Switzerland.....	3,987	4,530	808	225	889	2,065	1,228	2,176	773	353
20	United Kingdom.....	32,488	33,674	9,144	4,690	7,114	11,540	8,426	10,356	7,578	7,314
21	Canada.....	188	548	49	38	-70	171	-226	183	197	394
22	Japan.....	5,420	10,025	428	1,117	1,442	2,433	2,530	1,575	3,416	2,504
23	Other countries.....	1,086	3,141	354	187	115	430	483	857	1,025	776
24	International financial institutions <sup>2</sup> .....	-114	408	24	17	7	-162	125	727	-241	-203
<b>Memoranda:</b>											
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).....	8,427	14,346	-1,384	5,580	2,965	1,266	1,375	5,630	3,387	3,954
2	Other U.S. Government securities (line A6).....	-295	-1,214	-306	136	46	-171	-177	-644	-276	-117
3	U.S. corporate and other bonds (part of line A14).....	-1,602	-1,562	-44	-985	-413	-210	97	-685	-538	-436
4	U.S. stocks (part of line A14).....	114	734	-73	102	35	50	266	154	236	78
5	Other foreign transactions in U.S. Treasury bonds and notes (table 9, line B4).....	21,359	10,600	1,743	7,519	5,050	7,047	6,418	4,007	2,080	-1,905
6	New issues of bonds sold abroad by U.S. corporations' finance affiliates in the Netherlands Antilles (included in table 5, line 17) <sup>4</sup> .....	40			40						

See footnotes on page 62.

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.)	1985	1985				1986				Amounts out-standing Sept. 30, 1986
			I	II	III	IV	I	II	III <sup>p</sup>	IV	
A1	Claims, total (table 1, line 48).....	1,665	1,058	1,706	-1,517	418	-2,842	-1,220	-88	n.a.	32,403
2	Financial claims.....	1,050	707	1,862	-2,512	998	-3,476	-1,431	-194	n.a.	23,165
3	<i>Denominated in U.S. dollars</i> .....	340	908	1,837	-2,307	402	-3,576	-1,392	-75	n.a.	21,453
4	<i>Denominated in foreign currencies</i> .....	210	-201	25	-205	591	100	-39	-119	n.a.	1,707
5	By type: Deposits.....	-245	191	1,711	-2,479	332	-3,309	-1,721	1,313	n.a.	18,554
6	Other claims <sup>1</sup> .....	1,295	516	151	-33	661	-187	290	-1,507	n.a.	4,611
7	By area: Industrial countries <sup>2</sup> .....	-133	-309	745	-1,735	1,166	-1,184	-2,464	208	n.a.	13,511
8	<i>Of which United Kingdom</i> .....	-626	-238	174	-358	296	-468	-1,917	-412	n.a.	3,315
9	Canada.....	672	-5	186	-275	766	-768	-440	775	n.a.	3,690
10	Caribbean banking centers <sup>3</sup> .....	195	365	1,124	-1,011	-283	-2,278	985	-361	n.a.	8,816
11	Other.....	988	651	-7	234	110	-14	48	-41	n.a.	838
12	Commercial claims.....	615	351	-156	995	-575	634	211	106	n.a.	9,238
13	<i>Denominated in U.S. dollars</i> .....	-128	124	-76	1,025	-1,201	619	180	267	n.a.	3,471
14	<i>Denominated in foreign currencies</i> .....	743	227	-80	-30	626	15	31	-161	n.a.	767
15	By type: Trade receivables.....	427	393	-305	1,101	-762	644	245	-61	n.a.	3,066
16	Advance payments and other claims.....	188	-42	149	-106	187	-10	-34	167	n.a.	1,172
17	By area: Industrial countries <sup>2</sup> .....	450	227	56	523	-356	359	180	90	n.a.	5,348
18	Members of OPEC <sup>4</sup> .....	82	-118	7	194	-1	-633	-59	85	n.a.	1,090
19	Other.....	83	242	-219	278	-218	908	90	-69	n.a.	2,800
B1	Liabilities, total (table 1, line 62).....	-1,172	-2,156	-1,837	589	2,232	-2,057	-1,644	589	n.a.	25,638
2	Financial liabilities.....	-742	-1,876	-233	254	1,113	-449	-1,473	766	n.a.	11,620
3	<i>Denominated in U.S. dollars</i> .....	-1,719	-2,630	-340	247	1,054	-551	-1,091	305	n.a.	9,419
4	<i>Denominated in foreign currencies</i> .....	977	804	107	7	59	102	-382	461	n.a.	2,201
5	By area: Industrial countries <sup>2</sup> .....	474	-578	-163	621	594	-58	-883	836	n.a.	8,881
6	<i>Of which United Kingdom</i> .....	564	-219	-214	498	504	-140	76	460	n.a.	4,272
7	Caribbean banking centers <sup>3</sup> .....	-1,159	-1,206	-5	-489	541	-366	-431	-88	n.a.	2,185
8	Other.....	-57	-92	-65	122	-22	-25	-159	-32	n.a.	554
9	Commercial liabilities.....	-430	-280	-1,604	335	1,119	-1,608	-171	-177	n.a.	14,018
10	<i>Denominated in U.S. dollars</i> .....	-860	-243	-1,180	171	392	-1,912	-270	-133	n.a.	12,472
11	<i>Denominated in foreign currencies</i> .....	430	-37	-424	164	727	304	99	-44	n.a.	1,546
12	By type: Trade payables.....	-320	47	-1,198	-160	991	-1,088	-103	98	n.a.	5,592
13	Advance receipts and other liabilities.....	-110	-327	-406	495	128	-520	-68	-275	n.a.	3,426
14	By area: Industrial countries <sup>2</sup> .....	-23	-850	-437	670	594	-301	-176	608	n.a.	3,913
15	Members of OPEC <sup>4</sup> .....	-23	480	-631	-322	450	-636	-334	-660	n.a.	1,940
16	Other.....	-384	90	-536	-13	75	-671	339	-125	n.a.	3,165

See footnotes on page 62.

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.)	1985	1986 <sup>p</sup>	1985				1986				Amounts out- standing Dec. 31, 1986
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>p</sup>	
1	Total (table 1, line 49).....	-691	-57,312	335	3,450	4,009	-8,485	6,333	-14,387	-19,326	-29,932	504,542
2	By type:											
3	Banks' own claims.....	-4,715	-51,220	935	141	5,632	-11,423	3,342	-10,989	-16,013	-27,560	468,661
4	Payable in dollars.....	-538	-42,014	1,569	1,702	6,686	-10,495	6,815	-9,141	-12,625	-27,063	448,639
5	By borrower:											
6	Claims on:											
7	own foreign offices.....	-18,218	-37,293	-1,502	-5,161	3,359	-14,914	563	-8,467	-11,449	-17,940	211,264
8	unaffiliated foreign banks.....	9,080	-6,318	1,085	4,764	1,428	1,803	6,000	-2,425	-3,764	-6,129	123,025
9	foreign public borrowers <sup>1</sup> .....	1,906	-2,420	313	638	904	51	69	37	36	-2,562	63,164
10	other private foreigners.....	6,694	4,017	1,673	1,461	995	2,565	183	1,714	2,552	-432	46,183
11	By bank ownership: <sup>2</sup>											
12	U.S.-owned banks' claims on:											
13	own foreign offices.....	-6,158	-2,988	381	-2,742	956	-4,753	5,939	-3,450	-5,365	-112	97,225
14	unaffiliated foreign banks.....	11,864	503	3,207	2,534	2,624	3,499	2,254	-1,268	2,516	-2,999	53,898
15	other foreigners.....	4,621	2,164	763	2,103	-537	2,292	507	1,908	2,961	-3,212	60,176
16	Foreign-owned banks' claims on:											
17	own foreign offices.....	-12,060	-34,305	-1,883	-2,419	2,403	-10,161	-5,376	-5,017	-6,084	-17,828	114,039
18	unaffiliated foreign banks.....	-2,784	-6,821	-2,122	2,230	-1,196	-1,696	3,746	-1,157	-6,280	-3,130	63,130
19	other foreigners.....	3,979	-367	1,223	-4	2,436	324	-255	-187	-373	218	49,171
20	Payable in foreign currencies.....	-4,177	-9,206	-634	-1,561	-1,054	-923	-3,473	-1,848	-3,388	-497	25,022
21	Banks' domestic customers' claims.....	4,024	-6,092	-600	3,309	-1,623	2,933	2,991	-3,393	-3,313	-2,372	35,881
22	Payable in dollars.....	4,034	-4,059	-729	3,112	-1,539	3,190	3,337	-3,439	-3,038	-1,419	33,263
23	Deposits.....	43	-1,081	-427	936	-444	-22	841	-981	-267	-674	4,416
24	Negotiable and readily transferable instruments.....	4,473	-3,679	-836	2,477	-1,267	4,099	1,473	-2,435	-1,717	-1,000	23,338
25	Outstanding collections and other.....	-482	701	534	-301	172	-887	1,523	-23	-1,054	255	5,514
26	Payable in foreign currencies.....	-10	-2,033	129	197	-84	-252	-846	41	-275	-953	2,613
27	By area:											
28	Industrial countries <sup>3</sup> .....	-7,291	-44,386	-5,770	5,631	-4,451	-2,701	178	-9,663	-12,000	-22,901	238,057
29	Western Europe.....	-6,445	-8,608	-3,875	3,016	-5,857	271	7,249	-6,030	-8,030	-1,797	139,802
30	Of which United Kingdom.....	-4,450	-2,756	-2,587	2,413	-3,266	-1,010	6,436	-3,063	-8,422	2,293	84,551
31	Canada.....	1,319	-4,692	-2,557	1,492	799	1,585	-1,918	226	-120	-2,380	25,449
32	Japan.....	-2,659	-31,670	315	936	335	-4,245	-5,381	-4,361	-3,586	-18,342	67,243
33	Other.....	494	584	347	187	272	-312	228	502	-264	118	5,557
34	Caribbean banking centers <sup>4</sup> .....	-200	-8,128	2,447	-1,581	6,250	-7,316	5,176	-4,957	-6,520	-1,827	117,436
35	Other areas.....	6,800	-4,799	3,658	-600	2,210	1,532	979	233	-807	-5,204	149,050
36	Of which Members of OPEC, included below <sup>5</sup>	1,321	260	303	-181	327	872	657	-58	16	-356	19,253
37	Latin America.....	4,702	266	1,840	878	2,510	-526	494	56	365	-649	98,985
38	Asia.....	1,713	-2,246	1,882	-1,500	-534	2,365	-3	703	-2,220	-721	40,392
39	Africa.....	385	-1,145	32	226	-45	172	208	31	224	-1,608	4,985
40	Other <sup>6</sup> .....		-1,674	404	-204	279	-479	285	-557	824	-2,226	4,668
41	Memoranda:											
42	International banking facilities' (IBF's) own claims, payable in dollars (lines 1-13 above).	-8,719	-25,051	-6,770	3,331	3,151	-8,431	1,880	-1,987	-11,457	-13,487	219,048
43	By borrower:											
44	Claims on:											
45	own foreign offices.....	-9,392	-19,643	-3,521	1,020	1,109	-8,000	-2,363	-3,134	-4,453	-9,688	72,046
46	unaffiliated foreign banks.....	-1,287	-3,402	-3,519	2,087	521	-376	4,268	1,057	-6,497	-2,230	73,870
47	foreign public borrowers.....	113	-3,852	-821	238	1,275	-579	-667	-458	-758	-1,969	48,288
48	all other foreigners.....	1,847	1,846	1,091	-14	246	524	647	548	251	400	24,844
49	By bank ownership: <sup>2</sup>											
50	U.S.-owned IBF's.....	273	5,816	-1,523	3,753	-683	-1,274	2,341	603	-117	2,989	67,684
51	Foreign-owned IBF's.....	-8,992	-30,867	-5,247	3,884	-422	3,884	-461	-2,590	-11,340	-16,476	151,364
52	Banks' dollar acceptances payable by foreigners.....	8,923	2,638	1,523	3,829	1,556	2,015	-170	212	1,170	1,426	25,732

See footnotes on page 62.



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.)	1985	1986 <sup>a</sup>	1985				1986				Amounts out-standing Dec. 31, 1986
				I	II	III	IV	I	II	III <sup>c</sup>	IV <sup>d</sup>	
A1	Foreign official assets in the United States (table 1, line 51).....	-1,324	33,394	-11,066	8,486	2,577	-1,322	2,469	14,704	15,448	774	235,963
	By type:											
2	U.S. Treasury securities (table 1, line 53).....	-546	34,495	-7,174	8,685	-81	-1,976	3,256	14,538	12,193	4,508	170,380
3	Bills and certificates.....	-6,723	22,398	-5,290	3,905	-2,096	-3,242	2,681	9,857	9,306	554	75,650
4	Bonds and notes, marketable.....	8,427	14,346	-1,384	5,580	2,965	1,266	1,375	5,630	3,387	3,954	93,430
5	Bonds and notes, nonmarketable.....	-2,250	-2,250	-500	-800	-950		-800	-950	-500		1,300
6	Other U.S. Government securities (table 1, line 54).....	-295	-1,214	-306	136	46	-171	-177	-644	-276	-117	6,889
7	Other U.S. Government liabilities (table 1, line 55).....	483	1,067	-445	606	58	263	288	679	900	-799	15,685
8	U.S. liabilities reported by U.S. banks, not included elsewhere (table 1, line 56).....	522	-126	-3,025	-107	2,932	722	-1,261	662	2,933	-2,460	27,085
9	Banks' liabilities for own account, payable in dollars <sup>1</sup> .....	1,787	3,281	-2,188	966	2,445	564	884	1,202	3,423	-2,228	24,593
10	Demand deposits.....	255	-8	100	-41	270	-74	-160	214	-236	174	2,069
11	Time deposits <sup>1</sup> .....	1,561	-545	-841	633	-213	1,982	-650	88	368	-351	10,567
12	Other liabilities <sup>2</sup> .....	-29	3,834	-1,447	374	2,388	-1,344	1,694	900	3,291	-2,051	11,957
13	Banks' custody liabilities, payable in dollars <sup>3</sup> .....	-1,265	-3,407	-837	-1,073	487	158	-2,145	-540	-490	-232	2,492
14	Other foreign official assets (table 1, line 57).....	-1,488	-828	-116	-834	-378	-160	363	-531	-302	-358	15,924
	By area: (see text table B)											
B1	Other foreign assets in the United States (table 1, lines 60 and 63).....	60,887	86,769	14,295	5,729	14,760	26,103	16,100	7,360	30,669	32,640	542,226
	By type:											
2	U.S. Treasury securities (line 60).....	20,500	9,334	2,217	5,123	7,484	5,676	7,666	3,807	541	-2,680	92,228
	By security:											
3	Bills and certificates.....	-859	-1,266	474	-2,396	2,434	-1,371	1,248	-200	-1,539	-775	14,597
4	Marketable bonds and notes.....	21,359	10,600	1,743	7,519	5,050	7,047	6,418	4,007	2,080	-1,905	77,631
5	Nonmarketable bonds and notes <sup>4</sup> .....											
	By holder:											
6	Foreign banks.....	-1,892	146	-845	-857	208	-398	315	557	-52	-674	9,961
7	Other private foreigners.....	21,089	10,866	2,870	6,614	7,595	4,010	2,623	4,681	5,447	-1,885	71,464
8	International financial institutions <sup>5</sup> .....	1,308	-1,678	192	-634	-319	2,064	4,728	-1,431	-4,854	-121	10,803
9	U.S. liabilities reported by U.S. banks (line 63).....	40,387	77,435	12,078	606	7,276	20,427	8,434	3,553	30,128	35,320	449,998
10	Banks' own liabilities <sup>1</sup> .....	37,650	73,685	10,981	1,357	6,268	19,094	8,420	2,784	27,902	34,579	409,353
11	Payable in dollars.....	30,941	59,590	11,525	-888	3,605	16,699	2,468	11	22,754	34,357	379,904
	By account:											
12	Liabilities to own foreign offices.....	22,966	35,642	4,243	1,129	1,721	15,873	2,304	1,668	10,950	20,720	209,027
	Liabilities to unaffiliated foreigners:											
13	demand deposits.....	1,238	2,396	-1,600	1,347	1,237	254	-751	910	-36	2,273	21,766
14	time deposits <sup>1</sup> .....	3,507	14,755	8,579	-3,809	-812	-451	-210	-1,166	10,309	5,822	120,744
15	other liabilities <sup>2</sup> .....	3,230	6,797	303	445	1,459	1,023	1,125	-1,401	1,531	5,542	28,367
	By holder:											
16	Liabilities to:											
17	own foreign offices.....	22,966	35,642	4,243	1,129	1,721	15,873	2,304	1,668	10,950	20,720	209,027
17	unaffiliated foreign banks.....	4,486	21,889	5,662	-3,631	872	1,583	895	-1,936	10,175	12,755	100,943
18	other private foreigners.....	3,136	1,704	1,136	49	1,799	152	457	791	799	-373	66,958
19	international financial institutions <sup>5</sup> .....	353	355	484	1,565	-787	-909	-1,218	-512	830	1,255	2,976
	By bank ownership: <sup>6</sup>											
	U.S.-owned banks' liabilities to:											
20	own foreign offices.....	8,895	-2,105	7,653	-1,914	2,004	1,152	-1,738	-6,637	6,772	-502	83,202
21	unaffiliated foreign banks.....	-60	4,550	1,443	-759	-508	-236	2,376	-1,101	730	2,545	22,778
22	other private foreigners and international financial institutions <sup>5</sup> .....	2,938	-258	655	2,116	584	-417	-2,416	-141	1,338	961	41,605
	Foreign-owned banks' liabilities to:											
23	own foreign offices.....	14,071	37,747	-3,410	3,043	-283	14,721	4,042	3,305	4,178	21,222	125,825
24	unaffiliated foreign banks.....	4,546	17,339	4,219	-2,372	1,380	1,819	-1,481	-835	9,445	10,210	78,165
25	other private foreigners and international financial institutions <sup>5</sup> .....	551	2,318	965	-502	428	-340	1,685	420	291	-78	28,329
26	Payable in foreign currencies.....	6,709	14,095	-594	2,245	2,663	2,395	5,952	2,773	5,148	222	29,449
27	Banks' custody liabilities, payable in dollars <sup>3</sup> .....	2,737	3,750	1,147	-751	1,008	1,333	14	769	2,226	741	40,645
28	Of which negotiable and readily transferable instruments.....	473	2,046	209	-768	446	586	-396	-11	173	2,280	14,186
	By area:											
29	Industrial countries <sup>7</sup> .....	35,988	55,452	7,325	954	14,280	13,429	12,554	9,404	16,991	16,519	279,974
30	Western Europe.....	10,964	22,130	3,050	-713	2,357	6,270	-362	6,480	5,076	10,916	177,492
31	Canada.....	777	9,285	-80	-659	1,480	36	5,725	1,207	855	1,498	29,250
32	Other.....	24,247	24,087	4,355	2,326	10,443	7,123	7,191	1,717	11,060	4,104	73,233
33	Caribbean banking centers <sup>8</sup> .....	11,237	27,722	4,086	1,126	-2,222	8,297	-140	-1,576	16,475	12,968	162,527
34	Other areas.....	13,612	3,593	2,334	3,649	2,702	4,377	3,656	-468	-2,797	3,159	99,724
35	Of which Members of OPEC, included below <sup>9</sup> .....	2,464	276	1,197	206	404	657	-617	161	613	13,041	
36	Latin America.....	5,361	1,286	834	493	1,241	2,793	-766	1,449	254	349	50,211
37	Asia.....	5,538	3,642	1,218	2,224	2,330	-234	1,836	371	960	955	31,566
38	Africa.....	1,079	-594	215	326	-386	924	-770	174	-183	185	2,365
39	Other <sup>10</sup> .....	1,634	-736	617	606	-483	894	3,886	-2,462	-2,462	1,670	15,588
	Memoranda:											
1	International banking facilities' (IBF's) own liabilities, payable in dollars (in lines A9, and B11 above).....	10,790	36,127	9,172	-7,880	-1,497	10,995	1,485	-2,526	14,888	22,280	219,502
	By holder:											
	Liabilities to:											
2	own foreign offices.....	6,858	18,988	1,621	-3,892	-368	9,497	767	466	3,649	14,106	103,001
3	unaffiliated foreign banks.....	2,466	18,196	6,601	-5,114	-421	1,400	1,155	-2,676	10,079	9,638	80,631
4	foreign official agencies.....	1,867	2,814	-556	873	-60	1,610	33	885	1,720	176	12,384
5	other private foreigners and international financial institutions <sup>5</sup> .....	-401	-3,871	1,506	253	-648	-1,512	-470	-1,201	-560	-1,640	23,486
	By bank ownership: <sup>6</sup>											
6	U.S.-owned IBF's.....	55	-5,529	3,617	-5,177	-83	1,698	-1,052	-5,537	1,246	-186	63,697
7	Foreign-owned IBF's.....	10,735	41,656	5,555	-2,703	-1,414	9,297	2,537	3,011	13,642	22,466	155,805
8	Negotiable certificates of deposit held for foreigners <sup>1</sup> (in lines A13 and B27 above).....	-631	-2,501	-1,064	-733	548	618	-3,242	-184	136	789	7,320

See footnotes on page 62.

Table 10.—U.S. International

[Millions]

Line	(Credits +; debits -) <sup>1</sup>	Western Europe						EC (10) <sup>12</sup>	EC (12) <sup>12</sup>
		1985	1986 <sup>P</sup>	1986				1985	1986 <sup>P</sup>
				I	II	III <sup>P</sup>	IV <sup>P</sup>		
1	Exports of goods and services <sup>2</sup> .....	106,677	115,692	28,731	28,466	27,675	30,819	85,404	98,711
2	Merchandise, adjusted, excluding military <sup>3</sup> .....	56,015	60,700	15,268	14,956	14,058	16,418	45,191	52,198
3	Transfers under U.S. military agency sales contracts.....	2,200	2,341	640	654	594	452	1,453	1,846
4	Travel.....	2,263	2,925	591	723	910	701	1,731	2,393
5	Passenger fares.....	1,116	1,391	310	342	449	290	894	1,232
6	Other transportation.....	4,318	4,562	1,080	1,112	1,196	1,175	3,222	3,810
7	Royalties and license fees from affiliated foreigners <sup>4</sup> .....	2,687	3,074	542	755	764	1,014	2,330	2,762
8	Royalties and license fees from unaffiliated foreigners.....	634	731	177	182	183	189	516	634
9	Other private services from affiliated foreigners.....	794	1,016	200	304	259	253	675	871
10	Other private services from unaffiliated foreigners.....	1,604	1,700	419	421	425	434	1,283	1,404
11	U.S. Government miscellaneous services.....	191	131	57	24	21	29	156	109
	Receipts of income on U.S. assets abroad:								
12	Direct investment.....	20,543	23,653	5,936	5,702	5,510	6,506	16,501	20,078
13	Other private receipts.....	13,366	12,439	3,231	3,095	3,065	3,047	10,995	10,589
14	U.S. Government receipts.....	947	1,030	280	196	243	312	459	785
15	Transfers of goods and services under U.S. military grant programs, net.....	28	20	5	3	7	5	3	16
16	Imports of goods and services.....	-133,370	-147,313	-35,392	-38,210	-36,177	-37,534	-107,252	-122,576
17	Merchandise, adjusted, excluding military <sup>3</sup> .....	-77,454	-89,328	-21,266	-22,986	-21,560	-23,516	-62,591	-74,486
18	Direct defense expenditures.....	-7,565	-7,684	-2,067	-1,920	-1,844	-1,854	-7,097	-7,353
19	Travel.....	-5,495	-5,018	-599	-1,519	-2,025	-875	-4,374	-4,152
20	Passenger fares.....	-5,411	-4,756	-1,080	-1,434	-1,248	-994	-4,050	-3,881
21	Other transportation.....	-5,170	-5,244	-1,223	-1,280	-1,379	-1,362	-3,683	-4,235
22	Royalties and license fees to affiliated foreigners <sup>4</sup> .....	-373	-511	-110	-124	-135	-142	-292	-332
23	Royalties and license fees to unaffiliated foreigners.....	-277	-317	-78	-79	-79	-81	-231	-265
24	Other private services to affiliated foreigners.....	64	111	39	18	33	21	164	287
25	Other private services to unaffiliated foreigners.....	-771	-881	-212	-219	-223	-227	-630	-721
26	U.S. Government miscellaneous services.....	-580	-499	-138	-119	-129	-113	-382	-392
	Payments of income on foreign assets in the United States:								
27	Direct investment.....	-6,331	-5,671	-2,066	-1,688	-863	-1,054	-5,552	-4,630
28	Other private payments.....	-14,904	-18,492	-4,328	-4,621	-4,437	-5,106	-12,010	-15,825
29	U.S. Government payments.....	-9,105	-9,025	-2,264	-2,241	-2,287	-2,232	-6,522	-6,593
30	U.S. military grants of goods and services, net.....	-28	-20	-5	-3	-7	-5	-3	-16
31	Unilateral transfers (excluding military grants of goods and services), net.....	-740	-584	-60	-264	-64	-196	82	2
32	U.S. Government grants (excluding military grants of goods and services).....	-543	-591	-29	-285	-111	-165	-20	-243
33	U.S. Government pensions and other transfers.....	-708	-761	-179	-187	-188	-207	-625	-613
34	Private remittances and other transfers.....	511	767	148	208	235	176	627	858
35	U.S. assets abroad, net (increase/capital outflow (-)).....	-33,407	-47,860	-4,923	-16,203	-19,227	-7,507	-29,321	-49,424
36	U.S. official reserve assets, net <sup>5</sup> .....	-2,734	-431	-103	-99	-109	-120	-682	-2,517
37	Gold.....								
38	Special drawing rights.....								
39	Reserve position in the International Monetary Fund.....								
40	Foreign currencies.....	-2,734	-431	-103	-99	-109	-120	-682	-2,517
41	U.S. Government assets, other than official reserve assets, net.....	328	330	135	-148	37	306	319	239
42	U.S. credits and other long-term assets.....	-792	-1,077	-265	-351	-262	-199	-112	-763
43	Repayments on U.S. credits and other long-term assets <sup>6</sup> .....	1,173	1,421	447	156	311	506	459	994
44	U.S. foreign currency holdings and U.S. short-term assets, net.....	-52	-14	-48	48	-12	-1	-28	9
45	U.S. private assets, net.....	-31,000	-47,759	-4,955	-15,957	-19,155	-7,693	-28,958	-47,147
46	Direct investment.....	-14,612	-19,293	-5,930	-4,371	-5,757	-3,235	-12,227	-16,419
47	Foreign securities.....	-9,676	-17,133	-5,831	-3,866	-4,766	-2,671	-10,474	-19,083
48	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	-373	n.a.	-384	-1,768	-614	n.a.	-317	n.a.
49	U.S. claims reported by U.S. banks, not included elsewhere.....	-6,339	-8,567	7,190	-5,952	-8,018	-1,787	-5,941	-8,933
50	Foreign assets in the United States, net (increase/capital inflow (+)).....	71,208	103,449	11,966	33,232	28,607	29,645	60,634	97,084
51	Foreign official assets in the United States, net.....	4,919	13,699	-1,975	7,586	7,432	656	(16)	(16)
52	U.S. Government securities.....	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)
53	U.S. Treasury securities <sup>7</sup> .....	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)
54	Other <sup>8</sup> .....	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)
55	Other U.S. Government liabilities <sup>9</sup> .....	415	472	8	376	-3	91	65	350
56	U.S. liabilities reported by U.S. banks, not included elsewhere.....	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)
57	Other foreign official assets <sup>10</sup> .....	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)
58	Other foreign assets in the United States, net.....	66,290	89,751	13,941	25,646	21,175	28,989	(16)	(16)
59	Direct investment.....	13,127	18,636	375	3,244	4,347	10,670	9,602	16,783
60	U.S. Treasury securities.....	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)
61	U.S. securities other than U.S. Treasury securities.....	41,503	48,616	14,414	16,510	10,304	7,388	37,481	42,022
62	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	716	n.a.	-523	-576	1,320	n.a.	364	n.a.
63	U.S. liabilities reported by U.S. banks, not included elsewhere.....	(15)	(15)	(15)	(15)	(15)	(15)	16 13,122	16 37,865
64	Allocations of special drawing rights.....								
65	Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed).....	-10,368	-23,384	-321	-7,022	-814	-15,227	-9,547	-23,797
	Memoranda:								
66	Balance on merchandise trade (lines 2 and 17).....	-21,439	-28,628	-5,998	-8,030	-7,502	-7,098	-17,400	-22,288
67	Balance on goods and services (lines 1 and 16) <sup>11</sup> .....	-26,693	-31,621	-6,661	-9,743	-8,502	-6,715	-21,848	-23,865
68	Balance on goods, services, and remittances (lines 67, 33, and 34).....	-26,891	-31,615	-6,692	-9,722	-8,455	-6,746	-21,746	-23,621
69	Balance on current account (lines 67 and 31) <sup>11</sup> .....	-27,433	-32,205	-6,721	-10,007	-8,566	-6,912	-21,766	-23,863

See footnotes on page 62.

Transactions, by Area

of dollars]

European Communities (12) <sup>1,2</sup>				United Kingdom								European Communities (6) <sup>1,3</sup>				Line
1986				1985	1986 <sup>P</sup>	1986				1985	1986 <sup>P</sup>	1986				
I	II	III <sup>r</sup>	IV <sup>P</sup>			I	II	III <sup>r</sup>	IV <sup>P</sup>			I	II	III <sup>r</sup>	IV <sup>P</sup>	
24,597	24,192	23,424	26,498	28,421	26,034	6,726	6,714	5,655	6,940	51,701	62,135	15,257	14,991	15,246	16,641	1
13,343	12,782	11,792	14,281	11,087	11,107	2,845	2,827	2,540	2,895	31,639	35,352	8,940	8,648	7,966	9,798	2
532	537	431	345	401	428	139	105	98	87	884	920	191	346	217	166	3
480	578	761	574	435	580	133	144	163	140	1,179	1,531	287	358	519	367	4
275	299	409	249	351	407	103	122	99	83	474	594	142	141	213	98	5
909	927	993	982	770	824	190	202	219	212	1,869	1,969	484	473	503	508	6
493	682	680	906	554	615	107	149	163	197	1,694	1,934	354	485	460	636	7
153	158	159	165	138	159	38	40	40	41	359	414	99	104	104	108	8
185	272	201	214	265	357	72	93	88	104	310	307	55	122	61	69	9
346	347	351	360	491	493	128	119	121	126	715	765	187	191	193	194	10
53	21	15	20	69	58	38	3	3	15	81	43	11	17	9	5	11
4,856	4,353	4,745	5,624	6,513	4,075	1,109	1,259	326	1,381	8,819	14,620	3,567	3,228	4,077	3,749	12
2,789	2,573	2,695	2,533	7,259	6,848	1,817	1,647	1,788	1,597	3,383	3,239	830	776	810	823	13
184	162	193	245	87	83	7	5	8	63	295	447	109	101	114	122	14
3	3	7	4							(*)	(*)	(*)	(*)	(*)		15
-28,820	-31,654	-30,619	-31,484	-32,784	-36,963	-8,739	-9,322	-8,973	-9,928	-69,325	-75,106	-17,758	-19,663	-18,844	-18,842	16
-17,255	-19,112	-18,517	-19,602	-14,474	-15,140	-3,500	-3,877	-3,649	-4,114	-45,178	-52,643	-12,241	-13,554	-13,180	-13,668	17
-1,973	-1,828	-1,771	-1,781	-855	-909	-228	-241	-220	-220	-5,994	-5,911	-1,635	-1,453	-1,407	-1,416	18
-468	-1,281	-1,615	-788	-1,645	-1,429	-158	-454	-536	-281	-2,323	-2,116	-240	-657	-823	-396	19
-896	-1,133	-1,000	-852	-1,535	-1,346	-296	-356	-339	-355	-2,174	-1,852	-425	-585	-478	-364	20
-989	-1,041	-1,112	-1,094	-814	-835	-184	-208	-223	-220	-2,071	-2,153	-509	-534	-551	-560	21
-70	-87	-84	-92	-83	-102	-19	-28	-27	-28	-204	-223	-49	-58	-54	-61	22
-65	-66	-66	-68	-89	-124	-30	-31	-31	-32	-140	-137	-34	-34	-34	-35	23
73	64	78	71	83	75	27	13	18	17	80	215	41	54	63	57	24
-173	-179	-183	-186	-256	-297	-71	-74	-76	-77	-329	-355	-85	-88	-90	-92	25
-112	-94	-100	-86	-66	-50	-16	-8	-14	-11	-274	-262	-77	-62	-66	-58	26
-1,682	-1,290	-635	-972	-2,410	-2,607	-1,032	-517	-327	-731	-3,077	-1,952	-644	-754	-335	-219	27
-3,651	-3,987	-3,791	-4,396	-8,718	-12,258	-2,777	-3,031	-3,003	-3,447	-3,192	-3,317	-806	-892	-729	-889	28
-1,559	-1,622	-1,774	-1,923	-1,923	-1,939	-454	-511	-546	-429	-4,448	-4,400	-1,052	-1,047	-1,160	-1,141	29
-3	-3	-7	-4							(*)	(*)	(*)	(*)	(*)		30
8	18	6	-30	231	294	73	81	86	54	-2	149	-2	45	61	45	31
-14	-58	-95	-76	-83	-87	-22	-21	-22	-22	-20	-18	-4	-3	-3	-3	32
-150	-154	-156	-154	-83	-87	-22	-21	-22	-22	-337	-361	-87	-92	-93	-89	33
172	230	257	199	314	351	94	102	108	76	356	528	88	140	182	138	34
-5,532	-15,748	-20,293	-7,852	-16,187	-23,686	-1,887	-8,920	-13,610	731	-12,329	-25,545	-3,423	-6,798	-6,660	-8,663	35
-550	-1,661	-204	-102	-18	-2	-1	-1	-1	-1	-663	-2,514	-550	-1,660	-204	-101	36
																37
																38
-550	-1,661	-204	-102	-18	-2	-1	-1	-1	-1	-663	-2,514	-550	-1,660	-204	-101	40
99	-78	-10	229	119	197	59	6	20	112	150	185	-3	68	85	35	41
-89	-253	-248	-174	-37	-37	-3	-5	-5	-3	-25	29	-26	50	-16	22	44
229	126	244	395	158	202	63	11	14	114	176	156	23	18	101	13	43
-40	49	-7	7	-2	-6	-3	-5	5	-3	-25	29	-26	50	-16	22	44
-5,081	-14,009	-20,079	-7,978	-16,288	-23,880	-1,946	-8,925	-13,629	620	-11,816	-23,215	-2,871	-5,205	-6,542	-8,597	45
-4,932	-4,006	-5,068	-2,415	-5,208	-3,813	-2,161	-1,742	-385	475	-6,034	-11,249	-2,435	-1,937	-4,395	-2,482	46
-7,388	-3,591	-4,765	-3,338	-6,170	-14,587	-5,862	-2,334	-4,243	-2,148	-4,922	-4,299	-1,562	-1,283	-592	-863	47
-262	-1,769	-681	n.a.	-460	n.a.	-359	-1,786	-579	n.a.	124	n.a.	89	18	-116	n.a.	48
7,501	-4,643	-9,565	-2,226	-4,450	-2,756	6,436	-3,063	-8,422	2,293	-984	-7,658	1,037	-2,004	-1,439	-5,252	49
15,379	26,845	27,448	27,412	47,601	61,991	16,126	16,964	17,192	11,709	12,169	32,820	-742	8,183	10,660	14,719	50
(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	51
(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	52
(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	53
(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	54
-19	120	107	141	34	50	43	13	22	-28	29	17	(*)	-79	10	85	55
(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	56
(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	57
(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	58
-226	2,596	3,964	10,449	5,303	7,166	133	289	2,285	4,460	3,889	9,528	-357	2,276	1,658	5,950	59
(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	60
11,736	13,115	9,704	7,467	34,175	38,293	10,653	11,691	9,032	6,917	3,254	3,624	1,035	1,324	703	562	61
-428	-409	902	n.a.	478	n.a.	-449	-27	739	n.a.	-135	n.a.	-13	-373	149	n.a.	62
<sup>16</sup> 4,316	<sup>16</sup> 11,423	<sup>16</sup> 12,771	<sup>16</sup> 9,355	<sup>16</sup> 7,611	<sup>16</sup> 16,219	<sup>16</sup> 5,747	<sup>16</sup> 4,998	<sup>16</sup> 5,114	<sup>16</sup> 360	<sup>16</sup> 5,132	<sup>16</sup> 19,888	<sup>16</sup> -1,408	<sup>16</sup> 5,034	<sup>16</sup> 8,140	<sup>16</sup> 8,122	63
																64
-5,634	-3,653	35	-14,545	-27,282	-27,670	-12,299	-5,516	-350	-9,505	17,786	5,547	6,669	3,243	-463	-3,901	65
-3,912	-6,330	-6,725	-5,321	-3,387	-4,033	-655	-1,050	-1,109	-1,219	-13,539	-17,291	-3,301	-4,906	-5,214	-3,870	66
-4,222	-7,462	-7,195	-4,936	-4,363	-10,929	-2,013	-2,609	-3,318	-2,989	-17,624	-12,971	-2,501	-4,873	-3,598	-2,200	67
-4,200	-7,336	-7,094	-4,940	-4,132	-10,635	-1,940	-2,528	-3,232	-2,935	-17,605	-12,805	-2,499	-4,624	-3,529	-2,152	68
-4,214	-7,444	-7,190	-5,016	-4,132	-10,635	-1,940	-2,528	-3,232	-2,935	-17,625	-12,822	-2,503	-4,627	-3,537	-2,155	69

Table 10.—U.S. International

[Millions]

Line	(Credits +; debits -) <sup>1</sup>	Eastern Europe						Canada	
		1985	1986 <sup>p</sup>	1986				1985	1986 <sup>p</sup>
				I	II	III <sup>r</sup>	IV <sup>p</sup>		
1	Exports of goods and services <sup>2</sup> .....	3,812	2,872	927	640	818	488	70,541	72,066
2	Merchandise, adjusted, excluding military <sup>3</sup> .....	3,258	2,025	834	524	278	389	53,879	54,249
3	Transfers under U.S. military agency sales contracts.....							111	101
4	Travel.....							3,087	3,178
5	Passenger fares.....								
6	Other transportation.....	98	79	19	20	20	20	926	962
7	Royalties and license fees from affiliated foreigners <sup>4</sup> .....							477	488
8	Royalties and license fees from unaffiliated foreigners.....	24	28	7	7	7	7	86	100
9	Other private services from affiliated foreigners.....							767	888
10	Other private services from unaffiliated foreigners.....	83	87	22	22	22	22	700	777
11	U.S. Government miscellaneous services.....	11	5	2	1	1	2	52	32
	Receipts of income on U.S. assets abroad:								
12	Direct investment.....							4,070	5,076
13	Other private receipts.....	166	143	37	40	36	31	6,383	6,167
14	U.S. Government receipts.....	172	506	7	27	455	18	53	48
15	Transfers of goods and services under U.S. military grant programs, net.....								
16	Imports of goods and services.....	-2,205	-2,395	-553	-691	-611	-541	-78,891	-77,373
17	Merchandise, adjusted, excluding military <sup>3</sup> .....	-1,847	-1,997	-474	-591	-477	-455	-71,173	-70,284
18	Direct defense expenditures.....	-3	-3	-1	-1	-1	-1	-250	-230
19	Travel.....	-96	-84	-4	-19	-53	-8	-2,694	-3,276
20	Passenger fares.....								
21	Other transportation.....	-163	-212	-51	-51	-56	-54	-725	-671
22	Royalties and license fees to affiliated foreigners <sup>4</sup> .....							-15	-9
23	Royalties and license fees to unaffiliated foreigners.....	-2	-1	(*)	(*)	(*)	(*)	-12	-11
24	Other private services to affiliated foreigners.....							-326	120
25	Other private services to unaffiliated foreigners.....	-25	-28	-7	-7	-7	-7	-423	-425
26	U.S. Government miscellaneous services.....	-40	-39	-9	-12	-9	-9	-107	-90
	Payments of income on foreign assets in the United States:								
27	Direct investment.....							-695	50
28	Other private payments.....	-29	-30	-6	-10	-7	-6	-1,969	-1,943
29	U.S. Government payments.....	-1	-2	-1	(*)	-1	(*)	-503	-604
30	U.S. military grants of goods and services, net.....								
31	Unilateral transfers (excluding military grants of goods and services), net.....	-197	-156	-34	-44	-38	-40	-235	-262
32	U.S. Government grants (excluding military grants of goods and services).....	-50	-22	-2	-13	-5	-2		
33	U.S. Government pensions and other transfers.....	-21	-19	-6	-5	-3	-6	-272	-288
34	Private remittances and other transfers.....	-126	-114	-26	-26	-31	-31	37	26
35	U.S. assets abroad, net (increase/capital outflow (-)).....	425	-1,152	-312	-287	52	-606	1,173	-8,718
36	U.S. official reserve assets, net <sup>5</sup> .....								
37	Gold.....								
38	Special drawing rights.....								
39	Reserve position in the International Monetary Fund.....								
40	Foreign currencies.....								
41	U.S. Government assets, other than official reserve assets, net.....	39	-315	12	28	-385	30	90	68
42	U.S. credits and other long-term assets.....	-60	-1,769		-5	-1,755	-8	-7	-7
43	Repayments on U.S. credits and other long-term assets <sup>6</sup> .....	9	602	14	33	518	38	94	68
44	U.S. foreign currency holdings and U.S. short-term assets, net.....	9	851	-2	(*)	853	(*)	3	7
45	U.S. private assets, net.....	386	-837	-324	-314	437	-636	1,033	-3,786
46	Direct investment.....							769	-2,875
47	Foreign securities.....		(*)		-3		3	-1,686	-882
48	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	50	n.a.	8	-26	-10	n.a.	681	n.a.
49	U.S. claims reported by U.S. banks, not included elsewhere.....	336	-809	-332	-285	447	-639	1,319	-4,692
50	Foreign assets in the United States, net (increase/capital inflow (+)).....	-17	137	3	206	-40	-32	1,153	11,600
51	Foreign official assets in the United States, net.....	(16)	(16)	(16)	(16)	(16)	(16)	-213	765
52	U.S. Government securities.....	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)
53	U.S. Treasury securities <sup>7</sup> .....	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)
54	Other <sup>8</sup> .....	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)
55	Other U.S. Government liabilities <sup>9</sup> .....	(*)	(*)	(*)	4	-4	(*)	(*)	76
56	U.S. liabilities reported by U.S. banks, not included elsewhere.....	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)
57	Other foreign official assets <sup>10</sup> .....	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)
58	Other foreign assets in the United States, net.....	(16)	(16)	(16)	(16)	(16)	(16)	1,366	10,834
59	Direct investment.....							572	927
60	U.S. Treasury securities.....	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)
61	U.S. securities other than U.S. Treasury securities.....	-29	n.a.	-15		28	n.a.	543	1,340
62	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....							-526	n.a.
63	U.S. liabilities reported by U.S. banks, not included elsewhere.....	16 12	16 126	16 18	16 204	16 -64	16 -32	(16)	(16)
64	Allocations of special drawing rights.....								
65	Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed).....	-1,817	694	-30	176	-181	730	6,259	2,688
	Memoranda:								
66	Balance on merchandise trade (lines 2 and 17).....	1,411	28	360	-67	-199	-66	-17,294	-16,035
67	Balance on goods and services (lines 1 and 16) <sup>11</sup> .....	1,606	477	374	-51	207	-53	-8,350	-5,307
68	Balance on goods, services, and remittances (lines 67, 33, and 34).....	1,460	343	342	-82	174	-90	-8,584	-5,569
69	Balance on current account (lines 67 and 31) <sup>12</sup> .....	1,410	322	340	-95	169	-92	-8,584	-5,569

See footnotes on page 62.

Transactions, by Area—Continued

of dollars]

Canada				Latin American Republics and Other Western Hemisphere						Japan				Line		
1986				1985	1986 <sup>p</sup>	1986				1985	1986 <sup>p</sup>	1986				
I	II	III <sup>r</sup>	IV <sup>p</sup>			I	II	III <sup>r</sup>	IV <sup>p</sup>			I	II		III <sup>r</sup>	IV <sup>p</sup>
17,524	18,703	16,874	18,965	62,992	61,172	14,747	15,511	15,331	15,583	32,792	39,842	8,864	11,351	10,144	9,483	1
13,044	13,888	12,741	14,576	30,788	30,928	7,101	7,951	7,878	7,998	22,145	26,375	5,434	7,813	6,631	6,497	2
24	29	29	20	478	293	67	92	93	41	385	218	83	42	62	31	3
928	864	790	596	3,567	3,733	818	871	966	1,078	1,418	1,610	402	371	515	322	4
210	234	237	281	459	590	115	146	208	121	798	853	192	285	201	175	5
107	123	130	128	133	145	32	34	36	44	476	725	132	187	190	216	7
25	25	25	25	97	109	27	27	27	28	576	665	163	165	167	170	8
211	244	204	229	174	215	55	60	38	62	-101	-191	-40	-38	-41	-73	9
195	194	199	190	1,414	1,474	390	365	352	368	263	286	70	72	72	73	10
2	4	23	4	104	90	29	21	21	19	15	17	10	2	3	3	11
1,195	1,526	960	1,895	2,724	3,395	806	801	766	1,022	1,594	3,299	959	969	910	461	12
1,564	1,567	1,520	1,516	20,796	17,685	4,802	4,538	4,208	4,137	3,045	3,559	858	905	813	983	13
19	7	16	6	574	592	131	145	216	100	184	345	97	75	81	92	14
				10	21	4	4	7	5	-1	-1			-1		15
-19,070	-20,003	-19,313	-18,988	-70,318	-66,228	-17,198	-16,593	-15,892	-16,545	-78,059	-95,772	-21,517	-24,347	-24,867	-25,042	16
-17,612	-18,050	-16,656	-17,966	-46,110	-41,520	-10,731	-10,497	-9,813	-10,479	-65,653	-81,011	-18,164	-20,539	-21,009	-21,299	17
-58	-50	-63	-60	-306	-372	-88	-89	-97	-98	-1,588	-1,922	-428	-531	-473	-490	18
-325	-798	-1,642	-511	-5,748	-6,485	-1,770	-1,551	-1,562	-1,602	-454	-737	-114	-268	-205	-150	19
-147	-167	-182	-174	-626	-708	-160	-226	-217	-105	-311	-333	-115	-96	-50	-20	20
-4	-2	-2	-1	-1,878	-1,636	-400	-395	-425	-416	-2,727	-2,982	-709	-745	-768	-759	21
-3	-3	-3	-3	-19	-19	-5	-5	-4	-5	-71	-111	-24	-26	-28	-34	22
-24	72	-10	81	-14	-12	-3	-3	-3	-3	-66	-85	-23	-22	-20	-20	23
-104	-106	-107	-108	30	-65	1	-23	-22	-22	321	427	104	89	99	136	24
-9	-12	-64	-6	-1,918	-2,003	-513	-502	-480	-508	-120	-160	-38	-40	-41	-42	25
				-268	-266	-82	-61	-70	-54	-42	-57	-21	-12	-13	-10	26
-140	-262	40	412	290	100	36	-23	76	10	-1,709	-1,241	-244	-315	-313	-369	27
-521	-477	-456	-490	-12,891	-12,018	-3,174	-2,908	-2,962	-2,975	-1,628	-2,361	-529	-572	-617	-644	28
-123	-149	-169	-163	-862	-1,223	-310	-310	-314	-290	-4,013	-5,201	-1,255	-1,252	-1,382	-1,311	29
				-10	-21	-4	-4	-7	-5	1	1			1		30
-57	-75	-64	-65	-2,709	-2,488	-632	-676	-696	-484	-54	-54	-25	-19	9	-20	31
				-1,617	-1,436	-388	-398	-434	-216							32
-71	-72	-73	-72	-405	-424	-94	-115	-106	-109	6	-3	-8	-8	20	-8	33
14	-3	8	7	-687	-628	-149	-163	-157	-160	-59	-51	-17	-11	-11	-12	34
-4,737	-715	346	-3,612	2,804	-14,948	1,236	-5,884	-8,464	-1,836	-6,071	-25,607	-4,972	-5,488	-1,214	-13,933	35
				500	-198		-75	-212	89	-1,635	-313	-83	-72	-69	-89	36
																37
																38
				500	-198		-75	-212	89	-1,635	-313	-83	-72	-69	-89	40
19	4	17	28	-1,042	-763	-86	-117	-322	-239	86	85	35	15	29	6	41
	-7			-2,310	-399	-399	-519	-736	-420	-13						42
13	14	13	28	1,214	1,220	280	402	336	201	99	87	33	13	31	10	43
6	-4	4	1	54	92	33	(*)	78	-20	-1	-2	3	1	-1	-5	44
-4,756	-719	329	-3,640	3,345	-13,986	1,322	-5,692	-7,929	-1,686	-4,522	-25,379	-4,925	-5,431	-1,174	-13,849	45
-1,003	-413	-934	-476	-3,875	-7,795	-2,650	-3,131	-2,122	107	-1,131	-1,322	-511	-762	-66	-484	46
-1,029	-187	619	-285	1,957	3,171	378	1,333	777	683	-782	7,797	629	-126	2,317	4,977	47
-806	-345	814	n.a.	781	n.a.	-2,076	1,007	431	n.a.	50	n.a.	338	-183	161	n.a.	48
-1,918	226	-120	-2,880	4,483	-7,862	5,669	-4,902	-6,153	-2,476	-2,659	-31,670	-5,381	-4,361	-3,586	-18,342	49
6,597	1,786	1,042	2,174	20,191	29,127	-2,099	1,867	16,873	12,486	31,930	52,870	10,976	8,476	22,724	10,694	50
159	110	108	388	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	51
(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	52
(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	53
(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	54
28	27	11	10	-142	-5	-3	52	-84	30	-202	64	-109	40	108	24	55
(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	56
(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	57
6,438	1,677	934	1,786	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	58
884	603	-425	-134	684	45	-439	-380	327	587	3,081	4,743	505	489	886	2,364	59
(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	60
-91	409	600	422	2,209	4,019	543	1,924	1,004	548	5,717	13,312	2,881	2,434	4,810	3,187	61
-80	-542	-96	n.a.	-2,076	n.a.	-688	-222	-579	n.a.	502	n.a.	288	42	213	n.a.	62
(15)	(15)	(15)	(15)	16 19,516	16 26,557	16 -1,513	16 493	16 16,205	16 11,372	16 22,832	16 34,208	16 7,411	16 5,471	16 16,707	16 4,619	63
																64
-257	304	1,115	1,526	-12,959	-6,636	3,946	5,775	-7,153	-9,205	19,463	28,721	6,674	10,026	-6,796	18,816	65
-4,568	-4,162	-3,915	-3,390	-15,322	-10,592	-3,630	-2,546	-1,935	-2,481	-43,508	-54,636	-12,730	-12,726	-14,378	-14,802	66
-1,546	-1,300	-2,439	-22	-7,326	-5,055	-2,451	-1,082	-561	-962	-45,287	-55,930	-12,653	-12,995	-14,723	-15,559	67
-1,603	-1,375	-2,504	-88	-8,419	-6,108	-2,695	-1,360	-823	-1,230	-45,321	-55,984	-12,678	-13,014	-14,714	-15,578	68
-1,603	-1,375	-2,504	-88	-10,036	-7,543	-3,083	-1,758	-1,257	-1,446	-45,321	-55,984	-12,678	-13,014	-14,714	-15,578	69

Table 10.—U.S. International

[Millions]

Line	(Credits +; debits -) <sup>1</sup>	Australia, New Zealand, and South Africa					
		1985	1986 <sup>p</sup>	1986			
				I	II	III <sup>r</sup>	IV <sup>p</sup>
1	Exports of goods and services <sup>2</sup> .....	10,804	11,037	2,987	2,490	2,668	2,893
2	Merchandise, adjusted, excluding military <sup>3</sup> .....	6,967	7,109	1,859	1,580	1,770	1,900
3	Transfers under U.S. military agency sales contracts.....	586	479	100	112	142	126
4	Travel.....	442	495	87	153	179	76
5	Passenger fares.....	241	237	42	65	49	81
6	Other transportation.....	348	348	79	83	95	91
7	Royalties and license fees from affiliated foreigners <sup>4</sup> .....	235	273	51	63	84	76
8	Royalties and license fees from unaffiliated foreigners.....	65	75	18	19	19	19
9	Other private services from affiliated foreigners.....	232	203	48	54	54	46
10	Other private services from unaffiliated foreigners.....	267	288	71	71	71	74
11	U.S. Government miscellaneous services.....	29	12	6	(*)	4	3
	Receipts of income on U.S. assets abroad:						
12	Direct investment.....	483	737	417	81	4	235
13	Other private receipts.....	882	758	203	201	193	161
14	U.S. Government receipts.....	28	23	5	7	5	5
15	Transfers of goods and services under U.S. military grant programs, net.....						
16	Imports of goods and services.....	-7,610	-8,004	-1,887	-1,849	-1,968	-2,300
17	Merchandise, adjusted, excluding military <sup>3</sup> .....	-5,601	-5,958	-1,413	-1,383	-1,474	-1,688
18	Direct defense expenditures.....	-54	-44	-15	-10	-10	-10
19	Travel.....	-614	-720	-182	-175	-134	-229
20	Passenger fares.....	-397	-432	-86	-83	-138	-125
21	Other transportation.....	-417	-372	-75	-91	-104	-102
22	Royalties and license fees to affiliated foreigners <sup>4</sup> .....	-3	-4	-1	-1	-1	-1
23	Royalties and license fees to unaffiliated foreigners.....	-4	-7	-2	-2	-2	-2
24	Other private services to affiliated foreigners.....	1	(*)	1	(*)	-1	-1
25	Other private services to unaffiliated foreigners.....	-52	-60	-14	-15	-15	-16
26	U.S. Government miscellaneous services.....	-42	-66	-25	-18	-12	-11
	Payments of income on foreign assets in the United States:						
27	Direct investment.....	31	16	14	18	1	-17
28	Other private payments.....	-130	-145	-36	-37	-35	-37
29	U.S. Government payments.....	-327	-212	-53	-53	-44	-62
30	U.S. military grants of goods and services, net.....						
31	Unilateral transfers (excluding military grants of goods and services), net.....	-71	-80	-18	-19	-21	-21
32	U.S. Government grants (excluding military grants of goods and services).....	-1	-2	(*)	-1	(*)	-1
33	U.S. Government pensions and other transfers.....	-20	-21	-5	-5	-5	-5
34	Private remittances and other transfers.....	-50	-57	-13	-14	-16	-15
35	U.S. assets abroad, net (increase/capital outflow (-)).....	828	-1,083	-536	831	-125	-1,254
36	U.S. official reserve assets, net <sup>5</sup> .....						
37	Gold.....						
38	Special drawing rights.....						
39	Reserve position in the International Monetary Fund.....						
40	Foreign currencies.....						
41	U.S. Government assets, other than official reserve assets, net.....	48	98	15	73	8	3
42	U.S. credits and other long-term assets.....	-6					
43	Repayments on U.S. credits and other long-term assets <sup>6</sup> .....	56	126	11	75	12	28
44	U.S. foreign currency holdings and U.S. short-term assets, net.....	-2	-28	4	-2	-4	-25
45	U.S. private assets, net.....	780	-1,182	-550	758	-133	-1,257
46	Direct investment.....	255	139	-175	114	543	-344
47	Foreign securities.....	(*)	-1,878	-630	132	-349	-1,032
48	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	31	n.a.	26	10	-63	n.a.
49	U.S. claims reported by U.S. banks, not included elsewhere.....	494	584	228	502	-264	118
50	Foreign assets in the United States, net (increase/capital inflow (+)).....	-1,443	4,240	1,139	499	-68	2,669
51	Foreign official assets in the United States, net.....	(16)	(16)	(16)	(16)	(16)	(16)
52	U.S. Government securities.....	(16)	(16)	(16)	(16)	(16)	(16)
53	U.S. Treasury securities <sup>7</sup> .....	(16)	(16)	(16)	(16)	(16)	(16)
54	Other <sup>8</sup> .....	(16)	(16)	(16)	(16)	(16)	(16)
55	Other U.S. Government liabilities <sup>9</sup> .....	125	217	81	67	51	17
56	U.S. liabilities reported by U.S. banks, not included elsewhere.....	(16)	(16)	(16)	(16)	(16)	(16)
57	Other foreign official assets <sup>10</sup> .....	(16)	(16)	(16)	(16)	(16)	(16)
58	Other foreign assets in the United States, net.....	(16)	(16)	(16)	(16)	(16)	(16)
59	Direct investment.....	559	683	-68	193	176	382
60	U.S. Treasury securities.....	(16)	(16)	(16)	(16)	(16)	(16)
61	U.S. securities other than U.S. Treasury securities.....	171	430	75	266	60	29
62	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	-262	n.a.	-44	16	6	n.a.
63	U.S. liabilities reported by U.S. banks, not included elsewhere.....	<sup>16</sup> -2,036	<sup>16</sup> 2,932	<sup>16</sup> 1,095	<sup>16</sup> -43	<sup>16</sup> -361	<sup>16</sup> 2,241
64	Allocations of special drawing rights.....						
65	Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed).....	-2,508	-6,109	-1,685	-1,952	-485	-1,987
	Memoranda:						
66	Balance on merchandise trade (lines 2 and 17).....	1,366	1,151	446	197	296	212
67	Balance on goods and services (lines 1 and 16) <sup>11</sup> .....	3,194	3,033	1,100	641	699	593
68	Balance on goods, services, and remittances (lines 67, 33, and 34).....	3,125	2,955	1,082	622	678	572
69	Balance on current account (lines 67 and 31) <sup>11</sup> .....	3,124	2,953	1,082	622	678	572

See footnotes on page 62.

Transactions, by Area—Continued

of dollars]

Other countries in Asia and Africa						International organizations and unallocated <sup>14</sup>						Line
1985	1986 <sup>p</sup>	1986				1985	1986 <sup>p</sup>	1986				
		I	II	III <sup>r</sup>	IV <sup>p</sup>			I	II	III <sup>r</sup>	IV <sup>p</sup>	
66,134	64,067	16,033	15,678	15,853	16,503	4,747	3,954	1,079	1,023	881	972	1
41,180	40,367	9,985	10,025	10,088	10,269	192						2
5,243	6,145	1,108	1,414	1,427	2,196							3
936	987	259	246	332	150							4
375	310	53	80	106	71							5
3,671	3,731	947	880	940	964	932	1,022	234	253	271	263	6
115	145	31	30	45	39	(*)						7
218	255	62	63	64	65							8
599	610	167	142	148	153	61	-22	-24	10	-4	-4	9
1,653	1,705	423	426	427	429	1,250	1,384	329	332	338	385	10
288	221	60	53	58	50	184	3	1	1	1	1	11
4,630	3,039	1,152	726	578	584	277	-127	45	27	-175	-24	12
4,561	3,591	1,005	938	840	809	982	884	234	218	222	210	13
2,664	2,961	782	655	799	725	869	810	260	182	227	141	14
27	33	13	5	6	9							15
-87,769	-96,167	-22,574	-22,812	-25,882	-24,899	-2,970	-2,874	-804	-748	-710	-612	16
-71,025	-79,363	-18,424	-18,625	-21,573	-20,741							17
-2,153	-1,723	-432	-438	-429	-425							18
-1,401	-1,469	-309	-425	-387	-343							19
-509	-596	-93	-127	-162	-154	-68	-68	-20	-12	-18	-18	20
-3,521	-3,959	-901	-1,011	-1,027	-1,021	-1,327	-1,440	-327	-351	-393	-368	21
14	5	-1	8	-1	-2							22
-7	-7	-2	-2	-2	-2							23
608	634	169	169	181	115							24
-548	-604	-147	-150	-154	-154	-110	-122	-30	-29	-30	-33	25
-657	-641	-162	-157	-172	-151	-1	-1		-1			26
345	211	9	106	14	82							27
-3,529	-3,581	-926	-911	-888	-856	-850	-245	-81	-52	-53	-60	28
-5,381	-5,133	-1,357	-1,251	-1,284	-1,242	-1,114	-998	-346	-303	-217	-132	29
-27	-33	-13	-5	-6	-9							30
-9,735	-10,637	-1,911	-2,702	-3,081	-2,942	-1,242	-884	-179	-268	-112	-325	31
-8,199	-9,161	-1,491	-2,349	-2,770	-2,551	-785	-614	-158	-199	-100	-157	32
-313	-318	-80	-80	-75	-83	-438	-258	-20	-57	-12	-168	33
-1,223	-1,157	-340	-273	-236	-309	-19	-13	-1	-12			34
2,058	187	-884	1,719	-717	69	-246	-635	430	17	1,137	-2,218	35
						12	1,254	70	262	671	252	36
						-897	-246	-274	-104	163	-31	37
						908	1,501	344	366	508	283	38
												39
												40
-1,552	-558	-412	267	-282	-132	-821	-924	-98	-267	-559		41
-3,568	-3,070	-1,042	-487	-836	-706	-824	-927	-102	-267	-559		42
1,916	2,487	609	754	513	612	4	4	4		(*)		43
100	24	21	(*)	41	-38							44
3,610	746	-472	1,452	-436	202	564	-965	457	22	1,025	-2,470	45
-117	-581	-1,320	57	51	631	-40	305	26	-105	365	19	46
1,288	3,453	502	831	1,524	595	922	707	-153	222	227	412	47
442	n.a.	55	83	55	n.a.	3	n.a.	-3	2		n.a.	48
1,996	-2,320	290	481	-2,066	-1,025	-321	-1,976	587	-96	434	-2,901	49
3,697	13,368	4,525	3,214	4,929	701	388	-1,497	3,513	-1,754	-4,544	1,288	50
(16)	(16)	(16)	(16)	(16)	(16)	-138	(*)	(*)	(*)			51
(16)	(16)	(16)	(16)	(16)	(16)							52
(16)	(16)	(16)	(16)	(16)	(16)							53
(16)	(16)	(16)	(16)	(16)	(16)							54
(16)	(16)	(16)	(16)	(16)	(16)							55
425	244	282	113	820	-972	-138	(*)	(*)	(*)			56
(16)	(16)	(16)	(16)	(16)	(16)							57
(16)	(16)	(16)	(16)	(16)	(16)							58
-165	551	165	-60	322	124	526	-1,497	3,513	-1,754	-4,544	1,288	59
(16)	(16)	(16)	(16)	(16)	(16)							60
751	2,750	686	765	802	497	-35	193	178	712	-395	-302	61
351	n.a.	-1,010	-359	-330	n.a.	152	n.a.	15	-3	27	n.a.	62
<sup>16</sup> 2,335	<sup>16</sup> 11,523	<sup>16</sup> 4,402	<sup>16</sup> 2,755	<sup>16</sup> 3,315	<sup>16</sup> 1,051	<sup>16</sup> 409	<sup>16</sup> -1,729	<sup>16</sup> 3,320	<sup>16</sup> -2,463	<sup>16</sup> -4,176	<sup>16</sup> 1,590	63
												64
25,615	29,183	4,812	4,904	8,898	10,568	-677	1,935	-4,039	1,731	3,348	895	65
-29,845	-38,996	-8,439	-8,600	-11,485	-10,472	192						66
-21,635	-32,101	-6,542	-7,135	-10,029	-8,396	1,777	1,080	275	274	171	360	67
-23,171	-33,577	-6,962	-7,488	-10,340	-8,787	1,320	810	254	205	159	192	68
-31,370	-42,738	-8,453	-9,837	-13,110	-11,338	535	196	96	6	59	35	69

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

General notes for all tables:

\* Revised.

\* Less than \$500,000 ( $\pm$ ).

P Preliminary.

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; increase in foreign official assets in the United States.

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; decrease in foreign official assets in the United States.

2. Excludes transfers of goods and services under U.S. military grant programs (see line 15).

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. Beginning in 1982, line 7 and line 22 are redefined to include only net receipts and payments for the use or sale of intangible property rights, including patents, industrial processes, trademarks, copyrights, franchises, designs, know-how, formulas, techniques, and manufacturing rights. Other direct investment services, net, which includes fees for management, professional and technical services, charges for use of tangible property, film and television tape rentals, and all other charges and fees are shown in line 9 and line 24. Data on the redefined basis are not separately available prior to 1982.

5. For all areas, amounts outstanding December 31, 1986, were as follows in millions of dollars: line 36, 43,516; line 37, 11,063; line 38, 8,394; line 39, 11,729; line 40, 17,328. Data are preliminary.

6. Includes sales of foreign obligations to foreigners.

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

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

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

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

11. Conceptually, the sum of lines 63 and 64 is equal to "net foreign investment" in the national income and product accounts (NIPA's). 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 measure of income receipts from direct investment abroad, and from the corresponding income payments, (c) includes an adjustment for the different geographical treatment of transactions with U.S. territories and Puerto Rico, and (d) includes an adjustment for services furnished without payment by financial intermediaries, except life insurance carriers and private nonresident pension plans. In addition, for NIPA purposes, U.S. Government interest payments to foreigners are excluded from "net exports of goods and services" but included with transfers in "net foreign investment." A reconciliation table of the international accounts and the NIPA foreign transactions account appears in the "Reconciliation and other Special Tables" section in this issue of the SURVEY OF CURRENT BUSINESS.

## 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). Both unadjusted and seasonally adjusted data have been prepared by BEA from "actual" and "revised statistical" month data supplied by the Census Bureau (see Technical Notes, December 1985 SURVEY). The seasonally adjusted data are the summation of seasonally adjusted 4-digit end-use commodity categories (see Technical Notes, June 1980 SURVEY).

2. Adjustments in lines A5 and A13, B12, B46, and B80 reflect the Census Bureau's reconciliation of discrepancies between 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 A14), 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 13 (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; and coverage adjustments for special situations in which shipments were omitted from Census data.

5. Deduction of foreign charges for repair of U.S. vessels abroad, which are included in tables 1, 2, and 10, line 21 (other transportation); and coverage adjustments for special situations in which shipments were omitted from Census data.

6. Annual and unadjusted quarterly data shown in this table correspond to country and area data in table 10, lines 2 and 17. 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, 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. For all years, "Asia" and "Africa" exclude certain Pacific Islands and unidentified countries included in "Other countries in Asia and Africa."

7. 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 A40 and A43 to reduce short-term assets previously recorded in lines A38 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 A39 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 A34. 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 A45.

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.

4. Line A35 includes foreign currency collected as interest and line A40 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 lines 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.

## 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 47.

## 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 1-11, see table 1.

12. The "European Communities (10)" includes the "European Communities (6)," United Kingdom, Denmark, Ireland, and Greece. "European Communities (12)" reflects the admission of Spain and Portugal in 1986.

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

14. 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.

15. Details not shown separately; see totals in lines 51 and 58.

16. Details not shown separately are included in line 63.



## Constant-Dollar Inventories, Sales, and Inventory-Sales Ratios for Manufacturing and Trade

Tables 1, 2, and 3 present quarterly and monthly constant-dollar inventories, sales, and inventory-sales ratios, respectively. Table 4 presents quarterly fixed-weighted constant-dollar inventory-sales ratios, i.e., ratios obtained by weighting detailed industry ratios by 1982 sales. Table 5 presents quarterly and monthly inventories for manufacturing by stage of fabrication. Quarterly constant-dollar manufacturing and trade inventories, sales, and inventory-sales ratios for 1983 forward were published in

the September 1986 SURVEY. Quarterly and monthly constant-dollar manufacturing and trade inventories, sales, and inventory-sales ratios for 1967-86, and constant-dollar manufacturing inventories by stage of fabrication for 1959-86, are available in hard copy at a cost of \$50.00 from the National Income and Wealth Division (BE-54), Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

**Table 1.—Manufacturing and Trade Inventories in Constant Dollars, Seasonally Adjusted, End of Period**

[Billions of 1982 dollars]

	1986						1987
	III	IV	Sept.	Oct. <sup>r</sup>	Nov.	Dec.	Jan. <sup>p</sup>
<b>Manufacturing and trade</b> .....	<b>643.5</b>	<b>641.1</b>	<b>643.5</b>	<b>644.6</b>	<b>643.8</b>	<b>641.1</b>	<b>648.3</b>
<b>Manufacturing</b> .....	<b>322.5</b>	<b>321.7</b>	<b>322.5</b>	<b>321.7</b>	<b>321.9</b>	<b>321.7</b>	<b>324.1</b>
Durable goods.....	208.9	207.4	208.9	208.2	208.4	207.4	208.0
Primary metals.....	18.9	18.9	18.9	18.7	18.6	18.9	18.9
Fabricated metals.....	23.2	23.0	23.2	23.0	23.0	23.0	23.0
Machinery, except electrical.....	44.4	43.7	44.4	44.2	44.1	43.7	43.6
Electrical machinery.....	37.0	36.5	37.0	36.8	36.7	36.5	36.5
Transportation equipment.....	52.3	51.8	52.3	52.4	52.7	51.8	52.4
Motor vehicles.....	11.0	11.2	11.0	11.0	11.3	11.2	11.4
Other.....	41.3	40.6	41.3	41.4	41.3	40.6	41.0
Other durable goods <sup>1</sup> .....	33.1	33.5	33.1	33.1	33.3	33.5	33.6
Nondurable goods.....	113.6	114.3	113.6	113.5	113.4	114.3	116.1
Food and kindred products.....	23.4	23.2	23.4	23.3	23.1	23.2	24.5
Nonfood.....	90.2	91.1	90.2	90.2	90.3	91.1	91.5
Paper and allied products.....	10.5	10.5	10.5	10.3	10.4	10.5	10.5
Chemicals and allied products.....	27.8	28.7	27.8	28.0	28.1	28.7	28.9
Petroleum and coal products.....	15.3	15.2	15.3	15.2	15.0	15.2	15.1
Rubber and plastic products.....	7.6	7.7	7.6	7.6	7.7	7.7	7.7
Other nondurable goods <sup>2</sup> .....	29.0	29.0	29.0	29.0	29.1	29.0	29.4
Merchant wholesalers.....	153.2	152.1	153.2	151.9	152.0	152.1	153.3
Durable goods.....	98.1	96.4	98.1	97.5	98.3	96.4	98.3
Nondurable goods.....	55.1	55.7	55.1	54.4	53.7	55.7	55.0
Groceries and farm products.....	19.5	19.0	19.5	19.4	18.8	19.0	19.2
Other nondurable goods.....	35.5	36.7	35.5	35.0	34.9	36.7	35.8
Retail trade.....	167.8	167.3	167.8	170.9	169.9	167.3	170.9
Durable goods.....	81.8	81.0	81.8	83.9	83.4	81.0	84.3
Auto dealers.....	38.1	37.9	38.1	39.8	39.2	37.9	41.1
Other durable goods.....	43.7	43.2	43.7	44.1	44.2	43.2	43.2
Nondurable goods.....	85.9	86.2	85.9	87.1	86.6	86.2	86.6
Food stores.....	18.0	17.8	18.0	18.1	17.9	17.8	17.8
Other nondurable goods.....	68.0	68.5	68.0	69.0	68.7	68.5	68.8

See footnotes to table 4.

**Table 2.—Manufacturing and Trade Sales in Constant Dollars, Seasonally Adjusted Total at Monthly Rate**

[Billions of 1982 dollars]

	1986						1987
	III	IV	Sept.	Oct. <sup>r</sup>	Nov.	Dec.	Jan. <sup>p</sup>
<b>Manufacturing and trade</b> .....	<b>429.3</b>	<b>432.4</b>	<b>438.5</b>	<b>427.4</b>	<b>428.4</b>	<b>441.3</b>	<b>420.0</b>
<b>Manufacturing</b> .....	<b>190.5</b>	<b>194.3</b>	<b>191.4</b>	<b>191.2</b>	<b>192.8</b>	<b>198.9</b>	<b>190.6</b>
Durable goods.....	96.6	99.3	97.3	98.1	97.2	102.5	95.8
Primary metals.....	8.7	8.7	8.8	8.9	8.6	8.6	8.3
Fabricated metals.....	12.3	12.4	12.5	12.6	12.3	12.3	12.1
Machinery, except electrical.....	18.3	18.6	18.3	18.3	18.4	19.3	17.0
Electrical machinery.....	15.9	16.5	16.3	16.0	16.6	16.9	15.3
Transportation equipment.....	23.1	24.5	23.0	23.8	22.9	26.7	23.9
Motor vehicles.....	14.2	15.0	14.6	14.2	13.7	16.9	15.6
Other.....	8.9	9.5	8.4	9.6	9.2	9.8	8.4
Other durable goods <sup>1</sup> .....	18.3	18.5	18.5	18.5	18.4	18.7	19.2
Nondurable goods.....	93.9	95.0	94.1	93.1	95.6	96.4	94.8
Food and kindred products.....	25.2	25.3	25.2	25.2	25.5	25.4	25.8
Nonfood.....	68.8	69.7	68.9	67.9	70.1	71.0	69.0
Paper and allied products.....	8.6	8.6	8.6	8.5	8.5	8.9	8.7
Chemicals and allied products.....	16.4	16.6	16.5	16.6	16.4	17.0	17.2
Petroleum and coal products.....	19.7	19.9	19.1	18.9	20.6	20.2	19.4
Rubber and plastic products.....	5.4	5.6	5.5	5.5	5.6	5.6	5.7
Other nondurable goods <sup>2</sup> .....	18.6	18.9	19.1	18.5	18.9	19.4	18.0
Merchant wholesalers.....	119.2	120.3	122.5	120.2	120.0	120.7	117.2
Durable goods.....	52.5	53.5	53.6	53.4	53.0	54.1	52.0
Nondurable goods.....	66.7	66.8	68.9	66.9	67.0	66.6	65.3
Groceries and farm products.....	27.2	26.7	27.8	27.4	26.5	26.3	26.1
Other nondurable goods.....	39.5	40.1	41.1	39.5	40.5	40.3	39.1
Retail trade.....	119.6	117.8	124.7	116.0	115.6	121.8	112.2
Durable goods.....	48.1	46.2	53.6	44.6	44.1	50.0	41.3
Auto dealers.....	28.7	26.8	34.1	25.4	24.7	30.2	21.9
Other durable goods.....	19.3	19.5	19.5	19.3	19.4	19.8	19.5
Nondurable goods.....	71.5	71.5	71.1	71.3	71.5	71.8	70.9
Food stores.....	22.6	22.6	22.6	22.6	22.5	22.7	22.4
Other nondurable goods.....	48.9	48.9	48.5	48.8	49.0	49.1	48.5

See footnotes to table 4.

**Table 3.—Constant-Dollar Inventory-Sales Ratios for Manufacturing and Trade, Seasonally Adjusted**

[Ratio, based on 1982 dollars]

	1986						1987
	III	IV	Sept.	Oct. <sup>r</sup>	Nov.	Dec.	Jan. <sup>p</sup>
<b>Manufacturing and trade</b> .....	<b>1.50</b>	<b>1.48</b>	<b>1.47</b>	<b>1.51</b>	<b>1.50</b>	<b>1.45</b>	<b>1.54</b>
<b>Manufacturing</b> .....	<b>1.69</b>	<b>1.66</b>	<b>1.69</b>	<b>1.68</b>	<b>1.67</b>	<b>1.62</b>	<b>1.70</b>
Durable goods.....	2.16	2.09	2.15	2.12	2.14	2.02	2.17
Primary metals.....	2.18	2.17	2.16	2.11	2.16	2.19	2.28
Fabricated metals.....	1.88	1.85	1.85	1.82	1.88	1.87	1.91
Machinery, except electrical.....	2.42	2.35	2.43	2.42	2.40	2.27	2.56
Electrical machinery.....	2.33	2.21	2.27	2.30	2.21	2.16	2.39
Transportation equipment.....	2.27	2.12	2.28	2.20	2.30	1.94	2.19
Motor vehicles.....	.78	.75	.75	.77	.88	.67	.73
Other.....	4.66	4.26	4.93	4.33	4.50	4.12	4.91
Other durable goods <sup>1</sup> .....	1.81	1.81	1.79	1.79	1.81	1.80	1.75
Nondurable goods.....	1.21	1.20	1.21	1.22	1.19	1.19	1.22
Food and kindred products.....	.93	.92	.93	.93	.91	.91	.95
Nonfood.....	1.31	1.31	1.31	1.33	1.29	1.28	1.33
Paper and allied products.....	1.22	1.22	1.21	1.21	1.21	1.18	1.20
Chemicals and allied products.....	1.69	1.73	1.69	1.69	1.71	1.69	1.68
Petroleum and coal products.....	.77	.76	.80	.81	.73	.75	.78
Rubber and plastic products.....	1.41	1.38	1.38	1.36	1.36	1.38	1.35
Other nondurable goods <sup>2</sup> .....	1.56	1.53	1.52	1.57	1.54	1.50	1.63
Merchant wholesalers.....	1.29	1.26	1.25	1.26	1.27	1.26	1.31
Durable goods.....	1.87	1.80	1.83	1.83	1.85	1.78	1.89
Nondurable goods.....	.83	.83	.80	.81	.80	.84	.84
Groceries and farm products.....	.72	.71	.70	.71	.71	.72	.74
Other nondurable goods.....	.90	.91	.87	.89	.86	.91	.92
Retail trade.....	1.40	1.42	1.35	1.47	1.47	1.37	1.52
Durable goods.....	1.70	1.75	1.53	1.88	1.89	1.62	2.04
Auto dealers.....	1.33	1.42	1.12	1.57	1.59	1.25	1.88
Other durable goods.....	2.26	2.22	2.24	2.29	2.28	2.18	2.22
Nondurable goods.....	1.20	1.21	1.21	1.22	1.21	1.20	1.22
Food stores.....	.79	.79	.80	.80	.80	.78	.80
Other nondurable goods.....	1.39	1.40	1.40	1.41	1.40	1.40	1.42

See footnotes to table 4.

**Table 4.—Fixed-Weighted Constant-Dollar Inventory-Sales Ratios for Manufacturing and Trade, Seasonally Adjusted**

[Ratio, based on 1982 dollars]

	1985		1986			
	III	IV	I	II	III	IV
<b>Manufacturing and trade</b> .....	<b>1.53</b>	<b>1.52</b>	<b>1.54</b>	<b>1.52</b>	<b>1.49</b>	<b>1.47</b>
<b>Manufacturing</b> .....	<b>1.76</b>	<b>1.72</b>	<b>1.74</b>	<b>1.72</b>	<b>1.70</b>	<b>1.66</b>
Durable goods.....	2.29	2.22	2.27	2.24	2.21	2.14
Nondurable goods.....	1.25	1.24	1.24	1.23	1.23	1.21
Merchant wholesalers.....	1.29	1.29	1.30	1.30	1.28	1.24
Durable goods.....	1.93	1.89	1.92	1.92	1.91	1.83
Nondurable goods.....	.84	.86	.85	.86	.83	.83
Retail trade.....	1.37	1.42	1.45	1.40	1.34	1.36
Durable goods.....	1.81	1.96	2.07	1.98	1.74	1.77
Nondurable goods.....	1.17	1.16	1.16	1.14	1.16	1.16

<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

1. Includes lumber and wood products; furniture and fixtures; stone, clay, and glass products; instruments and related products; and miscellaneous manufacturing industries.

2. Includes tobacco manufacturers; textile mill products; apparel products; printing and publishing; and leather and leather products.

NOTE.—Manufacturing inventories are classified by the type of product produced by the establishment holding the inventory. Trade inventories are classified by the type of product sold by the establishment holding the inventory.

Table 4: The I-S ratios shown in this table were obtained by weighting detailed industry I-S ratios by 1982 sales. For manufacturing, 21 industries were used; for merchant wholesalers, 20 kinds of business; and for retail trade, 8 kinds of business.

Table 5.—Manufacturing Inventories by Stage of Fabrication in Constant Dollars, Seasonally Adjusted, End of Period

[Billions of 1982 dollars]

	1986						1987
	III	IV	Sept.	Oct. <sup>r</sup>	Nov.	Dec.	Jan. <sup>p</sup>
<b>Materials and supplies</b>							
<b>Manufacturing</b> .....	<b>104.2</b>	<b>104.2</b>	<b>104.2</b>	<b>103.7</b>	<b>103.4</b>	<b>104.2</b>	<b>104.5</b>
Durable goods.....	58.1	58.0	58.1	57.6	57.9	58.0	58.4
Primary metals.....	5.2	5.2	5.2	5.1	5.1	5.2	5.2
Fabricated metals.....	8.4	8.3	8.4	8.3	8.3	8.3	8.4
Machinery, except electrical.....	12.6	12.5	12.6	12.4	12.4	12.5	12.5
Electrical machinery.....	8.7	8.5	8.7	8.6	8.5	8.5	8.6
Motor vehicles.....	4.9	4.7	4.9	4.7	4.8	4.7	5.0
Other transportation equipment.....	6.9	7.1	6.9	6.9	7.1	7.1	6.8
Other durable goods.....	11.5	11.8	11.5	11.6	11.6	11.8	11.9
Nondurable goods.....	46.0	46.2	46.0	46.1	45.6	46.2	46.1
Food and kindred products.....	8.7	8.6	8.7	8.7	8.5	8.6	8.6
Paper and allied products.....	5.4	5.4	5.4	5.3	5.3	5.4	5.4
Chemicals and allied products.....	9.9	10.0	9.9	10.0	9.8	10.0	9.9
Petroleum and coal products.....	5.4	5.4	5.4	5.5	5.3	5.4	5.0
Rubber and plastic products.....	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Other nondurable goods.....	18.5	18.7	18.5	18.4	18.5	18.7	18.2
<b>Work-in-process</b>							
<b>Manufacturing</b> .....	<b>115.7</b>	<b>114.4</b>	<b>115.7</b>	<b>115.4</b>	<b>115.0</b>	<b>114.4</b>	<b>114.3</b>
Durable goods.....	98.0	96.4	98.0	97.7	97.2	96.4	96.4
Primary metals.....	7.8	7.9	7.8	7.7	7.8	7.9	7.9
Fabricated metals.....	8.3	8.3	8.3	8.2	8.2	8.3	8.2
Machinery, except electrical.....	17.5	16.9	17.5	17.3	17.2	16.9	16.5
Electrical machinery.....	20.7	20.4	20.7	20.7	20.6	20.4	20.4
Motor vehicles.....	4.0	4.2	4.0	4.1	4.1	4.2	4.1
Other transportation equipment.....	31.2	30.3	31.2	31.2	30.7	30.3	31.0
Other durable goods.....	8.5	8.5	8.5	8.5	8.6	8.5	8.4
Nondurable goods.....	17.7	17.9	17.7	17.7	17.8	17.9	17.8
Food and kindred products.....	2.3	2.2	2.3	2.3	2.3	2.2	2.2
Paper and allied products.....	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Chemicals and allied products.....	4.5	4.5	4.5	4.4	4.4	4.5	4.6
Petroleum and coal products.....	2.8	2.8	2.8	2.8	2.8	2.8	2.7
Rubber and plastic products.....	1.3	1.4	1.3	1.3	1.4	1.4	1.3
Other nondurable goods.....	5.7	5.9	5.7	5.8	5.8	5.9	5.9
<b>Finished goods</b>							
<b>Manufacturing</b> .....	<b>102.6</b>	<b>103.1</b>	<b>102.6</b>	<b>102.6</b>	<b>103.4</b>	<b>103.1</b>	<b>105.3</b>
Durable goods.....	52.8	52.9	52.8	52.9	53.4	52.9	53.2
Primary metals.....	5.9	5.8	5.9	5.8	5.7	5.8	5.8
Fabricated metals.....	6.5	6.5	6.5	6.6	6.5	6.5	6.5
Machinery, except electrical.....	14.3	14.4	14.3	14.5	14.6	14.4	14.6
Electrical machinery.....	7.6	7.6	7.6	7.6	7.6	7.6	7.5
Motor vehicles.....	2.2	2.3	2.2	2.2	2.4	2.3	2.3
Other transportation equipment.....	3.2	3.2	3.2	3.3	3.5	3.2	3.2
Other durable goods.....	13.1	13.3	13.1	13.0	13.2	13.3	13.3
Nondurable goods.....	49.9	50.1	49.9	49.7	50.1	50.1	52.1
Food and kindred products.....	12.3	12.4	12.3	12.3	12.3	12.4	13.7
Paper and allied products.....	4.0	4.0	4.0	3.9	3.9	4.0	4.0
Chemicals and allied products.....	13.5	14.2	13.5	13.6	13.8	14.2	14.4
Petroleum and coal products.....	7.1	7.0	7.1	7.0	7.0	7.0	7.5
Rubber and plastic products.....	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Other nondurable goods.....	9.9	9.4	9.9	9.8	9.8	9.4	9.3

See footnotes to table 4.

# CURRENT BUSINESS STATISTICS

The statistics here update series published in BUSINESS STATISTICS: 1984, a statistical supplement to the SURVEY OF CURRENT BUSINESS. That volume (available from the Superintendent of Documents for \$13.00, stock no. 003-010-00160-7) provides a description of each series, references to sources of earlier figures, and historical data as follows: For all series, monthly or quarterly, 1981 through 1984, annually, 1961-84; for selected series, monthly or quarterly, 1961-84 (where available).

The sources of the series are given in BUSINESS STATISTICS: 1984; they appear in the main methodological note for each series, and are also listed alphabetically on pages 143-144. Series originating in Government agencies are not copyrighted and may be reprinted freely. Series from private sources are provided through the courtesy of the compilers, and are subject to their copyrights.

Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<b>GENERAL BUSINESS INDICATORS</b>																
<b>PERSONAL INCOME BY SOURCE †</b>																
Seasonally adjusted, at annual rates:																
Total personal income.....bil. \$..	3,314.5	3,485.7	3,417.4	3,435.3	3,445.1	3,486.8	3,481.3	3,481.9	3,490.8	3,497.9	3,507.9	*3,517.8	*3,523.3	*3,542.7	*3,548.9	3,581.3
Wage and salary disbursements, total.....do	1,966.1	2,073.5	2,035.7	2,044.8	2,051.8	2,054.9	2,058.4	2,063.2	2,072.0	2,083.4	2,088.0	2,102.3	2,111.7	*2,115.3	*2,128.3	2,146.0
Commodity-producing industries, total.....do	607.7	623.2	624.2	621.7	620.2	621.6	621.6	619.1	619.3	623.3	622.7	629.7	627.2	628.1	*631.5	634.4
Manufacturing.....do	460.1	471.2	471.0	470.0	470.5	468.9	469.7	467.8	468.1	471.1	470.7	477.3	474.1	*474.9	*476.8	479.2
Distributive industries.....do	469.8	487.9	482.3	486.0	487.3	484.8	483.9	484.1	486.9	488.2	489.9	491.5	495.9	*494.3	*495.6	501.8
Service industries.....do	516.4	566.7	543.8	549.9	555.3	557.7	560.3	565.8	569.6	573.4	574.9	578.7	584.2	*586.5	*590.4	597.0
Govt. and govt. enterprises.....do	372.2	395.7	385.4	387.3	389.0	390.8	392.5	394.3	396.2	398.5	400.4	402.4	404.5	406.4	410.8	412.9
Other labor income.....do	196.9	208.8	203.6	204.5	205.5	206.4	207.3	208.2	209.5	210.4	211.3	212.1	213.0	213.8	214.6	215.4
Proprietors' income: ‡																
Farm.....do	29.2	26.1	23.4	26.9	22.8	53.0	38.1	27.5	18.3	19.1	21.3	*18.9	*15.2	*28.9	*20.2	32.4
Nonfarm.....do	225.2	252.7	237.9	241.0	243.8	247.5	249.1	252.2	255.4	257.5	261.0	260.5	262.0	264.0	*264.8	266.6
Rental income of persons with capital consumption adjustment.....bil. \$..	7.6	15.0	12.2	12.7	13.5	15.1	16.6	17.1	16.5	16.1	16.0	*15.3	14.7	*14.2	*14.1	14.0
Dividends.....do	76.4	81.2	78.0	79.2	80.0	80.8	81.1	81.5	81.7	82.1	82.2	82.4	82.7	82.9	83.5	84.1
Personal interest income.....do	476.2	475.0	481.4	480.7	480.4	480.5	480.1	479.8	477.2	473.7	470.4	*467.7	*465.1	462.7	*461.7	460.9
Transfer payments.....do	487.1	513.8	503.4	504.2	506.5	507.9	510.7	511.8	520.3	516.5	518.7	520.5	*521.5	*523.5	*528.5	529.9
Less: Personal contributions for social insurance.....do	150.2	160.3	158.0	158.7	159.1	159.2	159.9	159.3	160.2	160.9	161.1	162.0	162.6	162.7	*166.7	167.8
Total nonfarm income.....do	3,261.0	3,436.7	3,371.1	3,385.6	3,399.5	3,411.0	3,420.5	3,431.7	3,449.6	3,455.9	3,463.7	3,476.0	*3,485.2	*3,490.9	*3,505.9	3,526.0
<b>DISPOSITION OF PERSONAL INCOME †</b>																
Seasonally adjusted, at annual rates:																
Total personal income.....bil. \$..	3,314.5	3,485.7	3,417.4	3,435.3	3,445.1	3,486.8	3,481.3	3,481.9	3,490.8	3,497.9	3,507.9	*3,517.8	*3,523.3	*3,542.7	*3,548.9	3,581.3
Less: Personal tax and nontax payments.....do	486.5	514.1	496.8	498.5	497.3	500.5	503.9	509.9	513.9	519.4	523.6	528.5	533.5	542.9	*523.4	517.9
Equals: Disposable personal income.....do	2,828.0	2,971.6	2,920.7	2,936.8	2,947.8	2,986.3	2,977.4	2,972.0	2,976.9	2,978.5	2,984.2	*2,989.3	*2,989.8	*2,999.8	*3,025.6	3,063.4
Less: Personal outlays.....do	2,684.7	2,857.4	2,775.7	2,794.7	2,798.0	2,808.0	2,825.2	2,848.3	2,861.9	2,884.4	2,941.1	*2,895.9	*2,897.2	*2,963.3	*2,905.1	2,954.3
Personal consumption expenditures.....do	2,600.5	2,762.5	2,684.8	2,703.1	2,705.9	2,710.5	2,731.7	2,753.8	2,766.7	2,788.6	2,844.0	*2,797.4	*2,798.8	*2,865.2	*2,806.8	2,855.9
Durable goods.....do	359.3	388.1	364.9	365.5	352.0	368.5	379.0	374.2	385.5	402.8	455.2	*396.8	*381.2	*431.4	*361.7	386.5
Nondurable goods.....do	905.1	932.7	925.4	927.6	936.1	922.1	926.6	936.4	932.3	934.9	931.2	*934.6	*938.0	*947.6	*947.9	958.6
Services.....do	1,336.1	1,441.7	1,394.5	1,410.0	1,417.8	1,419.9	1,426.1	1,443.3	1,448.8	1,450.9	1,457.6	*1,466.0	*1,479.5	*1,486.1	*1,497.2	1,510.8
Interest paid by consumers to business.....do	82.6	93.5	89.2	90.0	90.4	91.3	92.2	93.3	94.1	94.7	96.0	97.0	*97.0	*96.6	*96.8	97.0
Personal transfer payments to foreigners (net).....do	1.6	1.4	1.7	1.7	1.7	1.2	1.2	1.2	1.2	1.2	1.2	*1.4	*1.4	*1.4	*1.4	1.4
Equals: personal saving.....do	143.3	114.2	145.0	142.0	149.8	183.3	152.3	122.7	115.0	94.1	49.1	*93.4	*92.7	*36.6	*120.5	109.1
Personal saving as percentage of disposable personal income \$.....percent..	5.1	3.8	4.6	5.0	5.3	5.4	5.1	4.4	3.7	2.8	2.6	*2.6	2.5	*2.3	2.9	.....
Disposable personal income in constant (1982) dollars.....bil. \$..	2,528.0	2,602.0	2,558.1	2,583.0	2,602.6	2,639.9	2,627.0	2,610.5	2,612.4	2,606.2	2,598.3	*2,596.9	*2,593.3	*2,596.1	2,597.5	.....
Personal consumption expenditures in constant (1982) dollars.....do	2,324.5	2,418.7	2,351.5	2,377.5	2,389.0	2,396.1	2,410.3	2,418.9	2,427.9	2,440.0	2,476.2	*2,430.2	*2,427.6	*2,479.6	2,409.7	.....
Durable goods.....do	343.9	368.6	348.7	349.2	338.4	353.0	361.7	356.6	366.3	381.0	427.4	*375.8	*362.0	*403.6	341.1	.....
Nondurable goods.....do	841.6	872.1	843.7	859.5	878.8	873.8	875.9	882.2	878.5	878.5	869.4	*872.6	*874.1	*878.6	887.7	.....
Services.....do	1,139.0	1,178.0	1,159.2	1,168.8	1,171.8	1,169.3	1,172.7	1,180.1	1,183.1	1,180.5	1,179.3	*1,181.9	*1,191.5	*1,197.4	1,200.8	.....
Implicit price deflator for personal consumption expenditures.....index, 1982=100..	111.9	114.2	114.2	113.7	113.3	113.1	113.3	113.8	114.0	114.3	114.9	115.1	115.3	115.6	116.5	.....
<b>INDUSTRIAL PRODUCTION ◊</b>																
<i>Federal Reserve Board Index of Quantity Output</i>																
<b>Not Seasonally Adjusted</b>																
Total index.....1977=100..	123.8	125.0	122.9	124.9	123.1	123.8	123.2	126.9	123.3	127.6	129.1	128.0	*125.4	*122.3	*123.3	*127.0
By industry groupings:																
Mining and utilities.....do	110.0	103.4	113.1	110.8	104.5	101.1	98.5	102.1	102.1	103.8	101.9	99.1	*101.4	*102.5	*106.4	*107.6
Manufacturing.....do	126.4	129.1	124.7	127.5	126.6	128.1	127.9	131.6	127.3	132.3	134.0	133.4	*130.0	*126.1	*126.3	*130.7
Nondurable manufactures.....do	125.1	130.9	122.8	126.4	125.4	127.9	128.8	134.7	131.5	137.7	138.1	137.0	*132.3	*127.7	*127.4	*131.9
Durable manufactures.....do	127.3	127.9	126.1	128.3	127.5	128.2	127.2	129.3	124.3	128.3	131.2	130.8	128.4	*125.0	*125.6	*129.7
<b>Seasonally Adjusted</b>																
Total index.....do	123.8	125.0	126.2	125.3	123.6	124.7	124.2	124.2	124.9	125.1	124.9	125.3	126.0	*126.6	*126.8	*127.3
By market groupings:																
Products, total.....do	130.8	133.2	134.0	132.9	131.2	132.7	132.4	132.4	133.2	133.8	133.3	134.0	134.5	*135.0	*135.2	*136.0
Final products.....do	131.1	132.3	133.9	132.8	130.6	132.1	131.6	131.1	132.0	132.6	132.2	132.7	133.1	*133.7	*133.6	*134.5
Consumer goods.....do	120.2	124.4	123.8	123.3	121.8	124.5	124.3	124.4	125.2	125.1	124.2	124.7	*125.6	*127.2	*126.8	*127.5

See footnotes at end of tables.

Unless otherwise stated in footnotes below, data through 1984 and methodological notes are as shown in BUSINESS STATISTICS: 1984

Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<b>GENERAL BUSINESS INDICATORS—Continued</b>																
<b>INDUSTRIAL PRODUCTION</b> ◊—Continued																
Seasonally Adjusted—Continued																
By market groupings—Continued																
Final products—Continued																
Durable consumer goods..... 1977=100.....	112.9	116.2	116.0	116.6	112.4	115.9	113.8	114.3	116.3	115.7	117.4	116.3	118.4	121.7	119.3	121.7
Automotive products.....do.....	114.0	115.1	116.2	117.6	110.4	116.4	113.2	113.7	116.4	114.5	117.0	112.7	114.6	118.2	118.2	123.5
Autos and trucks, consumer.....do.....	112.0	112.9	118.2	119.4	106.3	115.1	110.3	112.2	114.5	110.4	116.8	107.7	107.6	115.6	117.9	125.1
Autos, consumer.....do.....	98.9	97.3	105.5	107.1	93.7	100.8	94.8	99.3	95.3	87.8	96.2	91.9	92.3	99.5	94.3	105.2
Trucks, consumer.....do.....	136.3	141.3	141.7	142.1	129.6	141.5	139.1	136.1	150.3	152.4	155.1	137.1	136.0	145.6	161.9	.....
Home goods.....do.....	112.2	117.1	115.8	115.8	113.9	115.5	114.3	114.8	116.3	116.7	117.7	119.0	121.2	124.7	120.1	120.4
Nondurable consumer goods.....do.....	122.9	127.5	126.6	125.8	125.3	127.7	128.1	128.1	128.4	128.6	126.7	127.8	128.3	129.3	129.6	129.7
Consumer staples.....do.....	129.0	134.1	132.8	132.3	131.6	134.3	135.0	135.1	135.3	135.5	133.6	134.4	135.0	136.3	136.3	136.4
Consumer foods and tobacco.....do.....	128.8	131.9	130.1	131.1	130.3	131.9	132.4	133.3	132.2	133.2	131.0	131.6	132.6	133.7	134.1	134.1
Nonfood staples.....do.....	129.2	136.5	135.6	133.5	133.0	136.7	137.7	137.0	138.5	137.9	136.3	137.2	137.4	137.9	138.5	138.4
Equipment.....do.....	145.4	142.7	147.5	145.4	142.3	142.3	141.2	140.0	141.0	142.5	142.8	143.3	143.1	142.2	142.6	143.7
Business and defense equipment.....do.....	146.0	147.1	149.1	147.8	145.5	146.6	146.0	145.1	146.4	147.8	148.0	148.4	148.1	147.0	147.5	148.7
Business equipment.....do.....	139.6	138.6	141.5	140.5	137.7	138.6	137.9	136.6	137.9	139.3	139.3	139.1	138.6	137.1	137.5	138.9
Construction, mining, and farm.....do.....	64.3	59.8	65.3	63.0	59.5	58.6	60.9	61.9	60.6	58.3	58.1	58.0	56.6	57.2	56.0	.....
Manufacturing.....do.....	110.7	112.0	113.0	112.9	112.4	111.9	111.9	111.7	112.6	113.3	113.0	112.7	109.6	108.7	109.0	109.1
Power.....do.....	83.5	81.6	82.9	82.3	82.0	83.0	82.9	83.5	81.7	81.7	80.3	80.5	79.5	79.8	79.1	78.7
Commercial.....do.....	217.9	214.6	217.8	216.8	214.3	213.4	212.9	208.2	214.5	217.5	215.1	215.4	217.3	214.1	216.0	215.9
Transit.....do.....	105.4	109.2	112.7	111.7	104.3	112.1	107.3	108.8	103.9	106.9	113.3	111.8	110.7	108.9	108.5	115.2
Defense and space equipment.....do.....	170.6	180.3	178.7	176.3	176.2	178.0	178.0	178.4	179.5	181.0	182.0	184.6	184.9	185.8	186.5	187.2
Intermediate products.....do.....	130.0	136.4	134.2	133.4	133.3	134.5	135.1	137.0	137.3	137.8	137.0	138.7	139.2	139.8	140.9	141.2
Construction supplies.....do.....	118.3	124.7	124.0	122.6	122.6	123.6	123.5	124.1	124.0	125.4	125.9	126.3	126.8	128.1	130.0	130.2
Business supplies.....do.....	140.0	146.4	142.9	142.6	142.5	143.8	145.0	147.9	148.6	148.4	146.4	149.3	149.7	149.7	150.2	.....
Materials.....do.....	114.2	118.9	115.5	114.8	113.3	113.8	113.0	113.1	113.6	113.2	113.5	113.3	114.3	115.1	115.3	115.5
Durable goods materials.....do.....	121.4	119.7	122.2	121.3	119.3	120.2	118.4	117.8	118.8	118.8	118.9	119.2	120.4	120.8	120.7	120.8
Nondurable goods materials.....do.....	112.2	118.3	116.2	116.1	114.8	116.5	116.5	117.7	118.9	119.7	120.6	120.3	120.2	122.6	122.7	123.2
Energy materials.....do.....	108.4	99.9	103.0	102.1	101.4	100.4	100.5	100.8	99.9	97.9	98.0	96.9	98.7	98.7	99.3	99.6
By industry groupings:																
Mining and utilities.....do.....	110.0	103.4	109.8	106.8	105.4	104.2	103.1	102.6	101.8	100.9	100.8	100.7	102.6	102.0	103.5	103.8
Mining.....do.....	108.8	99.6	108.1	105.1	103.0	101.0	99.8	98.9	97.1	96.4	96.2	95.6	97.4	97.2	98.3	98.8
Metal mining.....do.....	75.0	.....	73.5	72.2	75.9	76.0	72.0	65.9	69.2	70.9	70.7	68.5	68.3	.....	.....	.....
Coal.....do.....	126.8	124.2	130.8	126.5	124.7	124.4	124.0	127.3	120.2	122.2	120.8	117.6	130.1	124.3	133.5	.....
Oil and gas extraction #.....do.....	106.2	94.7	104.9	101.1	99.2	96.2	95.1	93.3	92.4	90.7	91.0	90.5	90.4	91.2	91.1	91.1
Crude oil.....do.....	108.1	105.7	108.9	107.6	108.2	106.8	107.5	106.4	106.6	104.1	105.1	108.9	102.0	102.2	100.8	.....
Natural gas.....do.....	85.7	84.1	87.2	84.3	85.4	83.9	85.3	84.4	82.9	81.4	82.1	82.4	82.1	82.4	87.6	.....
Stone and earth minerals.....do.....	118.3	113.9	113.5	116.8	111.6	115.0	112.4	114.5	111.8	114.8	111.7	116.4	115.2	112.9	113.6	.....
Utilities.....do.....	111.9	109.6	112.5	109.7	109.3	109.4	108.5	108.6	109.7	108.3	108.3	109.3	111.2	110.0	111.3	112.1
Electric.....do.....	119.7	122.2	119.7	119.5	119.8	121.6	121.7	123.1	125.4	122.4	122.8	123.8	125.1	123.6	125.3	.....
Manufacturing.....do.....	126.4	129.1	129.4	128.7	127.2	128.7	128.2	128.3	129.2	129.5	129.5	129.9	130.3	131.0	131.1	131.8
Nondurable manufactures.....do.....	125.1	130.9	129.3	128.7	127.7	129.6	129.9	131.2	131.7	132.2	131.4	132.3	132.7	133.5	134.3	134.4
Foods.....do.....	130.2	133.6	132.0	132.9	132.2	133.1	133.7	134.6	134.3	135.1	133.7	133.7	134.4	134.7	135.1	.....
Tobacco products.....do.....	100.2	96.6	93.8	97.0	93.6	100.3	101.6	97.6	97.9	97.1	89.5	100.1	96.8	95.6	.....	.....
Textile mill products.....do.....	103.2	113.2	107.9	109.9	108.0	111.4	111.3	112.6	113.4	114.7	116.0	116.1	117.8	118.5	117.3	.....
Apparel products.....do.....	100.9	103.6	105.5	102.8	102.8	103.1	102.6	101.7	102.5	102.5	102.7	104.2	105.1	106.9	107.3	.....
Paper and products.....do.....	127.6	136.4	133.6	132.6	132.4	134.1	133.2	137.2	138.1	138.6	136.9	137.2	138.5	141.4	141.0	.....
Printing and publishing.....do.....	153.9	163.4	160.9	156.7	157.8	161.6	161.9	164.0	165.4	164.6	163.0	167.8	168.5	167.6	169.5	170.0
Chemicals and products.....do.....	127.1	133.0	131.7	132.0	130.2	132.3	131.5	134.2	134.1	134.4	133.9	133.9	132.3	134.2	133.9	.....
Petroleum products.....do.....	86.8	92.1	94.7	90.1	88.6	91.3	95.7	91.8	90.6	94.0	93.3	91.1	92.0	92.6	96.0	94.0
Rubber and plastics products.....do.....	146.9	153.3	150.2	151.1	147.8	146.8	150.1	152.2	155.5	155.5	154.9	157.6	159.0	159.6	159.5	.....
Leather and products.....do.....	68.5	61.3	65.4	64.8	62.7	61.5	59.5	57.9	61.9	62.0	59.4	60.2	61.3	59.5	59.0	.....
Durable manufactures.....do.....	127.3	127.9	129.5	128.7	126.8	128.1	127.0	126.2	127.4	127.5	128.1	128.1	128.6	129.2	128.8	129.9
Lumber and products.....do.....	113.4	123.4	120.5	120.3	120.7	121.3	121.6	120.9	120.8	122.5	125.0	125.9	129.5	132.9	132.9	.....
Furniture and fixtures.....do.....	139.7	146.7	141.2	143.2	142.9	145.9	146.2	147.1	149.5	148.3	147.7	149.2	148.6	150.2	148.2	.....
Clay, glass, and stone products.....do.....	115.5	120.2	120.0	119.3	120.0	121.6	120.2	120.8	119.6	119.7	121.6	118.1	120.6	121.7	123.0	.....
Primary metals.....do.....	80.5	75.3	82.4	80.3	76.3	78.1	74.8	71.4	73.6	73.4	74.1	74.2	76.8	78.7	72.4	73.2
Iron and steel.....do.....	70.4	63.4	72.2	69.5	64.3	65.6	60.2	58.3	61.7	60.8	61.1	62.2	64.8	60.5	58.4	.....
Nonferrous metals.....do.....	99.7	99.0	101.8	100.8	98.8	101.6	102.3	96.3	95.9	97.3	98.6	98.8	99.5	98.4	98.9	.....
Fabricated metal products.....do.....	107.3	107.4	109.2	108.5	107.6	108.2	106.5	106.6	105.7	105.9	107.3	108.3	107.1	108.4	108.7	108.9
Nonelectrical machinery.....do.....	145.3	141.9	144.9	143.9	141.7	140.8	141.3	140.4	142.6	142.6	140.9	142.2	141.2	140.3	139.4	140.1
Electrical machinery.....do.....	168.4	166.5	166.1	164.8	165.2	166.8	166.0	163.2	166.8	167.2	166.9	167.7	168.3	170.2	168.5	168.7
Transportation equipment.....do.....	121.4	125.8	128.2	127.5	122.6	126.2	124.1	125.1	125.6	125.1	127.7	125.2	125.6	127.2	127.9	131.7
Motor vehicles and parts.....do.....	111.5	110.9	116.5	116.4	108.1	112.6	108.7	110.6	111.2	108.2	112.2	107.1	107.9	111.2	112.1	118.0
Instruments.....do.....	139.1	141.3	141.5	141.9	142.0	142.4	140.3	139.9	141.7	142.0	141.7	140.3	141.1	142.0	142.0	142.4
<b>BUSINESS SALES</b>																
Mfg. and trade sales (unadj.), total.....mil. \$.....	5,093,698	5,173,631	4,400,140	399,191	428,762	428,945	436,092	441,850	414,713	426,800	450,184	4				

Unless otherwise stated in footnotes below, data through 1984 and methodological notes are as shown in BUSINESS STATISTICS: 1984

Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<b>GENERAL BUSINESS INDICATORS—Continued</b>																
<b>BUSINESS INVENTORIES</b>																
Mfg. and trade inventories, book value, end of period (unadj.), total.....mil. \$ .....	575,396	578,378	577,997	585,078	591,545	593,990	588,319	586,303	586,563	583,659	585,897	599,857	600,362	578,378	585,993	
Mfg. and trade inventories, book value, end of period (seas. adj.), total.....mil. \$ .....	583,231	586,645	583,996	585,176	588,178	588,599	586,727	588,908	586,727	588,908	591,895	590,141	588,069	591,556	590,053	586,645
Manufacturing, total.....do.....	281,884	275,533	280,357	279,236	279,571	279,358	278,352	278,410	278,613	277,473	276,574	276,007	276,574	276,007	275,533	277,020
Durable goods industries.....do.....	189,164	183,800	188,518	187,644	188,333	188,031	187,637	187,148	186,858	186,045	186,102	185,358	185,358	185,496	183,800	184,894
Nondurable goods industries.....do.....	92,720	91,733	91,839	91,592	91,238	91,327	90,715	91,262	91,755	91,428	90,472	90,649	90,220	91,733	92,126	
Retail trade, total †.....do.....	165,514	172,662	167,203	169,379	171,551	172,158	170,869	171,705	173,529	172,926	171,617	176,338	174,788	174,788	172,662	174,934
Durable goods stores.....do.....	83,071	87,272	84,200	85,863	88,132	88,263	87,198	88,281	90,271	89,380	86,578	90,134	89,173	89,173	87,272	89,286
Nondurable goods stores.....do.....	82,443	85,390	83,003	83,516	83,419	83,895	83,671	83,424	83,258	83,546	85,039	86,204	85,615	85,390	85,648	
Merchant wholesalers, total †.....do.....	185,833	138,450	136,436	136,561	137,056	137,083	137,506	138,793	139,753	139,742	139,878	139,211	138,849	138,450	140,245	
Durable goods establishments.....do.....	87,421	89,987	87,815	88,230	88,521	89,267	89,845	90,000	90,816	90,811	91,037	91,133	91,392	91,392	89,987	91,953
Nondurable goods establishments.....do.....	48,412	48,463	48,621	48,331	48,535	47,816	47,661	48,793	48,937	48,931	48,841	48,078	47,457	48,463	48,292	
Mfg. and trade inventories in constant (1982) dollars, end of period(seas. adj.),total \$.....bil. \$ .....			640.6	641.5	645.9	647.9	645.3	646.3	684.4	647.0	643.5	644.6	643.9	641.1	648.3	
Manufacturing.....do.....			323.8	323.9	323.9	324.7	324.1	324.1	324.9	323.3	322.5	321.7	321.9	321.9	321.1	324.1
Retail trade.....do.....			167.9	169.3	172.1	173.1	171.3	171.0	171.0	170.3	167.8	170.9	169.9	169.9	170.9	
Merchant wholesalers.....do.....			148.8	149.3	150.0	150.1	149.8	151.1	152.5	153.4	153.2	151.9	152.0	152.1	153.3	
<b>BUSINESS INVENTORY-SALES RATIOS</b>																
Manufacturing and trade, total.....ratio.....	1.36	1.36	1.35	1.37	1.40	1.37	1.39	1.38	1.38	1.37	1.38	1.36	1.35	1.31	1.38	
Manufacturing, total.....do.....	1.46	1.42	1.41	1.42	1.46	1.42	1.44	1.44	1.44	1.44	1.41	1.41	1.40	1.35	1.41	
Durable goods industries.....do.....	1.55	1.77	1.78	1.73	1.83	1.76	1.81	1.79	1.78	1.79	1.76	1.73	1.74	1.64	1.76	
Materials and supplies.....do.....	53	49	50	49	50	49	50	49	49	49	48	47	47	45	49	
Work in process.....do.....	37	86	86	85	89	85	88	87	86	87	86	84	84	79	84	
Finished goods.....do.....	45	43	43	43	44	43	44	43	43	43	42	41	42	40	43	
Nondurable goods industries.....do.....	1.02	1.02	.99	1.01	1.03	1.02	1.01	1.02	1.04	1.03	1.00	1.02	1.00	1.00	1.01	
Materials and supplies.....do.....	39	39	38	39	40	39	39	40	40	40	39	40	39	39	39	
Work in process.....do.....	16	15	15	16	16	15	15	16	16	15	15	16	15	15	15	
Finished goods.....do.....	47	47	45	46	48	47	47	47	48	47	46	46	46	45	46	
Retail trade, total †.....do.....	1.41	1.43	1.42	1.45	1.47	1.46	1.44	1.44	1.45	1.42	1.34	1.45	1.44	1.36	1.49	
Durable goods stores.....do.....	1.86	1.87	1.90	1.95	2.04	1.97	1.91	1.94	1.95	1.87	1.59	1.89	1.90	1.67	2.08	
Nondurable goods stores.....do.....	1.13	1.14	1.14	1.14	1.14	1.15	1.14	1.14	1.13	1.13	1.15	1.17	1.16	1.14	1.15	
Merchant wholesalers, total †.....do.....	1.17	1.20	1.18	1.20	1.22	1.20	1.25	1.23	1.22	1.22	1.19	1.18	1.18	1.18	1.22	
Durable goods establishments.....do.....	1.67	1.63	1.65	1.66	1.68	1.61	1.68	1.65	1.65	1.68	1.61	1.60	1.62	1.58	1.66	
Nondurable goods establishments.....do.....	.75	.81	.78	.80	.81	.81	.84	.84	.82	.81	.80	.79	.78	.80	.81	
Manufacturing and trade in constant (1982) dollars, total \$.....do.....			1.54	1.54	1.56	1.53	1.55	1.54	1.58	1.52	1.47	1.51	1.50	1.45	1.54	
Manufacturing.....do.....			1.71	1.71	1.69	1.71	1.72	1.71	1.70	1.69	1.68	1.67	1.67	1.62	1.70	
Retail trade.....do.....			1.50	1.50	1.51	1.51	1.48	1.48	1.48	1.45	1.47	1.47	1.47	1.37	1.52	
Merchant wholesalers.....do.....			1.30	1.31	1.30	1.29	1.34	1.32	1.30	1.30	1.25	1.26	1.27	1.26	1.31	
<b>MANUFACTURERS' SALES, INVENTORIES, AND ORDERS</b>																
Shipments (not seas. adj.), total.....mil. \$ .....	2,341,220	2,348,436	182,163	196,648	200,540	197,446	195,769	206,929	178,616	190,795	207,008	201,296	194,462	196,764	179,922	
Durable goods industries, total.....do.....	1,243,793	1,269,598	94,879	105,708	109,751	108,655	106,469	114,059	95,007	100,573	111,768	110,545	104,768	107,416	94,458	
Stone, clay, and glass products.....do.....	57,255	59,224	4,409	4,563	4,841	5,171	5,108	5,363	4,824	5,066	5,896	5,277	4,872	4,834	4,426	
Primary metals.....do.....	125,777	117,062	9,815	10,509	10,691	10,621	10,262	10,171	8,778	9,188	9,734	9,772	8,984	8,542	8,886	
Blast furnaces, steel mills.....do.....	52,519	47,385	4,153	4,369	4,299	4,342	4,180	4,216	3,781	3,543	3,756	3,828	3,476	3,442	3,698	
Fabricated metal products.....do.....	168,953	169,984	12,777	14,116	14,362	14,754	14,552	15,353	13,114	14,160	15,046	15,037	13,697	13,016	12,158	
Machinery, except electrical.....do.....	212,620	204,983	14,831	17,064	18,246	17,666	16,903	17,537	15,466	15,216	17,639	16,619	16,494	18,886	13,945	
Electrical machinery.....do.....	185,514	197,194	13,614	15,887	17,024	15,549	15,504	17,597	14,643	16,375	18,362	17,240	17,614	17,345	14,831	
Transportation equipment.....do.....	318,427	329,668	25,861	28,381	27,533	28,953	28,219	29,019	23,494	24,095	28,114	29,316	27,231	29,452	25,781	
Motor vehicles and parts.....do.....	203,371	211,734	18,180	18,891	17,879	19,478	18,574	18,890	13,968	14,949	18,404	18,919	16,841	16,821	17,789	
Instruments and related products.....do.....	56,743	56,440	4,383	4,566	4,832	4,446	4,569	5,023	4,363	4,650	4,942	4,959	4,747	4,970	4,218	
Nondurable goods industries, total.....do.....	1,097,427	1,078,838	87,284	90,940	90,789	88,791	89,300	92,870	83,609	90,222	95,240	90,751	89,694	89,343	85,464	
Food and kindred products.....do.....	296,142	310,994	23,672	25,008	25,646	24,635	25,708	26,698	24,971	26,268	28,307	27,172	26,506	26,403	24,646	
Tobacco products.....do.....	20,606	21,953	990	1,627	2,069	1,542	1,985	2,331	1,373	1,882	2,013	1,508	2,052	2,581	962	
Textile mill products.....do.....	52,627	54,471	3,959	4,443	4,708	4,454	4,328	4,814	3,925	4,825	5,067	5,002	4,565	4,381	3,945	
Paper and allied products.....do.....	97,565	109,435	8,422	8,819	8,989	8,886	8,886	9,532	8,821	9,485	9,704	9,479	9,138	9,254	9,465	
Chemical and allied products.....do.....	214,345	214,278	17,496	18,403	18,565	19,016	17,912	18,508	16,195	17,593	18,767	17,161	16,842	17,820	18,057	
Petroleum and coal products.....do.....	194,030	143,056	15,578	13,721	12,320	12,029	12,573	11,643	10,731	11,023	11,006	10,306	10,997	11,129	11,128	
Rubber and plastics products.....do.....	48,246	47,722	3,731	3,976	3,926	4,078	4,036	4,315	3,619	3,925	4,250	4,257	3,975	3,634	3,805	
Shipments (seas. adj.), total.....do.....			198,716	196,274	191,051	196,132	193,668	193,642	193,294	193,305	196,281	196,202	197,222	204,490	196,661	
By industry group.....do.....																
Durable goods industries, total #.....do.....			105,631	105,545	102,693	106,592	103,672	104,553	104,980	104,154	106,027	107,443	106,669	112,403	105,328	
Stone, clay, and glass products.....do.....			5,209	4,901	4,784	5,108	4,942	4,873	4,876	4,760	4,941	4,978	4,968	4,974	5,227	
Primary metals.....do.....			10,119	10,159	9,833	10,122	9,852	9,484	9,646	9,358	9,644	9,770	9,500	9,551	9,162	
Blast furnaces, steel mills.....do.....			4,246	4,173	3,926	4,123	4,066	3,886	4,146	3,688	3,833	3,890	3,678	3,774	3,781	
Fabricated metal products.....do.....			14,466	14,300	13,733	14,553	14,145	14,199	14,044	13,910	14,266	14,397	14,098	14,052	13,818	
Machinery, except electrical.....do.....			16,764	16,939	17,377	17,932	16,784	17,535	17,111	16,433	16,597	16,750	16,800	17,504	15,764	
Electrical machinery.....do.....			14,841	15,819	16,187	15,539	15,520	16,172	16,883	16,172	16,883	16,909	17,607			

Unless otherwise stated in footnotes below, data through 1984 and methodological notes are as shown in Business Statistics, 1984

Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<b>GENERAL BUSINESS INDICATORS—Continued</b>																
<b>MANUFACTURERS' SALES, INVENTORIES, AND ORDERS—Continued</b>																
<b>Shipments (seas. adj.)—Continued</b>																
<b>By market category:</b>																
Home goods and apparel.....mil. \$..	'158,796	'163,633	13,463	13,551	13,528	13,362	13,208	13,208	14,057	13,454	13,631	14,107	13,461	13,865	'14,004	13,752
Consumer staples.....do.....	'416,523	'444,533	36,173	35,870	35,765	35,920	36,956	37,350	37,193	37,280	38,088	37,419	37,989	'38,460	37,678	
Equipment and defense products, except auto.....do.....	'364,113	'364,609	28,871	29,793	30,412	30,384	29,679	30,751	30,434	30,631	29,735	30,486	30,870	'32,342	28,408	
Automotive equipment.....do.....	'226,162	'234,289	21,459	20,287	17,822	19,899	18,744	18,274	18,748	18,831	19,696	19,861	19,266	'22,616	21,158	
Construction materials, supplies, and intermediate products.....do.....	'206,604	'217,558	18,170	17,679	17,969	18,765	18,286	18,216	17,901	17,685	18,346	18,623	18,228	'17,776	18,968	
Other materials, supplies, and intermediate products.....do.....	'969,022	'922,999	80,580	79,094	75,555	77,802	76,195	74,994	75,564	75,247	76,309	76,352	77,004	'79,292	76,697	
<b>Supplementary series:</b>																
Household durables.....do.....	'78,046	'84,131	6,720	6,720	6,898	6,689	6,711	7,374	6,940	7,147	7,489	7,133	7,209	'7,307	7,333	
Capital goods industries.....do.....	'411,391	'421,036	32,355	34,145	34,853	34,688	34,065	35,207	35,303	34,928	34,768	35,730	36,320	'38,395	32,419	
Nondefense.....do.....	'326,703	'327,133	25,352	26,564	27,304	27,355	26,582	27,243	27,240	27,081	27,722	27,623	28,211	'24,933	24,933	
Defense.....do.....	'84,688	'93,903	7,033	7,581	7,079	7,333	7,486	7,964	8,063	7,644	7,087	8,008	8,692	'9,184	7,421	
<b>Inventories, end of year or month:</b>																
Book value (unadjusted), total.....do.....	277,885	271,606	279,029	280,374	280,348	281,358	280,845	278,858	278,441	277,799	275,097	275,619	275,187	'271,606	275,641	
Durable goods industries, total.....do.....	186,014	180,682	186,961	188,382	189,131	189,491	189,753	188,023	187,101	186,580	185,275	184,747	183,994	'180,682	183,317	
Non-durable goods industries, total.....do.....	91,871	90,924	92,068	91,992	91,217	91,867	91,092	90,835	91,340	91,219	89,822	90,872	91,193	'90,924	92,324	
Book value (seasonally adjusted), total.....do.....	281,884	275,533	280,357	279,236	279,571	279,358	278,352	278,410	278,613	277,473	276,574	276,007	276,416	'275,533	277,020	
<b>By industry group:</b>																
Durable goods industries, total #.....do.....	189,164	183,800	188,518	187,644	188,333	188,031	187,637	187,148	186,858	186,045	186,102	185,358	185,496	'183,800	184,894	
Stone, clay, and glass products.....do.....	5,666	5,559	5,618	5,546	5,576	5,551	5,561	5,593	5,608	5,673	5,529	5,480	5,581	'5,559	5,602	
Primary metals.....do.....	17,837	15,869	17,316	17,281	17,220	17,036	16,903	16,883	16,724	16,212	15,855	15,514	15,510	'15,869	15,426	
Blast furnaces, steel mills.....do.....	7,830	6,347	7,504	7,615	7,578	7,486	7,484	7,373	7,164	6,805	6,515	6,272	6,349	'6,347	6,104	
Fabricated metal products.....do.....	19,385	18,565	19,148	18,885	18,926	19,072	18,588	18,832	18,685	18,511	18,734	18,533	18,161	'18,565	18,540	
Machinery, except electrical.....do.....	39,448	35,910	39,441	39,285	39,017	38,409	38,108	37,328	37,220	37,055	36,784	36,690	36,697	'35,910	36,020	
Electrical machinery.....do.....	33,496	33,883	33,617	33,452	33,544	33,830	34,004	34,243	34,570	34,596	34,529	34,361	34,173	'33,883	34,116	
Transportation equipment.....do.....	49,068	49,385	49,232	48,931	49,396	50,030	50,206	50,434	50,061	50,037	50,804	50,702	50,645	'49,385	50,423	
Motor vehicles and parts.....do.....	11,477	10,968	11,301	11,355	11,264	11,279	11,204	10,856	10,892	10,674	10,642	10,645	11,008	'10,968	10,830	
Instruments and related products.....do.....	9,594	9,516	9,613	9,535	9,533	9,463	9,542	9,507	9,545	9,552	9,608	9,704	9,702	'9,516	9,549	
<b>By stage of fabrication:</b>																
Materials and supplies.....do.....	53,527	51,095	52,317	51,921	51,688	51,864	51,387	51,559	51,338	50,878	51,052	50,561	50,606	'51,095	51,275	
Work in process.....do.....	89,912	88,260	90,477	90,125	91,236	90,825	90,714	90,918	90,518	90,673	90,898	90,507	89,778	'88,260	88,680	
Finished goods.....do.....	45,725	44,445	45,724	45,598	45,409	45,342	45,536	44,671	45,002	44,494	44,152	44,290	45,112	'44,445	44,939	
<b>Non-durable goods industries, total #.....do.....</b>																
Food and kindred products.....do.....	92,720	91,733	91,839	91,592	91,238	91,327	90,715	91,262	91,428	91,428	90,472	90,649	90,920	'91,733	92,126	
Tobacco products.....do.....	2,532	2,239	2,308	2,386	2,439	2,401	2,319	2,318	2,349	2,541	2,584	2,533	2,638	'2,239	2,309	
Textile mill products.....do.....	3,270	3,108	3,266	3,316	3,267	3,223	3,202	3,057	3,086	2,982	2,974	3,034	3,053	'3,108	3,191	
Paper and allied products.....do.....	6,744	6,250	6,477	6,554	6,609	6,622	6,535	6,617	6,531	6,337	6,397	6,310	6,252	'6,250	6,283	
Chemicals and allied products.....do.....	9,728	10,250	9,806	9,725	9,781	9,763	9,757	9,825	10,029	10,114	10,065	9,962	10,040	'10,250	10,249	
Petroleum and coal products.....do.....	21,419	22,943	21,549	21,434	21,554	21,631	21,499	22,203	22,252	22,085	22,141	22,297	22,398	'22,943	22,935	
Rubber and plastics products.....do.....	7,920	5,538	7,326	6,916	6,436	6,265	6,302	6,161	5,852	5,767	5,478	5,512	5,498	'5,538	5,629	
<b>By stage of fabrication:</b>																
Materials and supplies.....do.....	35,503	35,794	35,500	35,462	35,110	35,078	34,889	35,289	35,685	35,684	35,367	35,580	35,298	'35,794	35,859	
Work in process.....do.....	14,563	14,093	14,150	14,198	13,921	13,790	13,697	13,938	13,788	13,504	13,737	13,905	13,994	'14,093	14,087	
Finished goods.....do.....	42,649	41,846	42,189	41,932	42,207	42,459	42,129	42,035	42,282	42,240	41,368	41,164	41,628	'41,846	42,180	
<b>By market category:</b>																
Home goods and apparel.....do.....	22,060	22,591	21,973	21,936	22,197	22,504	22,219	22,366	22,411	22,421	22,228	22,539	22,524	'22,591	22,786	
Consumer staples.....do.....	33,823	34,549	33,640	33,885	33,798	34,292	34,067	34,188	34,706	33,946	33,946	34,317	34,386	'34,549	34,900	
Equip. and defense prod., exc. auto.....do.....	83,871	80,349	84,141	83,634	83,514	83,160	83,287	82,840	82,865	82,667	83,062	82,723	82,464	'80,349	81,247	
Automotive equipment.....do.....	13,795	13,015	13,558	13,631	13,557	13,593	13,594	13,237	13,181	12,980	12,987	12,762	13,114	'13,015	12,907	
Construction materials, supplies, and intermediate products.....do.....	19,256	18,776	18,953	19,007	18,939	19,075	18,914	18,651	18,454	18,479	18,278	18,178	18,482	'18,776	18,854	
Other materials, supplies, and intermediate products.....do.....	109,079	106,253	108,092	107,143	107,566	106,794	106,271	107,128	106,772	106,220	106,123	105,668	105,446	'106,253	106,326	
<b>Supplementary series:</b>																
Household durables.....do.....	10,974	11,823	10,935	10,979	11,098	11,351	11,252	11,460	11,638	11,567	11,446	11,591	11,411	'11,823	11,896	
Capital goods industries.....do.....	96,735	94,231	97,102	96,493	97,253	96,928	96,990	96,556	96,834	96,981	97,465	97,135	96,585	'94,231	95,645	
Nondefense.....do.....	70,465	66,078	70,340	70,239	70,173	69,368	69,236	68,839	68,685	68,515	68,429	67,914	67,560	'66,078	66,951	
Defense.....do.....	26,270	28,153	26,762	26,254	27,080	27,565	27,754	28,117	28,149	28,466	29,036	29,221	29,025	'28,153	28,694	
<b>New orders, net (not seas. adj.), total.....do.....</b>																
Durable goods industries, total.....do.....	2,349,640	2,349,923	188,488	201,355	205,866	194,594	191,789	201,600	177,464	186,986	208,321	199,388	194,988	'199,084	181,673	
Non-durable goods industries, total.....do.....	1,251,857	1,270,434	101,084	110,155	115,035	105,748	102,415	108,946	95,742	96,996	112,745	108,623	105,407	'109,588	95,715	
New orders, net (seas. adj.), total.....do.....	1,097,983	1,079,489	87,454	91,200	90,831	88,846	89,374	92,654	83,722	89,990	95,776	90,765	89,581	'89,496	85,958	
<b>By industry group:</b>																
Durable goods industries, total.....do.....	'1,251,657	'1,270,434	108,194	107,545	104,682	103,747	102,624	102,730	106,220	103,845	108,723	103,669	108,826	'110,413	102,965	
Primary metals.....do.....	'126,403	'117,705	10,536	10,614	9,762	9,625	8,831	9,323	9,060	10,245	9,842	9,713	9,441	'10,584	8,707	
Blast furnaces, steel mills.....do.....	'53,023	'48,259	4,228	4,516	4,110	3,918	3,443	3,822	3,678	4,488	4,212	3,677	3,738	'4,469	3,440	
Nonferrous and other primary metals.....do.....	'58,219	'54,837	4,994	4,825	4,463	4,263	4,202	4,361	4,285	4,557	4,504	4,651	4,669	'4,928	4,116	
Fabricated metal products.....do.....	'167,729	'169,070	14,326	14,274	13,141	14,653	14,024	13,998	13,998	13,702	14,051	14,217	14,300	'14,413	13,713	
Machinery, except electrical.....do.....	'210,701	'193,657	15,903	13,277	16,081	16,300	16,441	16,838	17,233	16,603	16,523	15,281	16,951	'15,747	14,780	
Electrical machinery.....do.....	'189,040	'199,234	15,345	15,704	17,066	16,487	14,650	17,913	16,953	15,952	17,672	17,083	16,739	'18,321	14,689	
Transportation equipment.....do.....	'320,041	'335,392	31,002	28,458	28,496	28,497	27,933	23,531	23,359	26,704	28,964					

Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<b>GENERAL BUSINESS INDICATORS—Continued</b>																
<b>MANUFACTURERS' SALES, INVENTORIES, AND ORDERS—Continued</b>																
Unfilled orders, end of period (unadjusted), total.....mil. \$.	361,360	362,847	367,685	372,392	377,718	374,866	370,886	365,557	364,405	360,596	361,909	360,001	360,527	*362,847	364,598	
Durable goods industries, total.....do.....	350,891	351,727	357,046	361,493	366,777	363,870	359,816	354,703	353,438	349,861	350,838	348,916	349,555	*351,727	352,984	
Nondurable goods industries with unfilled orders †.....do.....	10,469	11,120	10,639	10,899	10,941	10,996	11,070	10,854	10,967	10,735	11,071	11,085	10,972	*11,120	11,614	
Unfilled orders, end of period (seasonally adjusted) total.....mil. \$.	363,809	365,251	366,226	368,511	370,456	367,475	366,529	364,682	365,948	365,479	368,597	364,897	367,129	*365,251	363,047	
By industry group:																
Durable goods industries, total #.....do.....	353,036	352,792	355,599	357,599	359,588	356,743	355,695	353,872	355,112	354,808	357,499	353,625	355,782	*353,792	351,429	
Primary metals.....do.....	19,747	20,345	20,224	20,679	20,608	20,111	19,090	18,929	18,343	19,230	19,428	19,371	19,312	*20,345	19,890	
Blast furnaces, steel mills.....do.....	9,191	10,111	9,173	9,516	9,700	9,495	8,872	8,808	8,340	9,190	9,569	9,356	9,416	*10,111	9,770	
Nonferrous and other primary metals.....do.....	7,064	6,332	7,422	7,511	7,212	6,745	6,296	6,222	6,200	6,156	5,977	5,955	6,016	*6,332	6,164	
Fabricated metal products.....do.....	20,414	19,405	20,274	20,248	19,656	19,756	19,635	19,434	19,383	19,175	18,960	18,780	19,044	*19,405	19,300	
Machinery, except electrical.....do.....	59,407	53,259	53,246	59,584	58,288	57,156	56,813	56,166	56,288	56,458	56,384	54,865	55,016	*53,259	52,285	
Electrical machinery.....do.....	82,339	84,199	82,844	82,729	83,608	83,536	82,666	84,263	85,044	84,113	84,527	84,701	83,833	*84,199	82,714	
Transportation equipment.....do.....	154,122	159,680	156,604	157,100	160,566	159,546	160,869	158,513	159,575	159,424	161,306	159,087	161,727	*159,680	159,964	
Aircraft, missiles, and parts.....do.....	130,785	137,336	134,098	134,871	135,647	134,934	136,851	134,229	134,705	135,067	136,877	134,782	138,620	*137,336	138,163	
Nondurable goods industries with unfilled orders †.....do.....	10,773	11,459	10,627	10,912	10,868	10,732	10,834	10,810	10,836	10,676	11,098	11,272	11,347	*11,459	11,618	
By market category:																
Home goods and apparel.....do.....	4,202	4,370	4,681	4,679	4,685	4,572	4,327	4,214	4,033	4,157	4,382	4,545	4,595	*4,370	4,762	
Consumer staples.....do.....	751	770	710	756	849	875	837	771	776	727	683	684	728	*770	704	
Equip. and defense prod., excl. auto.....do.....	228,264	229,235	229,245	229,420	231,471	230,543	230,818	230,562	232,532	232,402	233,140	229,584	231,194	*229,235	227,994	
Automotive equipment.....do.....	5,377	5,167	5,400	5,625	5,935	5,871	5,657	5,669	5,552	5,254	5,239	5,469	5,412	*5,167	5,145	
Construction materials, supplies, and intermediate products.....do.....	12,418	11,922	12,468	12,658	12,088	11,958	11,998	11,888	11,967	11,859	11,763	11,616	11,577	*11,922	11,797	
Other materials, supplies, and intermediate products.....do.....	112,797	113,737	113,722	115,373	115,428	113,656	112,892	111,578	111,088	111,080	113,390	112,999	113,628	*113,737	112,645	
Supplementary series:																
Household durables.....do.....	3,749	4,013	4,168	4,087	4,073	4,025	3,785	3,700	3,522	3,610	3,828	4,028	4,149	*4,013	4,344	
Capital goods industries.....do.....	275,320	277,591	277,573	279,265	281,369	279,860	280,367	278,334	280,875	280,604	282,896	279,079	281,557	*277,591	276,665	
Nondefense.....do.....	133,823	132,628	132,759	134,332	134,068	132,892	132,455	131,633	131,600	130,641	131,782	130,972	131,786	*132,628	132,574	
Defense.....do.....	141,497	144,963	144,814	144,933	147,301	146,968	147,912	147,201	149,275	149,963	151,114	148,107	149,771	*144,963	144,095	
<b>BUSINESS INCORPORATIONS @</b>																
New incorporations (50 States and Dist. Col.):																
Unadjusted.....number.....	668,904		60,497	55,750	61,263	63,652	59,407	59,227	58,598	52,531	55,476	*59,764	48,098			
Seasonally adjusted.....do.....			57,452	61,062	59,020	59,880	55,886	56,894	57,789	55,647	57,310	*57,190	56,453			
<b>INDUSTRIAL AND COMMERCIAL FAILURES @</b>																
Failures, total.....number.....	57,252	61,183	5,586	4,839	4,992	5,000	5,869	4,795	4,335	5,904	4,468	6,172	4,644	4,579	5,613	
Commercial service.....do.....	16,647	20,911	1,804	1,528	1,542	1,651	1,980	1,647	1,531	2,016	1,543	2,185	1,725	1,759	2,108	
Construction.....do.....	7,004	7,035	660	606	555	553	669	516	517	693	541	689	519	517	596	
Manufacturing and mining.....do.....	5,662	5,641	516	434	495	436	519	432	381	605	424	545	432	422	472	
Retail trade.....do.....	18,501	13,509	1,342	1,157	1,143	1,136	1,245	1,100	932	1,256	980	1,376	1,022	870	1,176	
Wholesale trade.....do.....	4,835	4,808	429	372	432	398	488	393	325	451	366	466	364	324	370	
Liabilities (current), total.....mil. \$.	36,914.1	43,961.0	3,233.9	3,518.2	2,746.6	2,902.5	3,515.7	3,426.6	7,609.1	3,685.0	3,377.2	4,099.5	1,973.8	3,867.9	3,446.6	
Commercial service.....do.....	6,472.6	8,375.2	1,209.1	568.0	530.8	592.8	879.0	488.2	917.7	755.3	436.5	712.2	502.5	782.6	867.5	
Construction.....do.....	2,011.9	1,862.5	191.4	130.8	135.0	134.3	213.1	160.2	83.0	256.0	126.9	168.2	93.1	170.5	131.7	
Manufacturing and mining.....do.....	7,162.6	9,269.0	582.5	1,383.8	856.8	213.4	504.5	208.5	2,400.7	748.9	1,529.5	326.0	264.2	250.2	611.7	
Retail trade.....do.....	2,908.4	2,740.2	271.6	200.8	301.0	166.8	278.9	265.6	145.9	321.0	200.8	224.0	207.7	156.1	257.5	
Wholesale trade.....do.....	2,831.6	1,958.3	110.1	239.3	184.4	179.6	195.1	329.5	95.5	112.0	134.7	207.6	86.6	89.9	118.5	
Failure annual rate (seasonally adjusted) No. per 10,000 concerns.....																

COMMODITY PRICES

<b>PRICES RECEIVED AND PAID BY FARMERS †</b>																
Prices received, all farm products.....1910-14=100.....	586	561	567	557	557	551	562	556	571	572	559	555	568	551	*552	554
Crops #.....do.....	520	460	488	477	482	492	497	474	458	436	421	420	444	430	*429	420
Commercial vegetables.....do.....	638	645	680	586	613	733	719	591	585	608	648	653	729	600	*741	671
Cotton.....do.....	474	462	456	480	490	500	494	494	519	395	404	398	453	462	*431	395
Feed grains and hay.....do.....	385	310	360	357	355	356	370	347	308	274	243	240	250	254	*249	239
Food grains.....do.....	365	300	365	361	372	368	327	270	247	249	250	253	266	271	*274	275
Fruit.....do.....	678	622	585	552	549	535	603	665	632	673	650	650	710	629	*594	626
Tobacco.....do.....	1,496	1,341	1,423	1,411	1,386	1,379	1,374	1,374	1,374	1,243	1,321	1,265	1,273	1,273	*1,260	1,268
Livestock and products #.....do.....	654	666	649	640	635	612	630	641	689	715	705	697	699	677	*682	695
Dairy products.....do.....	779	764	764	759	746	734	734	728	734	746	777	801	820	820	*813	801
Meat animals.....do.....	802	817	794	787	769	742	777	798	857	887	874	848	848	824	*845	879
Poultry and eggs.....do.....	271	293	278	265	284	263	266	271	322	345	314	318	310	283	*268	262
Prices paid:																
Production items.....do.....	874	839	862	858	(*)	838			836				*824		829	
All commodities and services, interest, taxes, and wage rates (parity index).....1910-14=100.....	1,120	1,097	1,109	1,107	(*)	1,095			1,097				1,089		1,091	
Parity ratio \$.....do.....	52	51	51	50	(*)	50			52				51		50	
<b>CONSUMER PRICES ◇ (U.S. Department of Labor Indexes)</b>																
<b>Not Seasonally Adjusted</b>																
<b>ALL ITEMS, WAGE EARNERS AND CLERICAL WORKERS, REVISED (CPI-W).....1967=100.....</b>	318.5	323.4	324.3	323.2	321.4	320.4	321.4	323.0	322.9	323.4	324.9	325.0	325.4	325.7	327.7	
<b>ALL ITEMS, ALL URBAN CONSUMERS (CPI-U).....1967=100.....</b>	322.2	323.4	328.4	327.5	326.0	325.3	326.3	327.9	328.0	328.6	330.2	330.5	330.8	331.1	333.1	
Special group indexes:																
All items less shelter.....do.....	303.9	306.7	308.8	307.4	305.2	303.6	304.7	306.5	306.1	306.4	307.9	307.8	308.0	308.3	310.3	
All items less food.....do.....	323.3	323.6	329.5	328.5	326.6	325.7	326.7	328.6	328.0	328.1	330.0	330.2	330.4	330.6	332.2	
All items less medical care.....do.....	317.7	322.6	323.4	322.2	320.5	319.7	320.6	322.2	322.1	322.6	324.2	324.4	324.5	324		

Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<b>COMMODITY PRICES—Continued</b>																
<b>CONSUMER PRICES—Continued †</b>																
<i>(U.S. Department of Labor Indexes)—Continued</i>																
<b>Not Seasonally Adjusted</b>																
<b>All items (CPI-U)—Continued</b>																
Commodities.....1967=100	286.7	283.9	290.1	287.4	283.7	281.2	282.1	282.8	281.9	281.9	283.5	283.6	284.0	284.2	286.3	
Nondurables.....do	293.2	289.6	297.7	294.3	289.5	286.3	287.4	288.2	287.1	287.4	289.4	289.0	289.2	289.5	292.1	
Nondurables less food.....do	277.2	262.2	280.4	274.5	265.6	259.2	260.5	261.8	257.3	255.6	258.9	257.8	257.4	257.5	259.2	
Durables.....do	270.7	270.2	271.4	270.5	269.7	269.2	269.6	269.9	269.6	269.0	269.3	270.5	271.8	271.7	272.4	
Commodities less food.....do	272.5	263.4	274.7	270.9	265.2	261.2	262.1	263.0	260.2	259.0	261.1	260.9	261.2	261.2	262.5	
Services.....do	381.5	400.5	391.7	393.3	394.9	396.8	397.9	401.0	402.3	403.7	405.5	406.1	406.1	406.6	408.6	
Food #.....do	309.8	319.7	315.6	315.3	315.4	316.1	317.0	317.1	320.1	322.7	323.2	323.7	324.6	325.2	328.9	
Food at home.....do	296.8	305.3	302.5	301.5	301.2	301.5	302.1	301.6	305.5	308.9	309.0	309.5	309.9	310.2	315.2	
Housing.....do	349.9	360.2	356.8	356.5	357.0	358.0	358.5	361.2	361.5	362.4	363.7	363.0	361.7	362.1	363.9	
Shelter #.....do	382.0	402.9	393.8	394.8	397.0	400.1	400.9	401.6	403.5	405.2	407.6	409.5	410.2	410.4	412.3	
Rent, residential.....do	264.6	280.0	273.4	273.7	275.0	277.9	278.4	279.4	281.2	281.7	283.2	284.6	285.6	286.0	287.1	
Homeowners' cost.....Dec. 1982=100	113.1	119.4	116.7	117.0	117.9	118.7	118.9	119.0	119.4	119.9	120.7	121.3	121.5	121.6	122.0	
Fuel and utilities #.....1967=100	393.6	384.7	394.6	390.0	385.5	381.8	382.5	393.8	389.4	389.5	388.3	379.1	371.1	371.0	373.7	
Fuel oil, coal, and bottled gas.....do	619.5	501.5	650.3	591.2	549.9	518.3	496.8	486.6	459.4	447.3	453.5	451.9	452.0	460.6	487.9	
Gas (piped) and electricity.....do	452.7	446.7	442.6	444.5	442.3	439.2	444.6	466.0	462.3	464.5	461.1	441.4	426.7	425.3	428.8	
Household furnishings and operation.....do	247.2	250.4	248.8	249.0	249.8	249.6	249.9	250.2	250.5	250.5	251.5	251.6	251.2	252.4	253.1	
Apparel and upkeep.....do	206.0	207.8	205.0	204.1	206.3	207.3	206.4	204.5	203.2	207.0	212.1	213.2	213.1	210.9	207.1	
Transportation.....do	319.9	307.5	323.9	319.2	309.6	308.3	305.7	308.6	304.7	301.3	302.2	302.6	304.3	304.8	308.5	
Private.....do	314.2	299.5	317.3	312.2	302.1	295.9	297.8	300.8	296.5	292.8	293.7	294.1	295.8	295.9	298.8	
New cars.....do	215.2	224.4	219.9	220.4	220.3	221.2	223.0	224.2	224.7	224.5	227.1	230.7	232.2	233.0	238.0	
Used cars.....do	379.7	363.2	374.1	370.7	367.2	364.8	363.6	362.5	360.3	355.0	359.5	360.6	361.0	356.6	354.6	
Public.....do	402.8	426.4	419.6	422.2	421.2	422.2	423.7	425.4	428.0	428.5	428.7	428.7	431.7	437.5	438.9	
Medical care.....do	403.1	433.5	418.2	422.3	425.8	428.0	429.7	432.0	434.8	437.5	439.7	442.3	444.6	446.8	449.6	
<b>Seasonally Adjusted †</b>																
<b>All items, percent change from previous month.....1967=100</b>																
Commodities.....do			.3	-.3	-.4	-.3	.2	.4	.0	.2	.3	.2	.2	.7		
Commodities less food.....do			*290.1	*287.3	*283.8	*280.8	*281.8	*282.8	*282.2	*282.2	*283.2	*283.2	*283.9	*283.9	286.6	
Food.....do			*275.5	*271.6	*266.4	*261.6	*262.4	*263.4	*261.2	*259.9	*260.8	*260.2	*260.1	*260.2	263.5	
Food at home.....do			*315.1	*314.6	*314.4	*315.1	*316.5	*317.4	*320.2	*322.7	*323.9	*325.2	*326.5	*327.2	328.6	
Apparel and upkeep.....do			*301.3	*300.2	*299.4	*299.9	*301.3	*301.9	*305.6	*308.7	*309.9	*311.1	*312.3	*312.6	314.0	
Transportation.....do			*207.5	*206.7	*206.4	206.9	*206.9	*206.3	*207.1	*208.0	*208.9	*209.0	*209.6	*209.5	210.4	
Private.....do			*324.2	*319.6	*311.6	*303.8	*305.7	*308.1	*304.2	*301.3	*302.2	*302.5	*303.6	*303.6	308.3	
New cars.....do			*317.7	*312.7	*304.2	*295.9	*297.8	*300.3	*296.0	*293.9	*294.1	*295.8	*295.9	*298.8	299.6	
Services.....do			*218.8	*219.6	*220.3	*221.3	*222.8	*224.2	*225.2	*225.9	*226.4	228.0	*229.7	*230.9	231.8	
Medical care.....do			*392.6	*394.2	*396.1	*398.0	*398.6	400.7	401.7	*403.0	*403.9	*405.3	*406.7	*407.8	409.6	
<b>PRODUCER PRICES †</b>																
<i>(U.S. Department of Labor Indexes)</i>																
<b>Not Seasonally Adjusted</b>																
<b>All commodities.....1967=100</b>																
By stage of processing:	308.7	299.8	308.9	304.4	300.3	298.2	299.2	299.0	297.4	297.2	297.5	*298.4	298.7	298.1	300.9	302.7
Crude materials for further processing.....do	306.1	280.0	301.0	289.0	281.1	273.7	279.4	276.9	277.7	276.3	275.4	*277.2	278.4	274.8	284.0	288.8
Intermediate materials, supplies, etc.....do	318.7	307.6	317.4	313.5	309.5	307.1	306.7	306.8	304.8	304.5	306.1	*304.8	304.9	305.0	307.1	308.9
Finished goods #.....do	282.7	289.6	286.0	291.9	288.0	287.2	283.9	289.2	287.6	288.1	287.3	*290.7	290.7	289.9	291.7	292.3
Finished consumer goods.....do	291.8	284.9	293.8	288.4	283.4	281.9	284.1	284.5	282.3	283.0	282.5	*285.2	285.0	284.2	286.2	287.1
Capital equipment.....do	300.5	306.5	303.9	304.3	304.3	305.6	305.7	306.1	306.4	306.2	303.9	*309.9	310.5	310.1	311.2	310.5
By durability of product:																
Durable goods.....do	297.3	300.0	298.1	298.4	298.6	299.7	299.6	299.7	300.0	299.9	298.8	*302.2	302.5	302.1	303.0	303.5
Nondurable goods.....do	317.2	298.7	316.8	308.4	300.7	296.0	297.9	297.7	294.5	294.2	295.6	*294.4	294.6	294.0	298.2	301.0
Total manufactures.....do	304.3	297.6	304.8	301.1	297.3	296.1	296.7	296.9	295.2	295.5	296.0	297.0	297.2	297.2	299.3	300.7
Durable manufactures.....do	298.1	300.9	299.0	299.3	299.4	300.5	300.4	300.5	300.9	300.8	299.6	*303.1	303.4	302.9	303.7	304.1
Nondurable manufactures.....do	310.5	294.0	310.6	302.9	294.9	291.2	292.6	293.0	289.1	289.7	292.1	*290.4	290.5	290.9	294.4	296.9
Farm products, processed foods and feeds.....do	250.5	252.0	251.5	248.3	247.8	246.2	250.8	249.8	254.2	255.5	254.0	*254.8	255.2	254.6	251.5	251.9
Farm products.....do	230.5	224.7	227.4	221.8	220.2	218.6	227.0	222.6	228.6	227.0	224.1	*227.4	229.3	226.8	220.2	221.2
Foods and feeds, processed.....do	260.4	265.1	263.3	261.4	260.7	259.9	262.3	263.2	266.8	269.6	269.0	*268.4	267.9	268.4	267.0	267.1
Industrial commodities.....do	323.8	312.1	323.8	318.9	314.0	311.6	311.6	311.8	308.5	307.9	308.7	*309.6	309.8	309.3	313.6	315.7
Chemicals and allied products.....do	303.2	299.7	305.1	303.7	303.8	300.2	298.5	298.4	298.4	297.0	297.5	*298.2	298.5	297.5	300.9	301.8
Fuels and related prod., and power.....do	633.6	483.5	620.3	567.0	512.1	482.4	483.8	484.7	444.3	438.4	452.6	*438.8	438.2	435.9	462.4	476.2
Furniture and household durables.....do	221.6	223.9	222.7	223.0	223.2	223.6	224.1	224.2	224.1	224.2	224.2	*224.6	224.6	225.0	225.1	225.6
Hides, skins, and leather products.....do	236.1	296.7	293.7	294.1	293.6	295.0	296.5	297.9	297.4	297.0	296.4	*297.8	299.1	301.5	300.7	301.9
Lumber and wood products.....do	303.6	305.3	298.9	297.1	301.2	308.6	308.1	306.0	306.8	307.2	308.8	*307.1	307.6	306.7	307.9	312.1
Machinery and equipment.....do	298.9	303.3	301.1	301.6	302.0	302.7	302.9	303.1	303.9	304.1	304.2	*304.5	304.9	305.0	305.9	306.6
Metals and metal products.....do	314.9	311.3	311.0	311.2	311.0	310.6	310.7	310.7	310.4	311.1	311.7	*311.9	312.2	311.8	313.2	313.8
Nonmetallic mineral products.....do	347.8	352.0	352.5	352.3	352.4	352.8	353.0	353.0	352.9	351.8	351.4	*351.3	350.9	349.8	350.4	351.5
Pulp, paper, and allied products.....do	327.2	335.3	330.6	331.1	331.3	332.8	333.8	334.2	335.2	336.4	337.8	*339.4	340.5	340.6	344.1	346.8
Rubber and plastics products.....do	245.9	246.1	246.9	247.5	246.7	246.7	246.3	246.1	245.4	246.2	245.7	*245.1	244.4	244.9	245.3	245.7
Textile products and apparel.....do	210.4	211.1	210.7	210.9	211.4	211.1	211.2	211.1	211.4	211.2	211.1	*211.2	211.2	211.0	211.6	211.8
Transportation equip. #.....Dec. 1968=100	269.5	276.2	273.3	273.8	275.5	275.5	275.1	275.4	275.7	274.7	268.4	282.6	282.7	281.7	282.3	281.9
Motor vehicles and equip.....1967=100	267.3	274.4	270.3	270.8	270.2	272.9	272.6	273.0								



Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
	<b>CONSTRUCTION AND REAL ESTATE</b>															
<b>CONSTRUCTION PUT IN PLACE @</b>																
New construction (unadjusted), total.....mil. \$	355,571	376,865	25,207	24,608	26,943	28,750	31,988	34,665	34,945	36,282	36,378	35,573	32,594	28,990	25,310	
Private, total #.....do.....	292,792	305,930	21,004	20,628	22,560	23,603	25,960	27,943	27,305	28,723	28,615	28,477	26,674	28,937	20,675	
Residential.....do.....	158,817	174,595	10,643	10,456	12,273	12,840	15,049	16,737	16,564	17,338	16,992	16,793	15,708	13,203	11,806	
New housing units.....do.....	115,974	133,882	8,389	8,040	9,368	10,177	11,336	12,303	12,925	13,119	13,008	12,822	12,154	10,240	9,591	
Nonresidential buildings, except farm and public utilities, total #.....mil. \$	95,317	93,484	7,534	7,326	7,303	7,678	7,702	7,860	7,969	8,235	8,235	8,423	8,307	7,814	7,333	6,262
Industrial.....do.....	15,769	13,653	1,172	1,208	1,057	1,149	1,123	1,113	1,097	1,084	1,207	1,177	1,156	1,110	901	
Commercial.....do.....	59,628	58,556	4,827	4,577	4,637	4,865	4,823	4,928	5,060	5,261	5,263	5,069	4,793	4,456	3,799	
Public utilities:																
Telephone and telegraph.....do.....	7,484	7,480	511	513	583	652	634	704	666	624	659	717	593	625		
Public, total #.....do.....	62,780	70,935	4,203	3,980	4,384	5,148	6,028	6,722	7,140	7,559	7,763	7,096	5,919	4,993	4,635	
Buildings (excl. military) #.....do.....	20,172	23,661	1,533	1,544	1,618	1,804	1,867	2,024	2,232	2,351	2,392	2,222	2,108	1,965	1,919	
Housing and redevelopment.....do.....	1,512	1,470	113	107	95	133	119	107	127	140	139	130	139	119	120	
Industrial.....do.....	1,968	1,642	131	142	142	161	159	122	149	125	169	117	116	118	135	
Military facilities.....do.....	3,283	3,848	284	331	306	310	303	313	296	344	421	308	310	321	296	
Highways and streets.....do.....	19,998	21,260	904	807	981	1,409	1,991	2,380	2,567	2,672	2,584	2,350	1,561	1,054	955	
New construction (seasonally adjusted at annual rates), total.....bil. \$			373.4	373.9	368.0	373.9	374.5	375.4	380.7	382.6	382.6	384.3	378.4	374.9	378.5	
Private, total #.....do.....			305.4	305.7	298.9	303.3	302.6	304.6	309.0	310.2	308.6	310.7	308.6	303.8	303.2	
Residential.....do.....			163.4	164.7	165.6	170.5	172.5	174.5	178.8	178.8	178.5	181.9	182.2	178.6	180.7	
New housing units.....do.....			122.8	124.7	126.5	129.4	132.4	135.2	136.6	137.8	138.5	139.7	140.1	137.8	140.8	
Nonresidential buildings, except farm and public utilities, total #.....bil. \$			101.2	100.5	94.6	94.8	91.9	91.5	92.6	94.4	93.3	91.9	90.1	88.4	84.7	
Industrial.....do.....			15.8	16.4	13.4	14.6	13.7	13.0	12.9	12.5	13.2	12.9	13.4	12.7	12.1	
Commercial.....do.....			65.2	63.5	60.7	59.8	57.4	57.4	58.1	60.1	58.0	56.3	54.8	51.7	51.7	
Public utilities:																
Telephone and telegraph.....do.....			7.5	7.5	7.4	7.9	7.6	7.8	7.5	7.2	7.4	7.6	7.2	7.6		
Public, total #.....do.....			68.0	68.3	69.2	70.6	71.9	70.8	71.7	72.4	74.0	73.6	69.8	71.2	75.2	
Buildings (excl. military) #.....do.....			20.2	21.5	21.5	22.6	22.6	22.6	24.5	24.9	25.9	25.0	25.2	25.6	25.7	
Housing and redevelopment.....do.....			1.4	1.3	1.1	1.6	1.4	1.3	1.5	1.7	1.7	1.6	1.7	1.4	1.4	
Industrial.....do.....			1.6	1.7	1.7	1.8	1.9	1.5	1.8	1.6	2.0	1.4	1.4	1.4	1.6	
Military facilities.....do.....			3.4	4.0	3.7	3.7	3.6	3.8	3.6	4.1	5.0	3.7	3.7	3.8	3.6	
Highways and streets.....do.....			22.1	22.3	22.7	23.2	23.2	22.0	21.6	21.6	20.6	20.5	18.4	18.9	23.8	
<b>CONSTRUCTION CONTRACTS</b>																
Construction contracts in 50 States (F.W. Dodge Division, McGraw-Hill):																
Valuation, total.....mil. \$	232,277	243,254	15,417	16,152	17,733	22,438	21,589	21,649	21,835	20,489	19,852	21,076	17,367	17,163	15,759	14,594
Index (no. data seas. adj.).....1982=100	148	155	140	157	151	165	153	159	157	155	155	151	156	155	150	145
Public ownership.....mil. \$	54,601	59,367	3,151	4,477	4,243	5,384	5,236	5,655	5,906	5,165	4,908	5,211	3,753	4,418	3,865	3,411
Private ownership.....do.....	177,676	183,887	12,266	11,675	13,490	17,054	16,352	15,994	15,929	15,320	14,943	15,865	13,614	12,745	11,894	11,183
By type of building:																
Nonresidential.....do.....	83,151	81,304	5,812	5,534	5,589	6,634	6,482	6,761	6,970	6,783	6,876	7,124	6,624	5,584	5,800	4,700
Residential.....do.....	108,662	120,637	7,448	7,203	9,069	11,791	11,252	10,977	10,840	10,145	9,950	10,636	8,361	8,034	7,350	5,158
Non-building construction.....do.....	40,464	41,314	2,162	3,410	3,076	4,012	3,854	3,911	4,025	3,556	3,026	3,316	2,382	3,545	2,608	2,375
New construction planning (Engineering News-Record) \$.....do.....	206,622		18,812	16,793	17,478	12,929	17,953	12,525	16,767	16,591	13,409					
<b>HOUSING STARTS AND PERMITS</b>																
New housing units started:																
Unadjusted:																
Total (private and public).....thous.	1,744.9	1,807.0	115.9	107.2	151.1	188.3	186.7	183.6	172.2	163.8	154.3	154.9	115.7	113.1	103.8	
Privately owned.....do.....	1,741.8	1,805.4	115.6	107.2	151.0	188.2	186.6	183.6	172.0	163.8	154.0	154.8	115.6	113.0	103.8	103.0
One-family structures.....do.....	1,072.4	1,179.4	72.0	65.1	97.0	118.4	126.1	124.9	113.5	109.4	102.5	100.9	77.5	72.2	68.5	72.6
Seasonally adjusted at annual rates: ◊																
Total privately owned.....do.....			2,004	1,923	1,887	1,945	1,848	1,842	1,786	1,800	1,689	1,657	1,637	1,813	1,804	1,851
One-family structures.....do.....			1,302	1,183	1,195	1,220	1,219	1,212	1,147	1,180	1,123	1,114	1,129	1,233	1,247	1,317
New private housing units authorized by building permits (17,000 permit-issuing places): †																
Monthly data are seas. adj. at annual rates:																
Total.....thous.	1,733	1,762	1,861	1,808	1,834	1,885	1,788	1,792	1,759	1,673	1,603	1,565	1,613	1,910	1,690	1,764
One-family structures.....do.....	957	1,075	1,060	1,033	1,043	1,139	1,092	1,121	1,093	1,039	1,047	1,006	991	1,168	1,091	1,235
Manufacturers' shipments of mobile homes:																
Unadjusted.....thous.	283.9	244.3	18.9	18.7	20.5	22.9	22.5	21.4	20.3	21.6	21.5	23.1	17.2	15.8	15.6	
Seasonally adjusted at annual rates.....do.....			277	265	241	251	239	232	238	231	243	241	237	251	236	
<b>CONSTRUCTION COST INDEXES</b>																
Dept. of Commerce composite †.....1982=100	109.4	112.1	110.6	110.6	110.9	112.0	112.8	112.9	112.4	112.3	112.4	112.3	112.4	112.5	112.4	
Boeckh indexes:																
Average, 20 cities:																
Apartment, hotels, office buildings.....1982=100	113.0	114.9	114.1		114.2		114.4		114.9		115.6		116.1		116.6	
Commercial and factory buildings.....do.....	111.3	113.2	112.6		112.8		112.9		113.3		113.8		114.0		114.3	
Residences.....do.....	115.1	117.3	116.5		116.6		116.8		117.3		118.1		118.6		119.0	
Engineering News-Record:																
Building.....1967=100	358.7	367.3	361.2	362.0	362.3	363.8	367.5	368.4	369.3	368.8	370.0	371.4	371.3	371.5	372.0	371.4
Construction.....do.....	390.1	393.5	393.4	393.8	393.9	394.9	398.0	399.5	402.4	402.3	402.5	404.2	404.0	404.3	405.1	404.9
Federal Highway Adm.—Highway construction: Composite (avg. for year or qtr.).....1977=100	172.1	171.6			175.7				169.0					167.0		

See footnotes at end of tables.

Unless otherwise stated in footnotes below, data through 1984 and methodological notes are as shown in BUSINESS STATISTICS, 1984

Units	Annual		1986														1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.		
<b>CONSTRUCTION AND REAL ESTATE—Continued</b>																		
<b>REAL ESTATE ◊</b>																		
Mortgage applications for new home construction:																		
FHA applications.....thous. units.....	180.8	325.5	24.1	24.8	39.1	51.0	41.0	26.9	24.7	20.2	21.7	18.9	16.2	16.7	17.9	22.3		
Seasonally adjusted annual rates.....do.....			329	336	441	548	455	314	280	232	243	228	252	242	255	302		
Requests for VA appraisals.....do.....	215.0	243.4	16.4	16.9	21.2	27.3	28.6	24.3	23.2	20.7	19.3	17.5	13.5	14.5	14.6	15.8		
Seasonally adjusted annual rates.....do.....			219	215	228	291	326	277	258	241	238	211	203	208				
Home mortgages insured or guaranteed by:																		
Fed. Hous. Adm.: Face amount.....mil. \$.....	23,963.94	56,902.85	3,150.98	3,276.93	4,032.79	3,390.61	5,277.44	3,944.51	4,434.27	6,551.19	5,309.32	5,075.74	6,926.72	5,532.35	5,898.49			
Vet. Adm.: Face amount \$.....do.....	13,047.56	24,721.62	1,304.65	1,242.44	1,621.70	1,298.65	1,742.12	2,396.95	1,942.20	2,656.80	3,466.86	2,024.13	2,257.13	2,768.00	2,718.07	3,254.93		
Federal Home Loan Banks, outstanding advances to member institutions, end of period.....mil. \$.....	88,835	108,645	87,190	86,892	87,231	91,107	91,882	94,840	97,373	98,360	99,036	100,310	101,109	108,645	104,250	104,376		
New mortgage loans of all savings and loan associations, estimated total.....mil. \$.....	179,972	219,944	12,047	11,564	14,572	16,814	18,896	22,500	21,038	21,314	19,763	19,863	15,940	25,632				
By purpose of loan:																		
Home construction.....do.....	25,305	23,704	1,603	1,642	2,006	2,322	1,952	2,151	2,194	1,952	2,043	2,106	1,585	2,147				
Home purchase *.....do.....	111,596	160,440	7,660	7,720	9,715	11,391	14,171	16,683	16,302	16,430	15,067	14,964	12,017	18,318				
All other purposes *.....do.....	43,067	35,802	2,783	2,202	2,851	3,102	2,774	3,668	2,541	2,933	2,652	2,794	2,336	5,167				

<b>DOMESTIC TRADE</b>																
<b>ADVERTISING</b>																
Magazine advertising (Leading National Advertisers):																
Cost, total.....mil. \$.....																
Apparel and accessories.....do.....																
Automotive, incl. accessories.....do.....																
Building materials.....do.....																
Drugs and toiletries.....do.....																
Foods, soft drinks, confectionery.....do.....																
Beer, wine, liquors.....do.....																
Household equip., supplies, furnishings.....do.....																
Industrial materials.....do.....																
Soaps, cleansers, etc.....do.....																
Smoking materials.....do.....																
All other.....do.....																
Newspaper advertising expenditures (Newspaper Advertising Bureau, Inc.):																
Total.....mil. \$.....	25,170		1,862	1,902	2,220	2,259	2,306	2,321	2,073	2,309						
Classified.....do.....	8,376		677	671	781	793	799	839	794	860						
National.....do.....	3,352		266	255	291	294	304	309	227	258						
Retail.....do.....	13,443		919	975	1,147	1,172	1,203	1,173	1,053	1,191						
<b>WHOLESALE TRADE †</b>																
Merchant wholesalers sales (unadj.):																
total.....mil. \$.....	1,373,926	1,379,092	112,335	102,577	113,986	115,789	114,902	114,570	115,361	111,946	118,531	124,768	112,984	121,343	108,981	
Durable goods establishments.....do.....	626,749	659,546	50,115	47,324	53,148	56,202	55,235	56,071	56,057	53,897	57,941	61,875	53,983	57,648	50,589	
Nondurable goods establishments.....do.....	747,177	719,546	62,220	55,253	60,838	59,587	59,617	58,499	59,304	58,049	60,590	62,893	59,001	63,695	58,392	
Merchant wholesalers inventories, book value, end of period (unadj.):																
total.....mil. \$.....	137,139	139,648	137,103	137,355	138,407	138,205	136,087	137,340	137,684	137,331	139,365	140,360	140,182	139,648	140,749	
Durable goods establishments.....do.....	86,984	89,537	86,586	87,701	88,610	89,624	89,665	90,450	90,998	90,993	92,038	91,224	91,301	89,537	90,574	
Nondurable goods establishments.....do.....	50,155	50,111	50,517	49,684	49,797	48,581	46,422	46,890	46,686	46,338	47,327	49,136	48,881	50,111	50,175	
<b>RETAIL TRADE ‡</b>																
All retail stores:																
Estimated sales (unadj.), total.....mil. \$.....	1,373,941	1,445,798	105,642	99,661	114,236	115,710	125,421	120,351	120,736	124,059	124,645	123,055	120,789	151,493	105,361	104,035
Durable goods stores #.....do.....	514,207	563,442	38,985	37,469	42,843	46,098	49,856	48,810	48,228	48,702	54,332	48,012	49,994	56,113	37,141	39,729
Building materials, hardware, garden supply, and mobile home dealers.....mil. \$.....	74,062	85,842	5,393	4,996	6,401	7,702	8,129	8,128	8,033	7,780	7,780	7,985	6,785	6,780	5,527	5,317
Automotive dealers.....do.....	312,793	337,380	23,811	23,328	26,241	28,242	30,576	29,740	29,001	29,236	35,101	28,187	24,296	29,621	20,708	24,044
Furniture, home furnishings, and equipment.....do.....	68,112	76,516	5,565	5,101	5,717	5,684	6,094	6,089	6,360	6,512	6,414	6,652	7,099	9,229	6,072	5,726
Nondurable goods stores.....do.....	859,734	882,356	66,657	62,192	71,393	69,612	75,565	71,541	72,508	75,357	70,313	75,043	76,795	95,380	68,220	64,306
General merch. group stores.....do.....	159,456	165,489	9,383	9,550	12,661	12,498	14,017	12,755	12,245	13,922	12,540	13,761	16,541	25,616	10,090	10,152
Food stores.....do.....	282,198	293,849	23,948	21,813	24,213	23,354	25,635	24,206	25,459	25,207	23,662	25,101	24,565	26,686	24,864	22,504
Gasoline service stations.....do.....	100,767	86,151	3,067	7,122	7,173	6,941	7,442	7,451	7,390	7,110	6,873	7,022	6,675	6,885	6,685	6,271
Apparel and accessory stores.....do.....	69,673	75,219	4,694	4,401	6,128	5,787	6,313	5,680	5,533	6,006	5,992	6,349	7,067	10,719	5,035	4,617
Eating and drinking places.....do.....	131,035	141,660	10,338	9,826	11,309	11,663	12,377	12,250	12,648	13,140	11,849	12,471	11,594	12,195	11,490	11,076
Drug and proprietary stores.....do.....	46,014	49,176	3,323	3,619	3,997	3,865	4,118	3,994	4,030	3,899	4,101	4,033	5,632	4,178	3,969	
Liquor stores.....do.....	17,802	17,722	1,363	1,242	1,355	1,366	1,496	1,489	1,563	1,518	1,387	1,460	1,452	1,991	1,289	
Estimated sales (seas. adj.), total.....do.....			117,438	117,090	116,684	117,715	118,675	118,960	119,804	121,523	123,331	121,655	121,062	126,938	117,519	122,291
Durable goods stores #.....do.....			44,335	44,059	43,279	44,874	45,554	45,596	46,312	47,912	54,617	47,679	47,019	52,186	42,930	46,716
Bldg. materials, hardware, garden supply, and mobile home dealers #.....mil. \$.....			6,931	6,914	7,143	7,384	6,947	6,998	7,080	7,205	7,350	7,317	7,162	7,305	7,178	7,304
Building materials and supply stores.....do.....			5,134	5,060	5,121	5,451	5,107	5,087	5,202	5,259	5,278	5,314	5,328	5,504	5,425	
Hardware stores.....do.....			924	953	974	948	933	984	976	995	987	994	979	964	1,002	
Automotive dealers.....do.....			26,401	26,115	25,026	26,357	27,164	27,101	27,430	28,773	35,318	28,434	27,749	32,521	23,523	26,912
Motor vehicle and miscellaneous auto dealers.....do.....			24,367	24,082	23,029	24,369	25,151	25,096	25,436	26,729	33,262	26,390	25,724	30,592	21,520	24,874
Auto and home supply stores.....do.....			2,034	2,033	1,997	1,988	2,013	2,005	1,994	2,044	2,056	2,044	2,025	1,929	2,003	
Furniture, home furnishings, and equipment #.....do.....			6,020	5,981	6,049	6,099	6,262	6,378	6,507	6,516	6,515	6,522	6,664	6,663	6,529	6,705
Furniture, home furnishings stores.....do.....			3,292	3,292	3,329	3,338	3,373	3,404	3,470	3,488	3,512	3,515	3,535	3,552	3,459	
Household appliance, radio, and TV stores.....do.....			2,273	2,257	2,268	2,301	2,426	2,509	2,557	2,538	2,487	2,502	2,590	2,583	2,557	

See footnotes at end of tables.

Units	Annual		1986												1987	
	1985	1986	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. \$			73,103	73,081	73,405	72,841	73,121	73,364	73,492	73,611	73,714	73,976	74,043	74,752	74,589	75,575
General merch. group stores.....do			13,358	13,537	13,801	13,860	13,730	13,766	13,873	14,083	13,850	13,898	13,775	13,919	14,136	14,340
Department stores.....do			11,379	11,450	11,705	11,774	11,716	11,784	11,926	12,134	11,941	11,929	11,852	11,911	12,089	12,326
Variety stores.....do			751	743	803	774	737	711	643	678	662	699	659	684	737	
Food stores.....do			24,243	24,211	24,463	24,126	24,233	24,398	24,486	24,283	24,661	24,800	24,925	25,121	24,872	24,981
Grocery stores.....do			22,909	22,937	23,131	22,825	22,906	23,063	23,151	22,902	23,252	23,379	23,524	23,680	23,521	23,586
Gasoline service stations.....do			8,316	8,002	7,615	7,112	7,190	7,144	6,932	6,759	6,839	6,831	6,846	6,770	6,899	7,038
Apparel and accessory stores #.....do			5,977	6,010	6,189	6,205	6,211	6,283	6,257	6,411	6,320	6,352	6,357	6,471	6,276	6,325
Men's and boys' clothing and furnishings stores.....do			703	732	752	770	759	754	751	760	756	740	730	759	748	
Women's clothing, specialty stores, and furriers.....do			2,523	2,499	2,562	2,548	2,553	2,625	2,632	2,679	2,670	2,668	2,695	2,780	2,696	
Shoe stores.....do			898	926	937	941	951	955	954	1,025	960	971	977	1,012	1,008	
Eating and drinking places.....do			11,311	11,307	11,400	11,551	11,710	11,722	11,810	11,956	11,945	12,073	12,140	12,508	12,571	12,760
Drug and proprietary stores.....do			3,942	3,947	4,017	4,022	4,089	4,118	4,155	4,168	4,161	4,180	4,171	4,212	4,294	4,333
Liquor stores.....do			1,499	1,489	1,520	1,493	1,497	1,519	1,499	1,464	1,471	1,482	1,421	1,415	1,394	
Estimated inventories, end of period:																
Book value (unadjusted), total.....mil. \$	160,372	167,246	161,865	167,319	172,790	174,427	171,387	170,105	170,438	168,529	171,435	183,878	184,993	167,246		
Durable goods stores #.....do	81,979	85,919	84,120	87,254	90,722	91,285	89,146	89,019	88,569	84,791	83,055	89,564	90,600	85,919		
Bldg. materials, hardware, garden supply, and mobile home dealers.....do	13,176	13,510	13,547	13,980	14,575	14,897	14,624	14,377	14,315	14,129	14,439	14,179	14,018	13,510		
Automotive dealers.....do	42,404	43,916	44,113	46,462	48,581	48,099	46,396	46,473	45,907	41,481	38,451	43,463	44,650	43,916		
Furniture, home furnishings, and equipment.....do	12,749	13,946	12,593	12,641	12,917	13,192	13,072	13,419	13,264	13,635	13,982	14,653	14,880	13,946		
Nondurable goods stores #.....do	78,393	81,327	77,745	80,065	82,068	83,142	82,241	81,086	81,869	83,738	88,380	94,314	94,393	81,327		
General merch. group stores.....do	28,002	28,721	27,739	29,244	30,616	31,608	31,115	30,052	30,565	31,855	33,828	37,116	37,048	28,721		
Department stores.....do	22,086	23,266	21,730	22,954	24,268	25,225	24,913	23,978	24,223	24,913	26,984	29,834	30,034	23,266		
Food stores.....do	16,278	17,012	16,190	16,201	16,290	16,135	16,299	16,408	16,083	16,253	16,786	17,649	17,801	17,012		
Apparel and accessory stores.....do	14,418	14,882	14,063	14,964	15,455	15,701	15,346	15,087	15,496	16,042	16,684	17,585	17,571	14,882		
Book value (seas. adj.), total.....do	165,514	172,692	167,987	169,879	171,551	172,158	170,869	171,705	173,529	172,926	171,617	176,938	174,788	172,692		
Durable goods stores #.....do	83,071	87,133	84,755	85,863	88,132	88,263	87,198	88,281	90,271	89,380	86,578	90,134	89,173	87,133		
Bldg. materials, hardware, garden supply, and mobile home dealers.....do	13,768	14,147	13,995	14,022	14,192	14,324	14,129	14,192	14,286	14,157	14,541	14,279	14,319	14,147		
Automotive dealers.....do	42,151	43,654	43,418	44,250	45,961	45,462	44,697	45,606	47,278	46,090	42,440	45,702	44,874	43,654		
Furniture, home furn., and equip.....do	12,904	14,115	12,942	12,952	13,061	13,258	13,151	13,339	13,425	13,649	13,885	14,089	14,118	14,115		
Nondurable goods stores #.....do	82,443	85,559	83,232	83,516	83,419	83,895	83,671	83,424	83,258	83,546	85,039	86,204	85,615	85,559		
General merch. group stores.....do	31,036	31,830	31,568	31,603	31,498	31,767	31,534	31,206	31,174	30,989	31,634	32,882	31,833	31,830		
Department stores.....do	24,404	25,708	24,778	24,788	24,865	25,200	25,114	24,899	24,870	24,789	25,361	26,147	25,714	25,708		
Food stores.....do	16,069	16,810	16,288	16,365	16,323	16,216	16,414	16,411	16,411	16,687	16,973	17,185	17,018	16,810		
Apparel and accessory stores.....do	15,404	15,934	15,403	15,653	15,611	15,812	15,804	15,798	15,668	15,681	15,784	15,857	15,887	15,934		
Firms with 11 or more stores:																
Estimated sales (unadjusted), total.....mil. \$	472,244	490,145	34,526	32,703	39,075	37,972	41,666	38,836	39,353	41,598	38,559	41,309	44,490	60,058		
Durable goods stores.....do	40,049	44,294	2,679	2,554	3,116	3,361	3,704	3,567	3,733	3,710	3,582	3,816	4,173	6,299		
Auto and home supply stores.....do	4,895	5,456	361	341	412	451	466	449	500	494	465	520	501	496		
Nondurable goods stores #.....do	432,195	445,851	31,847	30,149	35,959	34,611	37,962	35,269	35,620	37,888	34,977	37,493	40,317	53,759		
General merchandise group stores.....do	148,412	155,168	3,708	3,911	11,863	11,690	13,158	11,964	11,415	13,026	11,721	12,806	15,518	24,388		
Food stores.....do	166,131	162,378	13,401	12,073	13,419	12,835	14,165	13,063	13,947	13,889	13,032	13,858	13,680	15,016		
Grocery stores.....do	154,083	160,145	13,235	11,904	13,225	12,677	13,992	12,897	13,781	13,721	12,874	13,685	13,511	14,643		
Apparel and accessory stores.....do	28,120	31,033	1,743	1,726	2,561	2,318	2,533	2,340	2,244	2,346	2,458	2,569	2,981	4,714		
Eating places.....do	28,404	30,369	2,268	2,125	2,485	2,459	2,588	2,564	2,728	2,770	2,554	2,714	2,513	2,601		
Drug stores and proprietary stores.....do	26,016	27,224	2,063	1,939	2,213	2,079	2,251	2,185	2,186	2,222	2,141	2,238	2,247	3,440		
Estimated sales (seas. adj.), total #.....do	40,977	40,282	40,533	40,284	40,276	40,473	41,024	41,222	41,111	41,225	41,111	41,225	41,215	41,478		
Auto and home supply stores.....do	424	437	436	443	434	433	464	478	475	460	478	480	471	478		
Department stores.....do	10,851	11,060	11,266	11,301	11,270	11,316	11,482	11,680	11,480	11,457	11,372	11,495	11,495	11,967		
Variety stores.....do	640	607	695	641	616	594	544	544	529	550	529	529	529	556		
Grocery stores.....do	13,156	13,125	13,225	13,096	13,175	13,269	13,484	13,347	13,352	13,563	13,661	13,672	13,672	13,672		
Apparel and accessory stores.....do	2,435	2,497	2,543	2,544	2,542	2,578	2,597	2,648	2,614	2,617	2,619	2,680	2,680	2,680		
Women's clothing, specialty stores, and furriers.....do	1,099	1,111	1,113	1,101	1,107	1,146	1,161	1,174	1,174	1,177	1,171	1,188	1,222	1,188		
Shoe stores.....do	452	477	482	507	503	508	518	547	496	488	495	514	514	514		
Drug stores and proprietary stores.....do	2,207	2,169	2,220	2,224	2,238	2,260	2,268	2,300	2,310	2,326	2,305	2,339	2,339	2,339		

LABOR FORCE, EMPLOYMENT, AND EARNINGS

LABOR FORCE AND POPULATION																
Not Seasonally Adjusted																
Noninstitutional population, persons 16 years of age and over.....thous.	179,912	182,293	181,361	181,512	181,673	181,843	181,998	182,183	182,354	182,525	182,713	182,935	183,114	183,297	183,575	183,738
Labor force @.....do	117,167	119,540	117,122	117,416	118,002	118,012	118,886	121,324	121,975	121,168	119,960	120,448	120,374	119,799	119,451	119,707
Resident Armed Forces.....do	1,706	1,706	1,691	1,691	1,693	1,695	1,687	1,680	1,672	1,697	1,716	1,749	1,751	1,750	1,748	1,740
Civilian noninstitutional population.....do	178,206	180,587	179,670	179,821	179,985	180,148	180,311	180,508	180,682	180,823	180,997	181,186	181,363	181,547	181,827	181,998
Civilian labor force, total.....do	115,461	117,834	115,431	115,725	116,309	116,317	117,199	119,644	120,303	119,471	118,244	118,699	118,623	118,049	117,703	117,967
Employed.....do	107,150	109,597	106,959	106,685	107,643	108,201	109,041	110,869	111,832	111,515	110,229	110,857	110,751	110,588	109,084	109,464
Unemployed.....do	8,312	8,237	8,472	9,041	8,667	8,115	8,158	8,775	8,471							

Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<b>LABOR FORCE, EMPLOYMENT, AND EARNINGS—Continued</b>																
<b>LABOR FORCE—Continued</b>																
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	7.2	7.0	6.8	7.2	7.2	7.1	7.2	7.1	7.0	6.8	7.0	6.9	6.9	6.7	6.7	6.7
Men, 20 years and over	6.2	6.1	5.8	6.2	6.2	6.0	6.2	6.2	6.2	5.9	6.2	6.2	6.2	6.0	6.0	5.9
Women, 20 years and over	6.6	6.2	6.1	6.6	6.5	6.4	6.4	6.3	6.2	6.1	6.2	6.1	6.1	5.9	5.9	5.8
Both sexes, 16-19 years	18.6	18.3	18.2	18.9	18.4	19.3	18.8	18.9	17.9	18.0	18.5	17.7	18.2	17.3	17.7	18.0
White	6.2	6.0	5.8	6.3	6.2	6.1	6.2	6.1	6.0	5.8	6.0	6.0	6.0	5.8	5.9	5.7
Black	15.1	14.5	14.6	14.9	14.8	14.8	14.8	14.9	14.2	14.6	14.6	14.3	14.2	13.7	14.3	14.3
Hispanic origin	10.5	10.6	10.3	11.8	10.5	10.5	10.9	10.6	10.5	10.8	10.9	10.4	9.6	10.5	10.6	9.6
Married men, spouse present	4.3	4.4	4.3	4.5	4.5	4.2	4.4	4.5	4.4	4.2	4.3	4.6	4.5	4.3	4.2	4.2
Married women, spouse present	5.6	5.2	5.1	5.5	5.5	5.3	5.3	5.2	5.2	5.1	5.1	5.0	5.0	4.8	4.8	4.8
Women who maintain families	10.4	9.8	9.9	9.9	10.1	9.5	10.1	10.0	9.5	10.1	9.8	8.9	9.7	9.8	9.8	9.5
Industry of last job:																
Private nonagricultural wage and salary workers	7.2	7.0	6.8	7.2	7.1	7.1	7.2	7.1	7.1	6.9	7.0	7.0	7.0	6.8	6.7	6.6
Construction	13.1	13.1	12.8	13.0	13.0	12.3	13.0	12.4	13.0	12.4	12.9	13.8	15.1	13.7	12.2	11.6
Manufacturing	7.7	7.1	7.1	7.3	7.2	6.9	7.4	7.2	6.9	6.9	7.0	7.3	7.1	6.9	6.8	6.8
Durable goods	7.6	6.9	7.0	7.4	6.9	6.9	7.3	7.0	6.7	6.8	6.5	7.2	6.6	6.4	6.8	6.8
Agricultural wage and salary workers	13.2	12.5	11.5	13.8	12.1	18.4	15.3	13.2	11.4	13.3	12.9	11.9	10.1	11.5	11.6	11.2
Not Seasonally Adjusted																
Occupation:																
Managerial and professional specialty	2.4	2.4	2.3	2.4	2.4	2.1	2.2	2.4	2.8	2.7	2.7	2.5	2.3	2.1	2.5	2.5
Technical, sales, and administrative support	4.8	4.7	4.7	5.3	4.8	4.4	4.8	5.0	4.9	4.8	4.9	4.6	4.5	3.9	4.8	4.6
Service occupations	8.8	8.6	9.0	9.1	8.9	8.8	8.7	8.4	8.4	8.2	8.6	8.9	8.1	8.0	8.9	8.5
Precision production, craft, and repair	7.2	7.2	8.3	9.5	8.6	8.0	7.3	6.7	6.7	6.0	6.0	6.1	6.6	6.7	8.0	7.9
Operators, fabricators, and laborers	11.2	10.9	12.3	12.3	12.3	11.1	10.4	10.6	10.0	9.5	10.0	10.3	10.7	10.8	12.0	12.1
Farming, forestry, and fishing	8.6	7.8	9.7	12.4	10.8	8.2	7.3	6.2	5.5	6.0	6.7	7.0	7.6	9.1	10.6	10.5
<b>EMPLOYMENT §</b>																
Employees on payrolls of nonagricultural estab. Total, not adjusted for seas. variation, thous.	97,614	100,167	97,903	98,113	98,617	99,553	100,341	100,752	99,998	100,189	101,089	101,595	101,879	101,975	100,200	100,610
Private sector (excl. government), do	81,199	83,432	81,286	81,165	81,604	82,547	83,301	83,985	84,167	84,494	84,587	84,554	84,673	84,816	83,319	83,423
Seasonally Adjusted																
Total employees, nonagricultural payrolls	97,614	100,167	99,296	99,429	99,484	99,783	99,918	99,843	100,105	100,233	100,560	100,826	101,068	101,322	101,641	101,978
Private sector (excl. government), do	81,199	83,432	82,659	82,748	82,785	83,072	83,198	83,161	83,508	83,655	83,786	83,956	84,178	84,394	84,738	85,062
Nonmanufacturing industries	61,385	64,246	63,356	63,454	63,530	63,827	63,997	64,026	64,387	64,532	64,681	64,838	65,022	65,208	65,567	65,841
Goods-producing	24,930	24,938	25,101	25,038	24,945	25,038	24,965	24,854	24,869	24,888	24,888	24,865	24,891	24,920	25,009	25,059
Mining	930	792	897	880	852	821	790	772	768	753	743	749	742	738	729	727
Construction	4,687	4,960	4,901	4,864	4,838	4,972	4,974	4,947	4,980	5,012	5,010	5,001	4,993	4,996	5,109	5,111
Manufacturing	19,314	19,186	19,303	19,294	19,255	19,245	19,201	19,135	19,121	19,123	19,105	19,118	19,156	19,186	19,171	19,221
Durable goods	11,516	11,345	11,466	11,455	11,418	11,415	11,378	11,307	11,294	11,302	11,271	11,266	11,282	11,289	11,273	11,316
Lumber and wood products	700	727	716	716	715	719	719	721	724	729	734	737	743	749	755	757
Furniture and fixtures	493	497	494	494	493	494	496	496	498	499	500	500	500	500	503	503
Stone, clay, and glass products	591	595	596	597	594	600	599	597	593	592	594	590	591	594	596	598
Primary metal industries	813	768	798	795	787	785	780	761	758	751	749	749	751	752	742	762
Fabricated metal products	1,468	1,439	1,455	1,452	1,450	1,451	1,447	1,440	1,428	1,429	1,433	1,429	1,427	1,431	1,430	1,430
Machinery, except electrical	2,182	2,082	2,137	2,127	2,118	2,111	2,100	2,069	2,079	2,072	2,044	2,039	2,036	2,030	2,031	2,042
Electric and electronic equip.	2,207	2,169	2,182	2,181	2,177	2,177	2,175	2,149	2,168	2,162	2,162	2,167	2,166	2,164	2,157	2,158
Transportation equipment	1,971	1,984	1,996	1,998	1,989	1,986	1,972	1,974	1,969	1,985	1,979	1,979	1,993	1,990	1,979	1,990
Instruments and related products	723	717	724	725	726	723	721	717	713	713	713	713	710	709	710	706
Miscellaneous manufacturing	369	367	368	370	369	369	369	369	363	364	363	363	365	370	370	370
Nondurable goods	7,798	7,841	7,837	7,839	7,837	7,830	7,823	7,828	7,827	7,821	7,834	7,852	7,874	7,897	7,898	7,905
Food and kindred products	1,608	1,641	1,623	1,631	1,632	1,633	1,640	1,648	1,645	1,642	1,644	1,644	1,654	1,657	1,653	1,654
Tobacco manufactures	65	61	64	63	63	63	62	62	62	61	60	59	61	60	59	60
Textile mill products	704	709	702	705	707	708	705	707	710	711	709	711	717	719	721	725
Apparel and other textile products	1,125	1,115	1,133	1,122	1,117	1,119	1,113	1,106	1,108	1,108	1,110	1,113	1,112	1,124	1,120	1,115
Paper and allied products	683	690	687	687	688	689	689	690	687	685	691	694	694	697	694	695
Printing and publishing	1,435	1,479	1,461	1,467	1,469	1,472	1,474	1,477	1,483	1,481	1,485	1,491	1,498	1,498	1,499	1,504
Chemicals and allied products	1,046	1,027	1,034	1,032	1,031	1,028	1,024	1,026	1,025	1,026	1,025	1,023	1,023	1,020	1,022	1,021
Petroleum and coal products	178	164	168	167	166	166	166	164	163	163	162	161	160	159	159	159
Rubber and plastics products, nec.	790	801	802	803	804	800	796	797	792	794	797	805	809	815	819	819
Leather and leather products	166	155	163	162	160	157	154	151	152	152	151	151	151	153	152	153
Service-producing	72,684	75,229	74,195	74,391	74,539	74,745	74,953	74,989	75,236	75,395	75,702	75,961	76,177	76,402	76,632	76,919
Transportation and public utilities	5,242	5,236	5,236	5,277	5,280	5,266	5,265	5,167	5,288	5,255	5,316	5,316	5,351	5,359	5,378	5,383
Wholesale trade	5,740	5,853	5,830	5,843	5,841	5,864	5,872	5,829	5,849	5,863	5,859	5,864	5,859	5,859	5,867	5,878
Retail trade	17,360	17,978	17,734	17,795	17,828	17,851	17,911	17,944	17,992	18,030	18,065	18,143	18,197	18,206	18,323	18,452
Finance, insurance, and real estate	5,953	6,305	6,123	6,157	6,184	6,228	6,261	6,295	6,334	6,364	6,388	6,409	6,429	6,472	6,496	6,512
Services	21,974	23,072	22,585	22,633	22,707	22,825	22,924	23,072	23,176	23,255	23,300	23,359	23,451	23,578	23,665	23,778
Government	16,415	16,735	16,687	16,681	16,699	16,711	16,720	16,682	16,697	16,628	16,774	16,870	16,890	16,928	16,903	16,916
Federal	2,875	2,899	2,918	2,918	2,923	2,914	2,899	2,875	2,866	2,875	2,901	2,896	2,899	2,907	2,908	2,917
State	3,848	3,937	3,916	3,924	3,927	3,938	3,936	3,927	3,921	3,919	3,932	3,959	3,965	3,963	3,979	3,977
Local	9,692	9,899	9,803	9,839	9,849	9,859	9,885	9,880	9,810	9,834	9,941	10,015	10,026	10,038	10,016	10,022
Production or nonsupervisory workers on private nonagric. payrolls, not seas. adjusted, thous.	65,635	67,455	65,558	65,407	65,795	66,672	67,369	67,976	68,085	68,387	68,481	68,460	68,569	68,698	67,149	67,184
Manufacturing	13,130	13,023	12,969	12,973	12,982	12,997	13,008	13,076	12,871	13,051	13,145	13,089	13,074	13,043	12,892	12,958
Seasonally Adjusted																
Production or nonsupervisory workers on private nonagricultural payrolls	65,635	67,455	66													

Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<b>LABOR FORCE, EMPLOYMENT, AND EARNINGS—Continued</b>																
<b>EMPLOYMENT S—Continued</b>																
<b>Seasonally Adjusted</b>																
<b>Production or nonsupervisory workers—Continued</b>																
Nondurable goods.....thous.	5,470	5,528	5,516	5,518	5,516	5,513	5,506	5,517	5,520	5,513	5,522	5,539	5,568	5,587	5,585	5,591
Food and kindred products.....do	1,122	1,153	1,137	1,145	1,145	1,145	1,149	1,160	1,158	1,153	1,157	1,155	1,168	1,168	1,168	1,168
Tobacco manufactures.....do	49	46	48	47	48	48	47	46	47	43	44	44	46	45	44	44
Textile mill products.....do	608	613	608	609	611	607	610	611	614	615	612	616	622	624	626	630
Apparel and other textile products.....do	948	941	956	946	940	943	938	933	936	935	937	940	940	951	947	942
Paper and allied products.....do	516	524	521	521	521	522	523	524	522	519	523	527	528	531	527	528
Printing and publishing.....do	793	824	811	815	817	820	820	823	825	827	827	832	833	837	839	838
Chemicals and allied products.....do	579	572	573	574	573	572	569	572	572	574	572	571	572	569	572	572
Petroleum and coal products.....do	107	103	104	104	103	103	103	103	103	103	102	102	102	102	102	103
Rubber and plastics products, nec.....do	610	624	623	623	625	623	620	621	617	621	624	628	632	634	636	638
Leather and leather products.....do	137	128	135	134	133	130	127	124	124	125	124	124	125	126	127	128
Service-producing.....do	48,176	49,988	49,259	49,409	49,462	49,621	49,786	49,835	50,122	50,203	50,335	50,446	50,624	50,772	50,930	51,160
Transportation and public utilities.....do	4,342	4,371	4,384	4,377	4,373	4,362	4,361	4,270	4,354	4,325	4,387	4,393	4,424	4,441	4,447	4,456
Wholesale trade.....do	4,616	4,697	4,686	4,695	4,693	4,712	4,711	4,674	4,705	4,708	4,700	4,694	4,693	4,694	4,699	4,702
Retail trade.....do	15,458	16,001	15,794	15,854	15,867	15,880	15,939	15,981	16,018	16,045	16,091	16,153	16,187	16,193	16,284	16,387
Finance, insurance, and real estate.....do	4,414	4,658	4,582	4,554	4,571	4,603	4,629	4,651	4,683	4,704	4,716	4,723	4,745	4,771	4,787	4,797
Services.....do	19,346	20,262	19,863	19,929	19,958	20,064	20,146	20,259	20,362	20,421	20,441	20,483	20,575	20,673	20,713	20,818
<b>AVERAGE HOURS PER WEEK S</b>																
<b>Seasonally Adjusted</b>																
<b>Avg. weekly hours per worker on private nonag. payrolls: &lt;</b>																
Not seasonally adjusted.....hours	34.9	34.8	34.7	34.4	34.7	34.6	34.7	34.9	35.0	35.1	34.8	34.7	34.7	34.9	34.4	34.6
Seasonally adjusted.....do			35.0	34.9	34.9	34.8	34.8	34.7	34.7	34.8	34.7	34.7	34.8	34.6	34.8	35.0
Mining & construction.....do	43.4	42.3	44.4	42.4	42.3	42.0	41.8	42.0	41.6	42.3	42.2	41.6	42.2	41.6	42.4	42.5
Construction.....do	37.7	37.5	37.2	35.2	36.4	37.6	37.9	37.8	38.3	38.4	38.5	38.0	36.5	36.9	37.3	36.8
Manufacturing.....do	40.5	40.7	40.7	40.3	40.7	40.5	40.6	40.8	40.2	40.7	41.0	40.8	41.0	41.6	40.8	40.7
Not seasonally adjusted.....do	40.8	40.7	40.8	40.7	40.7	40.7	40.7	40.6	40.6	40.8	40.8	40.7	40.8	40.8	40.9	41.2
Seasonally adjusted.....do			40.8	40.7	40.7	40.7	40.7	40.6	40.6	40.8	40.8	40.7	40.8	40.8	40.9	41.2
Overtime hours.....do	3.3	3.4	3.5	3.4	3.4	3.4	3.4	3.3	3.4	3.5	3.5	3.5	3.5	3.5	3.6	3.6
Durable goods.....do	41.2	41.3	41.5	41.4	41.4	41.3	41.2	41.2	41.1	41.4	41.4	41.3	41.4	41.3	41.6	41.8
Over time hours.....do	3.5	3.5	3.6	3.5	3.6	3.6	3.4	3.5	3.5	3.5	3.6	3.6	3.6	3.6	3.7	3.7
Lumber and wood products.....do	39.9	40.3	40.4	40.0	40.2	40.3	40.3	39.9	40.1	40.2	40.1	40.3	40.7	40.4	40.7	41.0
Furniture and fixtures.....do	39.4	39.6	40.0	39.7	39.4	39.1	39.4	39.4	39.4	39.9	40.0	39.8	39.6	39.6	40.0	40.0
Stone, clay, and glass products.....do	41.9	42.3	42.7	41.9	41.9	42.4	42.3	42.2	42.2	42.5	42.5	42.3	41.9	42.1	43.0	43.3
Primary metal industries.....do	41.5	41.9	41.9	42.1	41.9	41.3	41.7	41.6	41.3	41.9	42.0	42.3	42.4	42.5	42.7	42.6
Fabricated metal products.....do	41.3	41.3	41.5	41.5	41.4	41.2	41.1	41.1	41.1	41.1	41.2	41.5	41.2	41.4	41.1	41.5
Machinery, except electrical.....do	41.5	41.6	41.6	41.6	41.6	41.8	41.8	41.7	41.4	41.7	41.7	41.6	41.7	41.5	41.9	42.1
Electric and electronic equip.....do	40.6	41.0	41.0	40.9	41.0	41.1	41.0	41.0	41.1	41.2	41.2	40.9	41.0	41.0	40.9	41.3
Transportation equipment.....do	42.6	42.4	42.8	42.7	42.7	42.1	41.9	42.2	42.1	42.2	42.6	42.1	42.3	42.1	42.3	42.7
Instruments and related products.....do	41.0	41.1	41.1	41.2	41.3	41.3	40.9	41.0	40.8	41.0	40.7	41.1	41.2	41.3	41.2	41.2
Miscellaneous manufacturing & repair.....do	39.4	39.6	39.8	39.3	39.9	39.7	39.4	39.6	38.8	39.2	39.6	39.8	40.2	40.3	39.5	39.4
Nondurable goods.....do	39.6	39.9	39.9	39.7	39.8	39.9	39.9	39.8	39.8	39.9	39.9	39.9	40.1	40.1	40.1	40.3
Over time hours.....do	3.1	3.3	3.3	3.2	3.2	3.3	3.4	3.2	3.4	3.4	3.3	3.4	3.5	3.5	3.5	3.5
Food and kindred products.....do	40.0	40.0	40.1	39.8	39.9	40.2	40.2	40.0	40.0	40.3	39.7	39.8	40.0	39.8	40.1	40.1
Tobacco manufactures & allied products.....do	39.2	37.6	37.7	36.6	37.5	36.6	37.7	38.3	35.9	36.2	38.5	39.1	38.4	37.7	37.2	34.3
Textile mill products.....do	37.7	41.2	40.8	40.6	40.7	41.3	41.1	40.8	40.9	41.4	41.6	41.5	41.5	41.9	41.8	42.2
Apparel and other textile products.....do	36.4	36.7	36.7	36.3	36.5	36.9	36.5	36.5	36.6	36.5	36.7	36.7	36.9	37.0	36.9	37.5
Paper and allied products.....do	43.1	43.3	43.6	43.5	43.5	43.0	43.2	43.1	43.2	43.5	43.0	43.0	43.2	43.4	43.6	43.6
Printing and publishing.....do	37.8	38.0	38.0	38.0	38.0	38.0	38.0	37.8	37.9	38.0	38.0	38.0	38.1	38.1	37.8	38.1
Chemicals and allied products.....do	41.9	42.0	41.9	41.8	41.9	41.9	42.0	41.9	41.9	42.1	42.0	42.2	42.5	42.2	42.3	42.5
Petroleum and coal products.....do	43.0	43.7	43.5	43.7	43.8	43.6	43.4	44.0	43.5	44.3	43.4	43.7	43.8	43.6	44.5	45.2
Rubber and plastics products, nec & leather products & allied products.....do	41.1	41.3	41.4	41.0	41.3	41.1	41.2	41.3	40.5	41.2	41.6	41.4	41.7	42.3	41.6	41.2
Leather and leather products & allied products.....do	37.2	36.9	37.1	36.0	36.3	36.3	36.7	37.7	37.0	36.7	36.8	36.8	37.2	38.1	37.3	37.5
Transportation and public utilities.....do	39.5	39.2	39.4	39.5	39.6	39.2	39.2	39.1	39.2	39.1	39.1	39.1	39.3	39.0	39.1	39.5
Wholesale trade.....do	38.4	38.4	38.5	38.4	38.5	38.5	38.4	38.3	38.3	38.4	38.2	38.4	38.3	38.2	38.3	38.5
Retail trade.....do	29.4	29.2	29.3	29.3	29.3	29.2	29.2	29.1	29.2	29.2	29.2	29.1	29.3	28.9	28.9	29.4
Finance, insurance, and real estate & services.....do	36.4	36.5	36.4	36.8	36.7	36.4	36.3	36.6	36.5	36.6	36.4	36.6	36.7	36.6	36.5	36.7
Services.....do	32.5	32.5	32.6	32.6	32.5	32.5	32.5	32.4	32.4	32.4	32.4	32.4	32.5	32.4	32.4	32.5
<b>AGGREGATE EMPLOYEE-HOURS S</b>																
<b>Seasonally Adjusted</b>																
<b>Employee-hours, wage &amp; salary workers in non-agric. establish, for 1 week in the month, seas adj. at annual rate.....bil. hours</b>																
Total private sector.....do	182.27	186.48	185.63	185.29	185.41	185.32	185.76	185.45	185.90	186.66	186.95	187.42	188.58	188.49	189.11	191.02
Mining.....do	2.10	1.75	2.09	1.96	1.89	1.81	1.72	1.68	1.66	1.65	1.62	1.62	1.60	1.62	1.63	1.63
Construction.....do	9.19	9.67	9.80	9.27	9.28	9.78	9.68	9.54	9.66	9.78	9.82	9.77	9.64	9.67	9.67	10.18
Manufacturing.....do	40.72	40.58	40.98	40.85	40.74	40.58	40.52	40.32	40.23	40.44	40.38	40.43	40.63	40.73	40.72	41.03
Transportation and public utilities.....do	10.77	10.80	10.84	10.86	10.87	10.75	10.70	10.71	10.80	10.69	10.78	10.82	10.96	10.91	10.94	11.09
Wholesale trade.....do	11.46	11.69	11.67	11.68	11.68	11.74	11.72	11.61	11.66	11.70	11.64	11.69	11.68	11.63	11.69	11.78
Retail trade.....do	26.54	27.30	27.05	27.15	27.22	27.12	27.17	27.22	27.31	27.38	27.34	27.41	27.72	27.86	27.56	28.25
Finance, insurance, and real estate.....do	11.28	11.99	11.61	11.78	11.81	11.82	11.83	11.99	12.04	12.14	12.09	12.20	12.30	12.32	12.35	12.42
Services.....do	37.51	39.37	38.65	38.69	38.84	39.03	39.22	39.32	39.56	39.70	39.58	39.82	40.11	40.13	40.22	40.62
Government.....do	32.69	33.33	32.96	33.05	33.08	33.18	33.20	33.05	32.99	33.17	33.70	33.65	33.94	34.11	33.72	34.02
<b>Indexes of employee-hours (aggregate weekly): &lt;</b>																
<b>Private nonagric. payrolls, total.....1977=100</b>																
Goods-producing.....do	115.4	118.1	117.8	117.5	117.4	117.8	117									

Unless otherwise stated in footnotes below, data through 1984 and methodological notes are as shown in Business Statistics, 1984

Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<b>LABOR FORCE, EMPLOYMENT, AND EARNINGS—Continued</b>																
<b>HOURLY AND WEEKLY EARNINGS \$</b>																
Average hourly earnings per worker: ◇																
Not seasonally adjusted:																
Private nonagric. payrolls.....dollars..	8.57	8.75	8.72	8.74	8.73	8.72	8.72	8.71	8.69	8.70	8.81	8.81	8.85	8.83	*8.87	*8.89
Mining.....do	11.98	12.45	12.24	12.32	12.35	12.43	12.44	12.50	12.46	12.51	12.52	12.51	12.57	*12.60	*12.62	*12.51
Construction.....do	12.31	12.42	12.34	12.35	12.22	12.29	12.33	12.31	12.31	12.39	12.54	12.62	12.59	*12.70	*12.53	*12.48
Manufacturing.....do	9.53	9.73	9.70	9.70	9.72	9.70	9.71	9.70	9.74	9.68	9.73	9.72	9.77	9.84	9.83	*9.85
Excluding overtime.....do	9.16	9.33	9.31	9.33	9.33	9.33	9.34	9.32	9.35	9.27	9.31	9.31	9.36	9.41	*9.44	*9.45
Durable goods.....do	10.10	10.29	10.27	10.29	10.30	10.28	10.28	10.26	10.27	10.22	10.30	10.28	10.33	10.40	*10.35	*10.41
Excluding overtime.....do	9.69	9.87	9.86	9.88	9.88	9.87	9.88	9.85	9.87	9.80	9.85	9.85	9.90	9.94	*9.96	*9.97
Lumber and wood products.....do	8.22	8.37	8.30	8.36	8.33	8.32	8.37	8.43	8.39	8.40	8.42	8.37	8.39	*8.36	*8.31	*8.37
Furniture and fixtures.....do	7.17	7.44	7.36	7.31	7.35	7.36	7.39	7.46	7.44	7.46	7.52	7.50	7.52	*7.60	*7.55	*7.52
Stone, clay, and glass products.....do	9.84	10.05	9.96	9.94	9.93	10.00	10.04	10.04	10.06	10.07	10.11	10.10	10.13	10.17	*10.17	*10.17
Primary metal industries.....do	11.63	11.93	11.81	11.96	11.99	12.00	12.02	11.94	12.06	11.85	11.92	11.84	11.87	*11.91	*11.86	*11.95
Fabricated metal products.....do	9.70	9.87	9.85	9.85	9.88	9.84	9.85	9.88	9.84	9.82	9.87	9.86	9.93	*10.00	9.98	*9.99
Machinery, except electrical.....do	10.29	10.56	10.50	10.53	10.58	10.55	10.55	10.55	10.57	10.57	10.58	10.56	10.59	*10.65	*10.60	*10.66
Electric and electronic equip.....do	9.47	9.67	9.60	9.60	9.62	9.62	9.64	9.61	9.68	9.67	9.73	9.72	9.75	*9.85	*9.87	*9.87
Transportation equipment.....do	12.72	12.86	12.91	12.87	12.90	12.83	12.79	12.78	12.78	12.75	12.87	12.87	12.92	*13.00	*12.96	*12.98
Instruments and related products.....do	9.16	9.46	9.32	9.39	9.41	9.41	9.40	9.41	9.47	9.45	9.51	9.54	9.61	*9.62	*9.61	*9.64
Miscellaneous manufacturing.....do	7.30	7.56	7.48	7.50	7.51	7.50	7.54	7.54	7.59	7.52	7.59	7.60	7.65	*7.71	*7.71	*7.65
Nondurable goods.....do	8.71	8.93	8.86	8.86	8.88	8.88	8.90	8.91	8.99	8.93	8.96	8.95	9.00	*9.06	*9.08	*9.07
Excluding overtime.....do	8.38	8.57	8.52	8.53	8.54	8.55	8.56	8.56	8.63	8.55	8.56	8.58	8.62	*8.67	*8.71	*8.71
Food and kindred products.....do	8.57	8.74	8.72	8.71	8.74	8.75	8.78	8.74	8.75	8.65	8.65	8.68	8.79	*8.88	*8.91	*8.93
Tobacco manufactures.....do	11.94	12.77	11.89	12.38	12.76	12.84	13.38	13.68	13.48	13.44	12.21	12.10	12.62	*12.86	*12.99	*13.31
Textile mill products.....do	6.71	6.95	6.85	6.83	6.86	6.87	6.88	6.87	6.90	6.99	7.05	7.04	7.07	7.13	*7.11	*7.11
Apparel and other textile products.....do	5.73	5.81	5.82	5.79	5.80	5.81	5.78	5.79	5.76	5.79	5.87	5.82	5.83	*5.86	*5.89	*5.89
Paper and allied products.....do	10.82	11.14	11.02	10.99	11.03	11.05	11.12	11.15	11.31	11.17	11.20	11.17	11.20	*11.24	*11.18	*11.16
Printing and publishing.....do	9.71	9.97	9.85	9.86	9.90	9.87	9.91	9.88	9.96	10.00	10.10	10.08	10.11	*10.14	*10.16	*10.20
Chemicals and allied products.....do	11.56	11.97	11.86	11.81	11.78	11.82	11.89	11.94	12.04	11.99	12.03	12.08	12.15	*12.20	*12.18	*12.20
Petroleum and coal products.....do	14.06	14.19	14.26	14.21	14.22	14.16	14.02	14.14	14.16	14.07	14.20	14.18	14.26	*14.36	*14.43	*14.27
Rubber and plastics products, nec.....do	8.54	8.76	8.69	8.69	8.72	8.68	8.75	8.75	8.82	8.81	8.76	8.76	8.81	*8.86	*8.88	*8.84
Leather and leather products.....do	5.82	5.90	5.86	5.83	5.86	5.89	5.88	5.88	5.89	5.90	5.93	5.92	5.98	*6.04	*6.04	*6.03
Transportation and public utilities.....do	11.40	11.63	11.59	11.64	11.62	11.55	11.54	11.57	11.61	11.61	11.70	11.68	11.75	*11.71	*11.67	*11.76
Wholesale trade.....do	9.16	9.35	9.28	9.36	9.33	9.29	9.29	9.32	9.30	9.32	9.37	9.35	9.46	*9.47	*9.45	*9.50
Retail trade.....do	5.94	6.02	6.03	6.04	6.03	6.01	6.00	5.99	5.97	5.97	6.05	6.04	6.07	*6.05	*6.07	*6.06
Finance, insurance, and real estate.....do	7.94	8.34	8.14	8.28	8.30	8.29	8.31	8.37	8.30	8.33	8.37	8.38	8.54	*8.46	*8.58	*8.73
Services.....do	7.89	8.16	8.12	8.17	8.18	8.12	8.10	8.10	8.04	8.05	8.19	8.22	8.31	*8.31	*8.36	*8.40
Seasonally adjusted:																
Private nonagricultural payrolls.....dollars..	8.57	8.75	8.68	8.71	8.73	8.72	8.73	8.74	8.73	8.77	8.76	8.80	8.84	8.82	8.83	*8.87
Mining.....do	11.98	12.45	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Construction.....do	12.31	12.42	12.25	12.29	12.23	12.34	12.38	12.43	12.40	12.43	12.53	12.65	12.62	*12.62	*12.43	*12.42
Manufacturing.....do	9.53	9.73	9.65	9.68	9.70	9.68	9.72	9.71	9.73	9.76	9.74	9.77	9.77	9.78	9.78	*9.83
Transportation and public utilities.....do	11.40	11.63	11.56	11.62	11.65	11.58	11.62	11.63	11.62	11.62	11.64	11.67	11.68	*11.65	*11.64	*11.75
Wholesale trade.....do	9.16	9.35	9.22	9.34	9.36	9.27	9.29	9.35	9.31	9.37	9.35	9.39	9.47	*9.43	*9.41	*9.48
Retail trade.....do	5.94	6.02	5.99	6.01	6.01	5.99	5.99	6.00	6.00	6.03	6.05	6.05	6.07	*6.07	*6.03	*6.01
Finance, insurance, and real estate.....do	7.94	8.34	8.10	8.21	8.27	8.28	8.31	8.40	8.33	8.41	8.37	8.41	8.56	*8.44	*8.54	*8.65
Services.....do	7.89	8.16	8.05	8.11	8.16	8.11	8.12	8.17	8.12	8.16	8.17	8.21	8.28	*8.24	*8.29	*8.34
Indexes of avg. hourly earnings, seas. adj.: ◇																
Private nonfarm economy:																
Current dollars.....1977=100	165.2	169.2	167.3	168.2	168.5	168.4	168.7	169.2	168.9	169.3	169.6	170.0	170.8	170.6	*170.6	*171.4
1977 dollars.....do	94.1	94.9	93.5	94.4	95.1	95.4	95.4	95.2	95.1	95.1	94.9	95.0	95.3	95.0	94.5	94.5
Mining.....do	178.9	181.3	180.9	180.5	180.1	181.2	181.1	181.4	181.7	181.5	181.5	181.4	182.4	181.9	181.5	181.5
Construction.....do	150.4	151.5	149.7	149.7	149.2	150.6	151.0	151.4	150.8	151.3	151.2	152.6	154.0	153.9	151.7	151.4
Manufacturing.....do	163.3	172.4	170.7	171.3	171.8	172.0	172.5	172.5	172.7	172.9	172.8	173.1	173.2	173.5	173.5	174.1
Transportation and public utilities.....do	166.3	170.2	168.6	169.6	170.2	169.3	170.1	170.7	170.3	171.2	170.8	170.9	171.2	171.2	171.1	172.8
Wholesale trade.....do	169.0	172.3	171.1	172.4	171.9	171.3	171.4	172.0	171.4	171.7	172.8	172.6	174.5	174.5	174.8	175.1
Retail trade.....do	155.6	158.1	157.0	157.3	157.4	157.3	157.2	157.3	157.7	158.5	159.1	159.1	159.3	159.3	158.1	158.3
Finance, insurance, and real estate.....do	171.8	179.9	175.8	178.3	179.2	178.9	179.3	180.5	179.1	179.8	180.5	180.7	188.9	182.2	184.5	187.6
Services.....do	168.2	174.1	171.7	173.1	174.0	173.1	173.4	174.3	173.4	174.3	174.4	175.3	176.6	175.8	176.8	178.2
Hourly wages, not seasonally adjusted:																
Construction wages, 20 cities (ENR): \$\$	15.95	16.37	16.05	16.10	16.10	16.12	16.19	16.33	16.57	16.57	16.58	16.60	16.60	16.65	16.66	16.67
Common labor.....\$ per hr.	20.96	21.46	21.02	21.14	21.14	21.20	21.21	21.44	21.65	21.69	21.76	21.75	21.78	21.80	21.83	21.84
Skilled labor.....do	13.62	13.84	13.67	13.91	13.77	13.59	13.82	13.77	13.82	13.96	13.94	13.84	14.06	14.18	14.29	.....
Railroad wages (average, class D).....do	13.62	13.84	13.67	13.91	13.77	13.59	13.82	13.77	13.82	13.96	13.94	13.84	14.06	14.18	14.29	.....
Avg. weekly earnings per worker, private nonfarm: ◇																
Current dollars, seasonally adjusted.....do	299.09	304.50	303.80	303.98	304.68	303.46	303.80	303.28	302.93	305.20	303.97	305.36	307.63	305.17	*307.28	*310.45
1977 dollars, seasonally adjusted.....do	170.42	170.88	169.72	170.58	171.94	171.98	171.83	170.67	170.57	171.46	170.20	170.69	171.57	170.01	169.96	.....
Current dollars, not seasonally adjusted:																
Private nonfarm, total.....dollars..	299.09	304.50	302.58	300.66	302.93	301.71	302.58	303.98	304.15	305.37	306.59	305.71	307.10	308.17	*305.13	*307.59
Mining.....do	519.93	526.64	543.46	522.37	522.41	522.06	519.99	525.00	518.34	529.17	529.60	527.92	529.91	*536.76	*535.09	*531.68
Construction.....do	464.09	465.75	459.08	434.72	444.81	462.10	467.31	465.32	471.47	475.78	482.79	479.56	459.54	*468.63	*467.37	*459.26
Manufacturing.....do	385.97	396.01	394.79	390.91	39											

Units	Annual		1986														1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.		

LABOR FORCE, EMPLOYMENT, AND EARNINGS—Continued

WORK STOPPAGES																
Work stoppages involving 1,000 or more workers:																
Number of stoppages:																
Beginning in month or year.....number..	54	68	4	3	2	4	6	11	13	10	7	5	2	1	2	
Workers involved in stoppages:																
Beginning in month or year.....thous...	324	529	7	24	11	6	29	198	47	113	38	44	9	3	7	
Days idle during month or year.....do....	7,079	12,140	170	309	368	297	304	3,684	895	1,612	1,208	1,412	941	939	829	
UNEMPLOYMENT INSURANCE																
Unemployment insurance programs:																
Insured unemployment, all programs, average weekly # @.....thous.....	2,662		3,370	3,295	3,144	2,799	2,556	2,474	2,632	2,483	2,335	2,296				
State programs (excluding extended duration provisions):																
Initial claims.....thous.....	20,840		2,464	1,587	1,509	1,574	1,391	1,422	1,819	1,379	1,329	1,525				
Insured unemployment, avg. weekly.....do....	2,580		3,262	3,194	3,048	2,711	2,479	2,379	2,534	2,398	2,247	2,204				
Percent of covered employment: @@																
Unadjusted.....	2.9		3.5	3.4	3.3	2.9	2.7	2.5	2.7	2.5	2.4	2.3				
Seasonally adjusted.....			2.8	2.8	2.9	2.8	2.9	2.9	2.9	2.9	2.9	2.7				
Beneficiaries, average weekly.....thous...	2,269		2,839	2,868	2,836	2,563	2,189	2,172	2,194	2,119	1,965	1,879				
Benefits paid @.....mil. \$..	14,499		1,660	1,491	1,556	1,469	1,261	1,178	1,309	1,160	1,144	1,147				
Federal employees, insured unemployment, average weekly.....thous...	25		27	26	25	22	20	20	23	21	21	22				
Veterans' program (UCX):																
Initial claims.....do....	148		14	11	12	12	12	13	15	12	11	11				
Insured unemployment, avg. weekly.....do....	20		23	21	20	19	18	19	21	21	21	17				
Beneficiaries, average weekly.....do....	18		21	20	19	17	15	16	18	19	18	16				
Benefits paid.....mil. \$..	130.2		13.8	11.4	11.2	11.1	9.9	10.0	12.2	11.7	11.9	10.8				
Railroad program:																
Applications.....thous.....			12													
Insured unemployment, avg. weekly.....do....	25		41	38	35	30	22	16	17	18	21	21				
Benefits paid.....mil. \$..																

FINANCE

BANKING																
Open market paper outstanding, end of period:																
Bankers' acceptances.....mil. \$..	68,115	64,974	68,314	67,188	66,882	66,235	66,759	67,080	66,437	64,480	67,009	65,920	64,952	64,974		
Commercial and financial company paper, total.....do....	293,909	325,948	297,704	297,423	298,885	300,309	310,364	314,598	313,976	322,648	326,967	329,955	326,536	325,948	333,719	
Financial companies.....do....	218,739	252,899	212,097	213,590	218,742	221,789	230,276	234,938	232,718	239,498	243,295	244,066	243,300	252,899	257,794	
Dealer placed.....do....	79,596	102,521	79,359	79,439	83,823	85,106	85,540	90,463	88,537	92,146	96,458	96,470	94,329	102,521	102,725	
Directly placed.....do....	134,143	150,378	132,738	134,151	134,919	136,683	141,736	144,475	144,181	147,352	146,837	147,596	143,471	150,378	155,009	
Nonfinancial companies.....do....	80,170	73,049	85,607	83,833	80,143	78,520	80,088	79,660	81,258	83,150	83,672	85,839	83,236	73,049	75,985	
Agricultural loans and discounts outstanding of agencies supervised by the Farm Credit Adm.:																
Total, end of period.....mil. \$..																
Farm mortgage loans:																
Federal land banks.....do....																
Loans to cooperatives.....do....																
Other loans and discounts.....do....																
Federal Reserve banks, condition, end of period:																
Assets, total #.....mil. \$..	237,572	267,359	228,512	224,550	226,838	235,015	229,691	231,206	232,409	234,762	245,900	239,359	243,334	267,359	253,456	
Reserve bank credit outstanding, total #.....do....	195,296	224,285	189,332	185,172	186,185	193,259	191,111	193,221	193,151	195,158	202,335	199,196	205,775	224,285	212,291	
Time loans.....do....	3,060	1,565	827	661	818	954	850	952	737	913	879	806	557	1,565	513	
U.S. Government securities.....do....	181,327	211,316	178,992	176,536	176,620	181,884	181,992	183,349	183,446	185,937	190,751	189,995	196,298	211,316	202,486	
Gold certificate account.....do....	11,090	11,084	11,090	11,090	11,090	11,089	11,085	11,084	11,084	11,084	11,084	11,084	11,084	11,084	11,075	
Liabilities, total #.....do....	237,572	267,359	228,512	224,550	226,838	235,015	229,691	231,206	232,409	234,762	245,900	239,359	243,334	267,359	253,456	
Deposits, total.....do....	39,503	56,899	40,441	35,063	37,593	41,733	38,083	35,387	35,179	36,364	45,313	40,239	41,475	56,899	51,013	
Member-bank reserve balances.....do....	28,631	48,107	23,480	29,324	30,782	29,416	31,329	31,940	30,275	34,570	36,794	36,966	38,296	48,107	34,588	
Federal Reserve notes in circulation.....do....	181,450	195,360	174,453	175,072	177,189	178,418	181,634	183,040	184,198	185,349	184,191	186,022	190,327	195,360	188,763	
All member banks of Federal Reserve System, averages of daily figures:																
Reserves held, total.....mil. \$..	148,142	159,560	148,060	146,652	147,274	148,882	148,419	149,938	151,029	151,277	153,189	154,623	156,399	159,560	159,668	
Required.....do....	147,085	158,191	146,949	145,555	146,378	148,081	147,581	149,007	150,118	150,538	152,463	153,877	155,421	158,191	158,600	
Excess.....do....	1,058	1,369	1,111	1,097	896	801	838	931	910	740	726	746	978	1,369	1,068	
Borrowings from Federal Reserve banks.....do....	1,318	1,827	770	884	761	893	876	803	741	872	1,008	841	752	827	580	
Free reserves.....do....	1204	1580	1377	1269	1203	119	56	236	255	12	145	4	296	580	522	
Large commercial banks reporting to Federal Reserve System: †																
Deposits:																
Demand, total #.....mil. \$..	220,230	290,510	193,230	195,234	200,318	222,160	223,183	208,322	216,858	216,797	209,302	212,220	238,905	290,510	228,664	
Individuals, partnerships, and corporations ††.....do....	164,788	223,165	146,856	148,975	152,593	167,022	166,909	158,886	165,772	163,752	159,969	163,666	181,882	223,165	174,212	
States and political subdivisions.....do....	5,748	6,994	4,807	5,194	5,012	6,072	5,051	5,854	5,101	5,314	4,907	5,720	6,994	5,311	5,815	
U.S. Government.....do....	2,068	1,840	2,882	2,705	2,520	4,754	1,861	1,896	2,834	2,583	2,979	2,563	2,751	1,840	2,118	
Depository institutions in U.S. ††.....do....	29,131	34,335	22,442	23,329	23,024	24,601	27,045	23,968	25,077	24,502	24,267	24,297	27,935	34,335	25,628	
Transaction balances other than demand deposits.....do....	41,799	60,082	40,983	41,930	43,198	44,323	44,433	45,133	46,546	47,933	48,662	50,499	53,312	60,082	57,268	
Nontransaction balances, total *.....do....	482,622	509,176	492,088	493,947	494,275	490,165	492,205	492,320	495,338	499,034	499,451	498,662	500,622	509,176	515,117	
Individuals, partnerships, and corporations.....do....	446,601	471,044	454,032	454,458	455,090	451,865	453,483	454,064	458,438	460,309	460,628	460,175	462,027	471,044	476,464	
Real estate loans.....do....	179,122	209,348	181,825	183,464	185,250	187,513	189,826	191,371	194,224	196,606	199,107	200,233	202,831	209,348	213,637	
To States and political subdivisions.....do....	33,257	34,539	36,954	36,800	36,640	36,416	36,216	36,371	36,005	36,335	36,269	35,472	35,320	34,539	34,847	
Other loans.....do....	202,270	221,391	202,939	204,178	204,414	207,767	206,329	205,600	207,639	205,756	211,096	217,892	221,391	221,615	215,777	
Investments, total.....do....	153,310	187,583	162,240	166,581	159,009	161,794	160,763	161,948	172,634	176,920	178,355	180,155	185,946	187,583	182,104	
U.S. Treasury and Govt. agency securities, total.....do....	85,422	115,374	87,106	94,835	90,179	92,526	92,761	93,681	103,278	102,778	102,034	107,951	113,889	115,374	116,590	
Investment account.....do....	69,647	93,891	69,152	71,608	70,193	71,031	73,507	80,689	81,938	82,008	87,881	92,428	93,891	93,410	95,357	
Other securities.....do....	67,888	72,209	75,134	71,746	68,830	69,268	68,002	68,267	69,356	74,142	76,351	72,204	72,057	72,209	68,370	

See footnotes at end of tables.

Unless otherwise stated in footnotes below, data through 1984 and methodological notes are as shown in BUSINESS STATISTICS: 1984

Units	Annual		1986														1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.		
<b>FINANCE—Continued</b>																		
<b>BANKING—Continued</b>																		
Commercial bank credit, seas. adj.: \$																		
Total loans and securities	1,900.4	2,073.7	1,930.0	1,935.5	1,944.6	1,947.9	1,957.5	1,963.7	1,995.0	2,007.7	2,029.6	2,034.0	2,049.0	2,078.7	2,110.6			
U.S. Treasury securities	273.1	309.1	268.2	273.6	269.5	270.0	274.1	274.8	285.4	290.9	294.3	299.6	304.8	309.1	313.9			
Other securities	177.6	193.4	192.5	188.1	183.3	182.1	181.9	183.6	186.1	192.3	200.7	196.7	194.8	193.4				
Total loans and leases	1,449.7	1,576.2	1,469.3	1,473.7	1,491.8	1,495.8	1,501.5	1,505.3	1,513.4	1,524.5	1,534.7	1,537.7	1,549.5	1,576.2	1,608.0			
<b>Money and interest rates:</b>																		
Prime rate charged by banks on short-term business loans	9.93	8.33	9.50	9.50	9.10	8.83	8.50	8.50	8.16	7.90	7.50	7.50	7.50	7.50	7.50			
Discount rate (New York Federal Reserve Bank) @ %	7.69	6.33	7.50	7.50	7.10	6.83	6.50	6.50	6.16	5.82	5.50	5.50	5.50	5.50	5.50			
Federal intermediate credit bank loans	10.64	9.70	10.24	10.24	10.20	10.13	10.01	9.90	9.73	9.81	9.26	9.09	8.92	8.85	8.71			
<b>Home mortgage rates (conventional 1st mortgages):</b>																		
New home purchase (U.S. avg.)	11.09	9.74	10.40	10.21	10.04	9.87	9.84	9.74	9.89	9.84	9.74	9.57	9.45	9.28	9.14			
Existing home purchase (U.S. avg.)	11.18	9.80	10.40	10.46	10.24	10.00	9.80	9.83	9.88	9.88	9.71	9.59	9.48	9.29	9.19			
<b>Open market rates, New York City:</b>																		
Bankers' acceptances, 90 days	7.92	6.39	7.62	7.54	7.09	6.48	6.54	6.60	6.23	5.80	5.60	5.58	5.67	5.96	5.74			
Commercial paper, 6-month	8.01	6.39	7.62	7.54	7.08	6.47	6.53	6.63	6.24	5.83	5.61	5.61	5.69	5.88	5.76			
Finance co. paper placed directly, 6-mo.	7.75	6.31	7.47	7.40	7.10	6.44	6.33	6.53	6.24	5.90	5.54	5.50	5.58	5.74	5.60			
Yield on U.S. Gov. securities (taxable): 3-month bills (rate on new issue)	7.470	5.960	7.040	7.030	6.590	6.060	6.120	6.210	5.840	5.570	5.190	5.180	5.350	5.490	5.450			
<b>CONSUMER INSTALLMENT CREDIT +</b>																		
<b>Not seasonally adjusted</b>																		
Total outstanding (end of period) #	530,968	586,259	531,287	530,413	531,690	538,022	543,891	550,339	557,829	565,083	573,620	579,148	579,861	586,259	580,369			
<b>By major holder:</b>																		
Commercial banks	245,055	264,829	246,029	245,816	246,189	249,717	251,195	252,679	255,551	258,169	260,168	261,142	262,457	264,829	263,235			
Finance companies	113,398	136,581	114,995	116,010	117,165	118,827	121,646	125,078	128,293	130,425	137,136	139,951	138,160	136,581	134,982			
Credit unions	72,715	78,508	72,261	72,132	72,303	72,875	73,311	74,083	74,727	75,950	76,913	77,778	78,056	78,508	77,882			
Retailers	42,776	44,679	40,826	39,232	38,976	38,370	39,315	39,316	39,177	39,548	39,518	39,796	40,702	44,679	42,440			
Savings institutions	52,720	58,391	52,812	53,253	53,321	54,160	55,020	55,788	56,523	57,398	56,424	57,129	57,278	58,391	58,491			
<b>Seasonally adjusted</b>																		
Total outstanding (end of period) #			529,118	534,198	536,589	542,521	546,759	551,771	558,054	563,661	571,275	576,862	577,645	577,789	578,325			
<b>By major holder:</b>																		
Commercial banks			244,842	246,951	247,627	251,154	252,380	253,377	255,746	257,482	258,982	260,987	262,941	261,611	261,941			
Finance companies			115,466	117,654	116,940	120,443	122,472	125,148	127,377	129,264	135,518	138,037	136,312	136,496	135,645			
Credit unions			72,399	72,780	72,893	73,485	73,731	74,241	74,862	75,640	76,303	76,998	77,506	77,854	78,038			
Retailers			39,076	39,220	39,531	39,608	39,900	39,982	40,158	40,379	40,455	40,564	40,496	40,585	40,617			
Savings institutions			53,109	53,494	53,605	54,003	54,697	55,571	56,500	57,525	56,685	57,043	57,169	58,037	58,809			
<b>By major credit type:</b>																		
Automobile			211,528	214,322	215,460	218,017	221,012	224,412	227,321	231,202	239,015	243,395	242,998	245,056	246,078			
Revolving			123,921	125,509	126,534	128,901	129,618	130,737	132,183	133,175	133,118	133,812	134,388	134,940	134,574			
Mobile home			25,573	25,666	25,751	25,703	25,674	25,806	25,891	25,940	25,731	25,783	25,732	25,710	25,841			
Total net change (during period) #			6,319	5,080	2,390	5,932	4,239	5,012	6,233	5,607	7,614	5,587	782	144	536			
<b>By major holder:</b>																		
Commercial banks			2,757	2,110	675	1,225	997	2,369	1,736	1,501	1,954	2,004	1,329	329				
Finance companies			2,398	2,187	1,237	1,562	2,030	2,676	2,229	1,887	6,254	2,519	1,725	185				
Credit unions			282	381	114	591	246	610	778	663	690	513	348	184				
Retailers			213	144	311	78	291	82	176	221	75	109	67	88				
Savings institutions			678	384	111	398	694	874	929	1,024	840	359	126	868	772			
<b>By major credit type:</b>																		
Automobile			3,473	2,795	1,137	2,558	2,994	3,401	3,408	3,381	7,813	4,380	396	2,057	1,022			
Revolving			1,898	1,588	1,025	2,367	717	1,119	1,446	992	58	694	676	552	366			
Mobile home			86	98	55	48	29	133	84	49	209	52	51	21	130			
<b>FEDERAL GOVERNMENT FINANCE</b>																		
<b>Budget receipts and outlays:</b>																		
Receipts (net)	734,057	769,091	76,698	53,370	49,557	91,438	46,246	77,024	62,974	56,523	78,013	59,012	52,967	68,196	81,771	55,463		
Outlays (net)	945,987	989,789	83,139	77,950	79,700	81,510	85,642	78,034	85,203	84,434	81,750	84,267	79,973	82,853	83,942	83,828		
Budget surplus or deficit (-)	-211,931	-220,698	-6,492	-24,580	-30,142	-9,072	-39,396	-1,011	-22,229	-27,911	-3,737	-25,255	-27,006	-12,077	-2,170	-28,366		
Budget financing, total	211,931	220,698	6,492	24,580	30,142	9,072	39,396	1,011	22,229	27,911	3,737	25,255	27,006	12,077	2,170	28,366		
Borrowing from the public	197,269	235,745	12,660	16,010	8,441	14,213	17,960	14,980	14,980	20,278	22,188	5,936	40,852	22,824	4,353	15,248		
Reduction in cash balances	14,662	-15,047	-6,168	8,570	21,701	24,141	21,436	-17,489	7,249	7,633	-18,451	19,319	-13,846	-10,747	-2,183	13,188		
Gross amount of debt outstanding	1,827,470	2,129,522	1,966,846	1,983,428	1,991,098	2,012,556	2,035,634	2,063,627	2,078,696	2,098,625	2,129,522	2,142,993	2,183,571	2,218,869	2,225,846	2,245,095		
Held by the public	1,509,857	1,745,602	1,613,032	1,629,042	1,637,483	1,651,696	1,669,656	1,688,156	1,703,136	1,723,414	1,745,602	1,751,538	1,791,889	1,814,714	1,819,067	1,834,315		
<b>Budget receipts by source and outlays by agency:</b>																		
Receipts (net), total	734,057	769,091	76,698	53,370	49,557	91,438	46,246	77,024	62,974	56,523	78,013	59,012	52,967	68,196	81,771	55,463		
Individual income taxes (net)	384,560	348,959	41,130	25,377	12,572	45,120	9,820	36,412	31,438	25,764	37,125	31,123	24,122	33,584	46,466	22,805		
Corporation income taxes (net)	61,331	63,143	2,824	620	8,113	8,716	1,448	10,667	3,374	1,075	11,448	540	1,748	15,693	3,460	936		
Social insurance taxes and contributions (net)	265,163	283,901	26,001	22,040	22,785	31,756	28,745	24,399	21,564	23,738	23,507	21,179	21,751	22,267	25,664	25,590		
Other	73,008	73,087	6,743	5,334	6,089	5,847	6,233	5,546	6,598	5,945	5,933	6,170	5,345	6,492	6,181	6,181		
Outlays, total #	945,987	989,789	83,139	77,950	79,700	81,510	85,642	78,034	85,203	84,434	81,750	84,267	79,973	82,853	83,942	83,828		
Agriculture Department	55,523	58,666	6,826	3,402	4,114	5,763	5,444	3,749	4,536	3,290	5,758	5,733	5,178	5,985	6,433	3,877		
Defense Department, military	245,371	265,636	20,271	18,663	23,370	22,234	23,105	21,842	23,084	21,858	23,288	22,525	20,197	23,498	21,598	22,857		
Health and Human Services Department	315,537	333,935	28,086	27,283	26,636	27,959	28,441	29,431	28,985	29,148	26,890	29,905	26,552	30,390	28,510	29,024		
Treasury Department	164,937	176,160	12,870	13,887	12,305	13,255	13,651	14,517	12,641	13,525	9,721	7,965	13,910	25,557	12,988	13,744		
National Aeronautics and Space Administration	7,251	7,403	572	686	380	632	614	456	513	582	728	625	626	746	442	669		
Veterans Administration	26,333	26,536	2,070	2,320	1,072	2,332	3,449	912	2,361	3,369	822	3,484	790	3,645	2,240	2,066		
<b>GOLD AND SILVER:</b>																		
<b>Gold:</b>																		
Monetary stock, U.S. (end of period) @	11,090	11,064	11,090	11,090	11,090	11,089	11,085	11,084	11,084	11,084	11,084	11,084	11,066	11,070	11,064	11,062		
Price at New York #	317.299	367.867	345.491	339.332	345.420	340.552	342.457	342.788	348.850	376.852	419.014	423.617	398.806	391.225	408.260	401.318		
<b>Silver:</b>																		
Price at New York #	6.142	5.470	6.053	5.874	5.089	5.229	5.115	5.153	5.049	5.218	5.68							



Units	Annual		1986												1987		
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	
	FINANCE—Continued																
<b>MONETARY STATISTICS</b>																	
Currency in circulation (end of period).....bil. \$..	197.5				193.2				199.3			200.6					
Money stock measures and components (averages of daily figures): †																	
Measures (not seasonally adjusted): ‡																	
M1.....bil. \$..	*593.9	673.3	634.3	620.0	631.3	653.9	652.5	669.8	680.4	685.2	691.3	698.9	715.5	*746.6	*744.3	723.1	
M2.....do.....	*2,482.0	2,681.8	2,583.3	2,572.6	2,594.5	2,631.4	*2,638.0	2,668.7	2,700.4	*2,715.8	2,728.8	*2,757.1	*2,777.7	*2,813.3	*2,882.7	2,810.1	
M3.....do.....	*3,102.9	3,354.7	3,235.5	3,234.1	3,262.6	3,299.8	*3,306.6	*3,336.4	*3,368.7	*3,391.7	*3,415.0	*3,437.7	*3,465.8	*3,504.4	*3,527.1	3,510.5	
L (M3 plus other liquid assets).....do.....	*3,684.8	3,991.2	*3,871.0	*3,873.3	*3,899.6	*3,927.0	*3,937.7	*3,971.2	*3,993.5	*4,023.9	*4,049.9	*4,076.1	*4,111.0	*4,154.5	4,185.0		
Components (not seasonally adjusted):																	
Currency.....do.....	165.0	177.4	170.5	170.5	172.2	173.6	175.7	177.4	179.1	179.9	179.5	180.9	183.2	*186.2	*184.6	184.8	
Demand deposits.....do.....	*259.6	286.1	275.6	262.6	267.7	279.5	277.4	286.2	290.5	289.4	291.3	293.0	300.1	*319.5	*311.0	291.9	
Other checkable deposits ††.....do.....	*163.6	203.6	182.3	181.3	185.6	195.0	193.5	199.7	203.6	208.6	213.5	218.5	226.0	235.0	242.8	240.1	
Overnight RP's and Eurodol- lars @.....do.....	63.3	71.6	68.9	68.4	67.4	68.2	*69.0	66.3	*71.8	*74.7	*72.8	*77.5	*76.7	*77.3	*83.8	79.8	
General purpose and broker/dealer money market funds.....do.....	*175.6	195.9	177.7	181.0	186.2	191.4	193.2	199.7	199.7	200.5	202.2	206.9	207.1	*207.6	*209.0	210.8	
Money market deposit accounts.....do.....	430.3	543.1	516.6	517.1	521.0	526.1	531.6	541.0	546.6	553.8	558.8	*564.4	*568.7	*571.3	*574.2	570.6	
Savings deposits.....do.....	*295.0	328.7	303.6	303.0	306.1	311.5	317.7	323.6	330.1	333.2	339.6	351.1	*359.3	*365.5	*376.4	384.7	
Small time deposits @.....do.....	*882.1	878.1	891.1	891.6	891.1	889.0	882.7	879.5	880.9	877.5	873.3	867.3	*859.5	*854.0	*854.6	850.1	
Large time deposits @.....do.....	*425.0	447.6	446.4	450.1	450.5	447.7	446.0	444.3	444.3	449.2	450.3	*447.3	*446.8	*448.0	*451.1	450.8	
Measures (seasonally adjusted): ‡																	
M1.....do.....			628.9	632.2	640.5	648.2	659.6	667.5	676.6	687.0	693.1	701.4	712.4	*730.5	*737.6	737.2	
M2.....do.....			2,574.7	2,582.4	2,598.9	2,623.9	*2,647.4	2,667.6	2,693.8	2,718.4	*2,736.3	*2,760.7	*2,775.4	*2,799.8	*2,822.5	2,822.1	
M3.....do.....			3,226.9	3,242.3	3,264.4	*3,293.2	*3,314.9	*3,338.4	*3,368.5	*3,396.2	*3,420.7	*3,441.2	*3,459.5	*3,489.2	*3,516.3	3,520.2	
L (M3 plus other liquid assets).....do.....			*3,861.7	*3,880.2	3,894.9	3,920.0	*3,951.9	*3,972.5	*3,998.9	*4,027.1	*4,055.9	*4,081.8	*4,108.2	*4,141.1	*4,173.6		
Components (seasonally adjusted):																	
Currency.....do.....			171.8	172.7	173.8	174.4	175.8	176.7	177.6	179.0	179.7	181.2	*182.4	*183.5	186.0	187.2	
Demand deposits.....do.....			270.3	270.3	274.6	277.7	282.2	285.0	288.2	291.2	292.2	293.4	*297.8	303.3	305.1	300.7	
Other checkable deposits ††.....do.....			183.1	186.0	189.9	189.9	195.5	199.6	204.5	210.4	214.7	220.4	225.9	232.3	*240.0	242.7	
Savings deposits.....do.....			304.0	304.3	306.6	311.1	316.8	321.8	327.4	334.6	341.4	350.4	358.5	366.2	*376.7	387.2	
Small time deposits @.....do.....			888.1	889.3	892.0	893.1	888.0	883.0	880.9	876.7	872.2	864.7	857.1	*853.3	*851.8	848.0	
Large time deposits @.....do.....			445.0	447.6	448.5	451.3	447.6	447.5	448.3	449.4	448.5	*445.7	*445.9	*447.0	*449.6	447.8	
<b>PROFITS AND DIVIDENDS (QTRLY.)</b>																	
Manufacturing corps. (Bureau of the Census):																	
Net profit after taxes, all indus- tries.....mil. \$..																	
Food and kindred products.....do.....	12,798				2,720				3,387				3,319				
Textile mill products.....do.....	1,200				426				525				496				
Paper and allied products.....do.....	2,880				589				922				824				
Chemicals and allied products.....do.....	9,542				3,114				3,737				3,861				
Petroleum and coal products.....do.....	12,739				2,698				4,220				348				
Stone, clay, and glass products.....do.....	1,627				200				699				688				
Primary nonferrous metal.....do.....	-1,000				169				259				161				
Primary iron and steel.....do.....	-1,349				-350				-398				-2152				
Fabricated metal products (except ordnance, machinery, and transportation equipment).....mil. \$..	3,388				919				1,168				780				
Machinery (except electrical).....do.....	9,676				1,386				2,205				1,662				
Electrical machinery, equipment, and supplies.....do.....	6,886				1,694				2,324				1,489				
Transportation equipment (except motor vehicles, etc.).....mil. \$..	3,594				1,103				1,173				1,058				
Motor vehicles and equipment.....do.....	9,087				2,489				2,891				1,265				
All other manufacturing indus- tries.....do.....	16,580				2,512				3,978				5,066				
Dividends paid (cash), all indus- tries.....do.....	45,517				10,849				10,927				12,111				
<b>SECURITIES ISSUED</b>																	
Securities and Exchange Commission:																	
Estimated gross proceeds, total.....mil. \$..																	
By type of security:																	
Bonds and notes, corporate.....do.....	*86,279	155,050	8,120	12,413	16,234	19,205	8,303	20,731	8,967	13,344	5,837	*12,205	*14,318	14,980			
Common stock.....do.....	*36,492	54,075	3,869	3,413	6,816	3,772	4,839	4,211	3,406	3,974	3,583	5,823	*4,716	5,112			
Preferred stock.....do.....	*6,374	11,312	570	1,947	772	751	803	1,213	726	1,368	327	817	*1,017	1,001			
By type of issuer:																	
Corporate, total #.....mil. \$..	*129,085	220,437	12,559	17,773	23,822	23,728	13,945	26,155	13,098	18,686	9,747	*18,845	*20,051	21,093			
Manufacturing.....do.....	*25,751	41,154	1,853	3,610	4,222	4,610	2,794	4,770	2,524	2,619	1,163	*2,386	*4,129	6,121			
Extractive (mining).....do.....	*4,636	3,885	257	147	321	214	327	281	548	181	428	218	*364	149			
Public utility.....do.....	*10,014	23,893	685	2,431	2,491	2,596	1,925	2,324	1,366	2,003	1,302	*1,987	*1,874	2,909			
Transportation.....do.....	4,036	4,539	576	601	660	782	432	154	209	57	28	728	15	297			
Communication.....do.....	4,153	11,595	831	1,923	1,660	1,937	411	861	352	1,208	334	437	*641	995			
Financial and real estate.....do.....	*65,892	112,271	7,375	8,008	11,994	11,482	5,521	15,164	5,528	10,978	5,118	*11,030	*11,146	8,414			
State and municipal issues (Bond Buyer):																	
Long-term.....do.....	203,954	136,984	1,654	3,116	7,636	11,913	13,262	11,746	21,442	25,101	6,960	11,525	11,187	11,442			
Short-term.....do.....	19,492	19,479	721	546	373	3,832	278	4,452	4,891	1,764	542	387	1,209	584			
<b>SECURITY MARKETS</b>																	
<b>Stock Market Customer Financing</b>																	
Margin credit at brokers, end of year or month.....mil. \$..	28,390	36,480	26,810	27,450	29,090	30,760	32,370	32,480	33,170	34,550	34,580	36,310	37,090	36,840	34,960	35,740	
Free credit balances at brokers: Margin accounts.....do.....	2,715	4,880	2,645	2,545	2,715	3,065	2,405	2,585	2,570	3,035	3,395	3,805	3,765	4,880	5,060	4,470	
Cash accounts.....do.....	12,840	19,000	11,695	12,355	13,920	14,340	12,970	13,570	14,600	14,210	14,060	14,445	15,045	19,000	17,395	17,325	
<b>Bonds</b>																	
Prices:																	
Standard & Poor's Corporation, domestic municipal (15 bonds).....dol. per \$100 bond..	53.0	65.1	60.0	64.5	67.4	65.4	62.8	60.6	63.1	65.6	66.8	67.0	69.2	68.6	71.1	70.9	
Sales:																	
New York Stock Exchange, exclusive of some stopped sales, face value, total.....mil. \$..	9,046.45	10,475.40	*970.61	993.95	1,064.44	958.56	804.98	730.56	852.42	806.33	761.06	815.01	788.96	928.52	880.80	766.66	

See footnotes at end of tables.



Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<b>FOREIGN TRADE OF THE UNITED STATES—Continued</b>																
<b>VALUE OF EXPORTS—Continued</b>																
Exports (mdse.), incl. reexports—Continued																
Europe:																
France.....mil. \$	6,095.7	7,215.9	548.2	743.0	614.4	645.8	524.6	546.1	571.6	600.6	638.0	644.9	601.1	537.6	499.0	
German Democratic Republic.....do	72.3	67.9	6.0	9	11.5	1.4	1.2	1.2	1.6	9	5.3	9	9.8	27.2	1.7	
Federal Republic of Germany.....do	9,050.0	10,560.5	768.4	927.3	917.7	919.3	763.3	777.3	710.1	859.0	821.3	1,051.8	1,068.8	975.8	880.4	
Italy.....do	4,625.2	4,838.3	390.2	405.2	432.1	392.9	414.3	478.9	320.4	343.2	361.0	425.8	461.4	412.9	421.3	
Union of Soviet Socialist Republics.....do	2,422.8	1,247.5	139.2	271.3	171.6	184.4	74.9	90.1	55.1	66.5	40.8	62.0	44.2	47.0	43.5	
United Kingdom.....do	11,272.9	11,418.2	836.2	911.5	1,166.7	926.7	960.0	961.1	862.7	933.7	878.0	988.2	1,016.8	976.7	800.8	
North and South America:																
Canada.....do	47,251.1	45,332.6	3,999.1	3,786.0	3,659.2	4,057.3	3,780.9	3,857.5	3,172.4	3,094.7	4,119.4	4,175.9	3,911.1	3,719.0	3,722.6	
Latin American Republics, total #.....do	27,849.8	27,968.0	2,083.9	2,134.4	2,282.9	2,256.9	2,476.7	2,389.4	2,472.6	2,452.8	2,314.9	2,497.1	2,349.7	2,256.8	2,090.5	
Brazil.....do	3,139.6	3,885.3	274.2	255.8	246.9	242.1	263.9	301.6	336.2	441.0	412.5	388.1	370.4	352.7	237.6	
Mexico.....do	13,634.7	12,391.6	1,023.2	1,064.8	1,029.4	1,100.9	1,121.0	1,060.7	1,039.1	1,009.6	964.9	1,087.1	945.8	945.2	984.7	
Venezuela.....do	3,999.4	3,141.0	219.3	234.1	263.2	254.0	322.4	279.2	298.4	244.3	234.5	248.2	279.4	264.0	202.4	
Exports of U.S. merchandise, total \$.....do	206,925.3	206,376.2	16,501.2	17,163.7	18,349.2	17,376.0	16,690.7	16,426.5	15,911.3	16,830.8	16,860.4	18,594.1	17,895.0	17,777.4	15,825.6	
Excluding military grant-aid.....do	206,912.2	206,364.1	16,500.9	17,163.3	18,347.1	17,375.3	16,690.4	16,426.0	15,910.9	16,827.8	16,859.8	18,592.4	17,893.7	17,776.6	15,824.0	
Agricultural products, total.....do	29,241.5	26,061.0	2,538.8	2,445.4	2,399.6	2,120.4	1,859.9	1,682.9	1,703.3	1,885.3	1,915.1	2,434.8	2,512.1	2,566.4	2,235.5	
Nonagricultural products, total.....do	177,683.8	180,315.2	13,965.4	14,718.2	15,949.6	15,255.5	14,830.8	14,743.6	14,207.9	14,945.6	14,945.4	16,159.2	15,382.9	15,211.0	13,590.1	
By commodity groups and principal commodities:																
Food and live animals #.....mil. \$	19,267.9	17,302.6	1,629.6	1,460.8	1,431.9	1,222.5	1,169.1	1,233.7	1,452.0	1,604.5	1,465.0	1,638.1	1,523.0	1,472.5	1,319.1	
Beverages and tobacco.....do	2,958.2	2,920.2	166.9	228.3	273.7	252.4	226.0	204.3	196.2	209.5	207.0	228.1	339.5	388.3	293.6	
Crude materials, inedible, exc. fuels #.....do	16,939.5	17,323.8	1,557.1	1,582.7	1,638.9	1,542.0	1,404.6	1,119.5	1,040.3	1,275.7	1,238.3	1,557.2	1,642.2	1,725.3	1,504.5	
Mineral fuels, lubricants, etc. #.....do	9,970.9	8,114.5	812.1	675.6	621.7	790.7	728.1	584.1	652.8	661.1	657.4	670.0	641.2	619.7	669.0	
Oils and fats, animal and vegetable.....do	1,434.0	1,014.9	97.4	108.3	88.8	103.4	94.8	72.4	70.7	98.0	91.8	59.7	55.4	74.3	62.7	
Chemicals.....do	21,758.7	22,765.8	1,719.2	1,875.5	2,000.8	1,857.6	1,934.1	1,844.6	1,801.5	2,049.7	1,942.0	1,935.6	1,897.4	1,907.9	1,798.5	
Manufactured goods #.....do	14,908.9	14,005.0	1,122.9	1,116.9	1,196.7	1,169.5	1,199.6	1,083.9	1,073.1	1,179.0	1,189.0	1,228.0	1,259.1	1,187.3	1,153.0	
Machinery and transport equipment, total.....mil. \$	94,278.4	95,289.5	7,269.4	7,894.5	8,693.8	8,262.2	7,762.2	8,048.6	7,390.9	7,347.4	7,785.5	8,678.9	8,107.4	8,049.0	6,951.7	
Machinery, total #.....do	59,483.2	60,396.8	4,681.7	4,920.1	5,312.2	5,129.9	4,892.1	4,885.0	4,763.7	5,118.2	4,920.3	5,377.1	5,157.9	5,238.5	4,466.0	
Transport equipment, total.....do	34,795.2	34,892.7	2,587.6	2,974.4	3,381.5	3,132.2	2,870.1	3,163.6	2,627.2	2,229.2	2,865.2	3,301.8	2,949.5	2,810.4	2,485.7	
Motor vehicles and parts.....do	19,364.0	18,575.0	1,601.5	1,613.1	1,675.0	1,820.5	1,690.1	1,732.2	1,249.2	996.6	1,649.3	1,616.3	1,601.7	1,329.4	1,467.6	
<b>VALUE OF IMPORTS</b>																
General imports, total.....do	345,275.5	369,961.4	32,005.2	28,895.4	31,971.5	28,761.6	30,272.3	31,763.7	34,120.7	29,475.5	28,695.3	30,018.0	36,186.8	27,795.2	29,804.5	
Seasonally adjusted.....do			( <sup>1</sup> )													
By geographic regions:																
Africa.....do	11,964.3	10,348.1	1,281.1	883.6	943.1	593.4	779.9	831.5	917.3	799.8	851.4	820.3	827.7	869.0	744.9	
Asia.....do	131,884.2	153,869.1	13,158.7	11,402.8	13,028.1	11,157.7	11,903.4	13,295.4	15,033.5	12,914.0	12,076.9	13,198.2	15,640.0	11,060.4	13,205.3	
Australia and Oceania.....do	3,319.3	3,717.0	317.7	268.7	315.5	312.8	264.6	296.0	390.0	282.8	300.5	366.0	322.2	353.2	353.2	
Europe.....do	81,692.1	91,826.0	7,558.6	7,053.0	8,128.1	7,543.3	7,515.6	8,409.7	8,630.3	7,127.5	6,532.8	6,793.7	9,099.3	7,433.8	6,840.7	
Northern North America.....do	69,014.4	68,259.0	5,681.1	5,660.1	5,923.7	5,822.0	5,923.1	5,712.3	5,476.4	5,225.2	5,571.6	5,719.0	6,682.4	4,862.1	5,329.5	
Southern North America.....do	25,969.5	23,465.0	2,136.8	2,035.8	2,065.1	1,852.3	2,250.3	1,724.3	2,146.4	1,756.9	1,851.7	1,728.4	2,055.6	1,861.6	1,771.9	
South America.....do	20,981.6	18,477.2	1,921.1	1,591.4	1,568.1	1,480.2	1,635.5	1,494.4	1,526.7	1,369.4	1,529.7	1,458.0	1,516.4	1,386.2	1,558.9	
By leading countries:																
Africa:																
Egypt.....do	79.2	111.5	3.2	3.2	3.0	3.4	4.2	4.4	19.8	5.0	27.0	12.5	11.5	14.2	6.9	
Republic of South Africa.....do	2,070.8	2,364.5	236.3	191.9	210.7	145.4	175.1	175.9	228.2	156.4	216.6	199.8	177.0	251.0	223.7	
Asia, Australia and Oceania:																
Australia, including New Guinea.....mil. \$	2,870.4	2,676.6	240.4	198.9	224.4	237.9	191.3	177.4	273.7	188.0	187.8	222.5	277.4	261.7	266.1	
Japan.....do	68,782.9	81,911.1	6,901.6	5,860.6	7,185.4	6,393.2	6,439.1	7,240.1	8,101.9	6,694.4	5,884.2	6,995.6	8,392.1	5,882.8	6,693.5	
Europe:																
France.....do	9,481.9	10,128.6	866.6	738.0	893.8	921.4	902.0	926.7	944.8	802.4	682.0	730.6	992.3	732.5	720.0	
German Democratic Republic.....do	91.5	86.5	3.4	7.7	9.0	7.2	8.5	7.7	7.8	7.0	8.3	6.2	7.6	6.1	5.3	
Federal Republic of Germany.....do	20,239.2	25,123.7	1,988.8	1,897.0	2,163.8	2,030.7	2,131.0	2,058.8	2,334.5	2,064.5	1,827.0	1,944.2	2,575.9	2,107.6	1,880.9	
Italy.....do	9,673.7	10,607.4	960.0	823.6	937.8	805.7	798.2	902.5	1,067.5	989.1	706.5	796.9	1,022.9	796.7	766.9	
Union of Soviet Socialist Republics.....do	408.6	558.2	23.0	41.9	29.1	22.0	27.1	198.0	31.6	42.1	47.9	25.4	50.5	19.6	31.3	
United Kingdom.....do	14,937.3	15,396.0	1,273.0	1,234.4	1,288.5	1,219.9	1,239.1	1,519.1	1,289.2	1,127.3	1,241.6	1,098.6	1,511.0	1,361.2	1,241.3	
North and South America:																
Canada.....do	69,006.3	68,252.6	5,680.7	5,659.5	5,922.9	5,821.1	5,922.5	5,711.7	5,475.6	5,224.8	5,571.6	5,719.0	6,681.4	4,861.9	5,328.3	
Latin American Republics, total #.....do	43,447.5	39,541.2	3,762.3	3,347.3	3,411.8	3,170.5	3,675.1	3,037.4	3,501.8	2,934.6	3,207.5	3,037.1	3,382.5	3,073.5	3,160.4	
Brazil.....do	7,526.2	6,812.9	631.2	581.6	517.5	596.7	664.4	564.4	599.4	530.1	518.6	539.9	513.7	555.4	563.4	
Mexico.....do	19,181.8	17,301.7	1,501.1	1,474.4	1,487.7	1,376.9	1,707.2	1,237.9	1,667.0	1,249.7	1,381.3	1,311.3	1,525.1	1,382.1	1,357.8	
Venezuela.....do	6,537.0	5,096.7	664.7	394.1	504.4	382.2	391.2	416.0	383.6	360.9	466.8	364.8	414.4	353.6	443.6	
By commodity groups and principal commodities:																
Agricultural products, total.....mil. \$	20,004.5	21,284.4	2,043.6	1,778.1	1,861.2	1,779.5	2,045.8	1,601.5	1,789.5	1,608.8	1,635.7	1,619.9	1,869.2	1,651.6	1,658.9	
Nonagricultural products, total.....do	325,271.0	348,676.9	29,961.6	27,117.3	30,110.3	26,982.1	28,226.5	30,162.2	32,331.2	27,866.7	27,059.6	28,398.1	34,317.6	26,143.6	28,145.6	
Food and live animals #.....do	18,649.3	20,802.5	1,889.6	1,646.5	1,799.2	1,721.8	1,982.9	1,586.4	1,826.8	1,609.4	1,653.3	1,578.4	1,918.0	1,590.1	1,602.3	
Beverages and tobacco.....do	3,726.7	3,866.1	325.7	261.5	300.8	236.2	346.1	299.2	316.4							

Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.

FOREIGN TRADE OF THE UNITED STATES—Continued

Indexes	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	1987
<b>Exports (U.S. mds., excl. military grant-aid):</b>															
Unit value.....1977=100.....do	155.0	156.2	155.3	155.5	155.1	156.1	157.1	157.7	156.2	157.2	156.9	156.8	157.5	157.5	
Quantity.....do	113.0	107.5	112.5	120.1	114.0	108.8	106.4	102.7	109.7	109.2	120.6	116.2	114.9	114.9	
Value.....do	175.2	167.9	174.7	186.7	176.8	169.9	167.2	161.9	171.3	171.6	189.2	182.1	180.9	180.9	
<b>General imports:</b>															
Unit value.....do	159.4	160.2	158.0	153.9	152.6	152.5	152.4	153.0	152.0	151.6	156.3	156.5	155.6	155.6	
Quantity.....do	148.6	164.5	150.6	171.0	155.2	163.4	171.7	183.7	159.7	155.8	158.2	190.4	147.1	147.1	
Value.....do	236.9	263.5	237.9	263.3	236.8	249.2	261.6	281.0	242.7	236.3	247.2	298.0	228.9	228.9	
<b>Shipping Weight and Value</b>															
<b>Waterborne trade:</b>															
<b>Exports (incl. reexports):</b>															
Shipping weight.....thous. sh. tons	349,964	28,120	25,092	25,555	27,375	26,648	23,752	25,904	27,907	28,376					
Value.....mil. \$	91,679	7,288	7,389	7,893	7,441	7,243	6,598	6,679	7,504	6,850					
<b>General imports:</b>															
Shipping weight.....thous. sh. tons	394,442	37,363	31,387	34,206	29,664	35,933	43,030	45,138	38,870	43,836					
Value.....mil. \$	205,606	20,187	17,130	18,311	16,080	16,497	18,823	21,026	17,961	16,803					

TRANSPORTATION AND COMMUNICATION

TRANSPORTATION	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	1987
<b>Air Carriers</b>															
<b>Certificated route carriers:</b>															
Passenger-miles (revenue).....bil.	335.90	26.36	24.54	30.93	28.74	30.16	32.09	35.60	38.08	28.75	29.50				
Passenger-load factor.....percent	61.4	55.1	57.9	64.2	60.3	58.7	62.1	64.3	69.2	57.2	58.0				
Ton-miles (revenue), total.....mil.	41,252	3,289	3,118	3,844	3,595	3,751	3,932	4,318	4,571	3,623	3,792				
Operating revenues (quarterly) # \$.....mil. \$	46,504			11,649			12,387								
Passenger revenues.....do	39,175			9,172			9,878								
Cargo revenues.....do	2,684			1,300			1,376								
Mail revenues.....do	893			207			198								
Operating expenses (quarterly) \$.....do	46,504			12,259			12,073								
Net income after taxes (quarterly) \$.....do	652			-685			-105								
<b>Domestic operations:</b>															
Passenger-miles (revenue).....bil.	270.06	20.04	18.66	26.11	24.27	25.13	26.12	28.68	30.33	22.92	24.30				
Cargo ton-miles.....mil.	3,132	299	296	323	316	332	318	332	348	356	392				
Mail ton-miles.....do	1,213	102	93	105	102	101	83	97	98	94	107				
Operating revenues (quarterly) \$.....mil. \$	37,618			9,679			10,229								
Operating expenses (quarterly) \$.....do	36,584			10,200			9,880								
Net income after taxes (quarterly) \$.....do	1,034			-521			349								
<b>International operations:</b>															
Passenger-miles (revenue).....bil.	65.84	4.34	3.57	4.82	4.47	5.04	5.98	6.92	7.74	5.82	5.20				
Cargo ton-miles.....mil.	2,874	218	240	263	268	267	278	296	284	286	326				
Mail ton-miles.....do	443	34	31	36	34	34	33	33	33	32	36				
Operating revenues (quarterly) \$.....mil. \$	8,304			1,853			2,043								
Operating expenses (quarterly) \$.....do	7,983			1,939			2,086								
Net income after taxes (quarterly) \$.....do	356			-124			-198								
<b>Urban Transit Systems</b>															
Passengers carried, total.....mil.	8,116	7,976	657	631	692	700	667	648	639	633	663	724	645	674	
<b>Motor Carriers</b>															
Carriers of property, large, class I, qtrly:															
Number of reporting carriers.....do	100			100			100			100					
Operating revenues, total.....mil. \$	17,543			4,203			4,667			4,728					
Net income, after extraordinary and prior period charges and credits.....mil. \$	316			71			182			176					
Tonnage hauled (revenue), common and contract carrier service.....mil. tons	151			40			41			42					
<b>Freight carried—volume indexes, class I and II intercity truck tonnage (ATA):</b>															
Common carriers of general freight, seas. adj. ....1967=100.....	196.7	148.1	137.9	141.6	139.5	143.5	142.6	144.2	152.2	153.8	155.7	157.1	156.1	153.3	156.3
<b>Class I Railroads †</b>															
<b>Financial operations, quarterly (AAR), excluding Amtrak:</b>															
Operating revenues, total #.....mil. \$	27,635			6,700			6,641			6,428					
Freight.....do	26,660			6,474			6,427			6,211					
Passenger, excl. Amtrak.....do	103			26			27			30					
Operating expenses.....do	25,258			6,040			6,117			5,986					
Net railway operating income.....do	1,761			410			705			334					
Ordinary income †.....do	1,779			402			31			341					
<b>Traffic:</b>															
Revenue ton-miles, qtrly. (AAR).....bil.	876.7	879.6		219.6			221.5			218.3			220.1	78.6	69.0
Price index for railroad freight.....12/84=100.....	99.9	100.8	100.9	101.0	101.0	100.9	100.9	100.9	101.1	101.0	100.8	100.6	100.6	99.6	99.7
<b>Travel</b>															
<b>Lodging industry:</b>															
Restaurant sales index...same month 1967=100.....	213	170	206	223	212	244	234	230	212	217	231	214			
Hotels: Average room sale \$.....dollars	69.92	70.12	77.54	74.62	71.83	71.65	72.99	71.08	69.50	75.06	77.08	76.98			
Rooms occupied.....% of total	64	56	66	66	68	66	69	67	73	66	71	66			
Motor hotels: Average room sale \$.....dollars	47.71	47.24	49.22	50.21	49.45	48.75	50.18	50.51	48.91	47.74	46.62	42.24			
Rooms occupied.....% of total	64	55	65	68	66	68	67	72	72	59	61	55			
Economy hotels: Average room sale \$.....dollars	30.13	29.53	31.12	31.49	31.60	30.62	31.04	31.84	32.88	31.24	30.32	32.33			
Rooms occupied.....% of total	64	51	57	63	63	65	72	77	80	64	64	56			
<b>Foreign travel:</b>															
U.S. citizens: Arrivals (quarterly).....thous.	15,252			3,684			3,195			4,549	1,205	1,140			
Departures (quarterly).....do	14,768			3,173			3,051			4,184	991	973			
Aliens: Arrivals (quarterly).....do	8,903			2,053			2,911			3,300	832	738			
Departures (quarterly).....do	7,725			1,751			2,636			2,902	722	655			
Passports issued.....do	4,955	4,110	368	446	476	329	361	365	313	285	272	274	276	333	385
National parks, recreation visits #.....do	49,329	52,749	1,419	1,308	2,217	2,873	4,527	6,962	9,710	10,022	5,659	4,417	2,168	1,467	1,520

See footnotes at end of tables.

Unless otherwise stated in footnotes below, data through 1984 and methodological notes are as shown in BUSINESS STATISTICS: 1984

Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<b>TRANSPORTATION AND COMMUNICATION—Continued</b>																
<b>COMMUNICATION</b>																
Telephone carriers: ◊																
Operating revenues # mil. \$	71,685				18,151			18,581			18,688	<sup>2</sup> 6,356				
Station revenues do	29,817				7,727			7,842			7,870	<sup>2</sup> 2,687				
Tolls, message do	8,214				2,032			2,115			2,200	<sup>2</sup> 753				
Operating expenses (excluding taxes) do	47,085				11,723			12,027			12,212	<sup>2</sup> 4,182				
Net operating income (after taxes) do	12,934				3,404			3,346			3,301	<sup>2</sup> 1,137				
Access lines † mil.			107.1	107.3	107.6	107.6	107.6	107.9	<sup>2</sup> 108.0	<sup>2</sup> 108.3	108.8	<sup>2</sup> 109.2				
Telegraph carriers, domestic and overseas: @																
Operating revenues mil. \$	1,367.0				327.5			312.1	<sup>2</sup> 99.5							
Operating expenses do	1,203.8				299.8			290.3	<sup>2</sup> 91.9							
Net operating revenues (before taxes) do	<sup>1</sup> 84.4				10.4			6.2	<sup>2</sup> 2.2							

<b>CHEMICALS AND ALLIED PRODUCTS</b>																
<b>CHEMICALS</b>																
<b>Inorganic Chemicals</b>																
<b>Production:</b>																
Aluminum sulfate, commercial (17% Al <sub>2</sub> O <sub>3</sub> ) †	1,003	1,213	89	85	98	97	98	106	113	124	110	111	86	96	91	
thous. sh. tons do	10,469	10,352	783	759	893	873	900	897	907	886	877	839	815	923		
Hydrochloric acid (100% HCl) †	2,777	2,929	225	221	246	262	299	275	280	238	234	218	201	230	243	
do	359	363	33	30	31	32	32	28	30	29	25	32	29	29	29	
Phosphorus, elemental †	10,959	10,949	849	809	960	926	940	946	943	933	918	889	865	971		
Sodium hydroxide (100% NaOH) †	737	792	79	87	82	54	81	71	54	62	70	68	48	56		
Sodium silicate, anhydrous †	1,199	802	68	71	70	69	69	69	62	61	62	66	65	70	60	
Sodium sulfate, anhydrous †	607	617	50	51	55	56	56	51	46	61	47	50	50	44	48	
Sodium tripolyphosphate (100% Na <sub>3</sub> P <sub>3</sub> O <sub>10</sub> ) †	814	927	75	77	78	78	82	73	80	73	79	76	73	83	83	
Titanium dioxide (composite and pure) †																
Sulfur, native (Frasch) and recovered:																
Production thous. met. tons	<sup>1</sup> 10,324	9,862	880	780	843	828	826	820	819	815	787	785	807	<sup>2</sup> 872	853	
Stocks (producers') end of period do	2,799	2,748	2,935	2,948	2,915	2,951	2,977	2,880	2,900	2,987	2,919	2,830	2,779	2,748	2,820	
<b>Inorganic Fertilizer Materials</b>																
<b>Production:</b>																
Ammonia, synthetic anhydrous †	17,319	14,005	1,237	1,180	1,254	1,266	1,255	1,120	1,008	1,097	1,109	1,162	1,100	1,218	1,333	
thous. sh. tons do	6,776	5,556	481	521	613	529	495	448	366	377	422	456	426	423	501	
Ammonium nitrate, original solution †	2,098	2,085	172	169	193	166	192	180	160	157	173	172	171	181	182	
do	7,364	6,562	568	584	691	638	624	528	446	452	492	522	504	513	596	
Nitric acid (100% HNO <sub>3</sub> ) †	2,780	2,608	235	246	280	287	253	198	185	185	193	171	177	198	245	
Nitrogen solutions (100% N) †	10,518	9,206	579	666	842	823	779	721	692	706	820	906	818	855	710	
Phosphoric acid (100% P <sub>2</sub> O <sub>5</sub> ) †	39,651	36,822	2,608	2,736	3,252	3,212	3,106	2,914	2,899	2,877	3,253	3,461	3,130	3,374	3,120	
Sulfuric acid (100% H <sub>2</sub> SO <sub>4</sub> ) †																
Superphosphate and other phosphatic fertilizers (gross weight):																
Production thous. sh. tons	15,475	12,710	800	904	1,086	1,137	1,081	921	954	1,084	1,207	1,290	1,107	1,189	1,204	
Stocks, end of period do	1,129	775	1,000	834	778	559	671	813	763	648	509	660	815	775	775	
Potash, sales (K <sub>2</sub> O) do	5,964	5,521	765	387	429	853	620	226	160	358	548	299	326	549	<sup>2</sup> 747	
<b>Imports:</b>																
Ammonium nitrate do	561	561	85	53	52	74	57	48	19	28	28	25	28	64		
Ammonium sulfate do	409	291	33	13	40	66	12	21	16	29	8	12	25	17		
Potassium chloride do	3,233	7,536	903	413	835	1,229	729	347	268	552	717	409	607	526		
Sodium nitrate do	142	118	9	9	29	13	17	13	( <sup>2</sup> )	12	3	0	8	4		
<b>Industrial Gases †</b>																
<b>Production:</b>																
Acetylene mil. cu. ft.	5,051	4,725	342	324	354	339	403	359	344	433	427	462	465	473		
Hydrogen (high and low purity) do	121,345	122,681	10,304	9,488	9,818	10,048	9,783	10,181	10,602	9,934	10,541	10,028	10,085	11,869		
Nitrogen (high and low purity) do	665,190	671,337	56,720	53,285	57,226	55,731	57,009	54,899	55,111	56,902	55,408	57,305	55,626	56,115		
Oxygen (high and low purity) do	392,554	399,417	33,852	32,563	34,725	33,456	34,050	32,419	33,267	32,943	33,078	32,627	32,590	33,347		
<b>Organic Chemicals §</b>																
<b>Production:</b>																
Acetylsalicylic acid (aspirin) mil. lb.	<sup>2</sup> 28.2	27.1			5.8			7.1			6.7			7.5		
Ethyl acetate † do	<sup>1</sup> 192.0	192.3			42.2			54.2			51.2			44.7		
Formaldehyde (37% HCHO) do	<sup>1</sup> 5,606.1	5,885.0			1,511.1			1,511.4			1,395.6			1,467.1		
Glycerin, refined, all grades do	321.1	295.0	24.8	25.4	25.3	28.4	26.7	25.9	23.0	25.1	18.8	23.9	24.9	<sup>2</sup> 22.8	22.5	
Methanol, synthetic mil. gal.	<sup>1</sup> 753.5	<sup>1</sup> 1,103.4			223.5			229.4			<sup>2</sup> 284.1			284.8		
Phthalic anhydride mil. lb.	<sup>2</sup> 820.2	859.7			216.3			210.9			224.2			208.3		
<b>ALCOHOL</b>																
<b>Ethyl alcohol and spirits:</b>																
Production mil. tax gal.	680.9		45.6	51.5	56.5	52.5	55.6	50.1	48.9	50.2	56.7					
Stocks, end of period do	46.2		39.3	37.5	41.5	41.7	39.4	38.3	39.8	36.8	35.8					
<b>Denatured alcohol:</b>																
Production mil. wine gal.	507.7		32.4	30.9	36.1	34.7	33.8	40.2	34.5	30.5	31.1					
Consumption (withdrawals) do	513.8		44.4	32.5	36.5	38.3	40.5	33.8	35.8	35.6	37.4					
For fuel use do	222.9		24.1	16.4	18.3	19.1	25.4	15.3	17.2	17.7	19.4					
Stocks, end of period do	26.5		18.4	18.1	23.8	23.1	19.3	26.1	26.0	23.0	20.0					

See footnotes at end of tables.

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Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<b>CHEMICALS AND ALLIED PRODUCTS—Continued</b>																
<b>PLASTICS AND RESIN MATERIALS</b>																
Production:																
Phenolic resins.....mil. lb.	'1,713.8	'1,519.6			350.0			364.3			'364.1					393.5
Polyethylene and copolymers.....do.	'15,318.1	16,219.3			3,949.8			3,986.9			4,129.7					4,153.5
Polypropylene.....do.	'5,654.4	5,783.8			1,418.4			1,417.8			'1,466.2					1,481.4
Polystyrene and copolymers.....do.	'7,229.0	'5,794.3			1,405.7			1,467.2			1,470.6					1,437.5
Polyvinyl chloride and copolymers.....do.	'6,667.9	7,499.1			1,811.2			1,877.0			1,883.5					1,927.5
<b>PAINTS, VARNISH, AND LACQUER ◊</b>																
Total shipments.....mil. \$.	9,174.8	9,679.1	717.4	698.4	766.2	920.5	916.1	900.0	871.0	860.8	858.0	880.4	661.7	'628.4		698.7
Architectural coatings.....do.	3,825.9	4,121.1	374.4	265.2	322.3	423.9	420.2	412.8	411.3	392.8	360.6	340.2	257.4		235.0	251.3
Product coatings (OEM).....do.	3,383.5	3,565.9	284.0	289.8	235.0	309.2	304.3	336.9	270.7	286.9	322.0	370.3	270.4		'286.0	307.9
Special purpose coatings.....do.	1,966.1	1,992.1	149.0	143.4	159.0	182.4	191.1	190.4	189.0	181.0	175.4	169.9	133.9		'127.4	139.5

<b>ELECTRIC POWER AND GAS</b>																
<b>ELECTRIC POWER</b>																
Production:																
Electric utilities, total.....mil. kw-hr.	2,469,841		217,735	192,433	196,711	187,180	198,346	215,022	242,673	225,159	206,622	197,497	196,404			
By fuels.....do.	2,188,686		195,920	169,114	168,366	159,617	171,102	188,791	218,600	203,976	185,503	176,280	173,251			
By waterpower.....do.	281,149		21,815	23,319	28,346	27,562	27,244	26,230	24,073	21,183	21,119	21,218	23,153			
Sales to ultimate customers, total (Edison Electric Institute) †.....mil. kw-hr.																
Commercial \$.....do.	'608,480	'632,811			151,284			152,473			176,794					154,585
Industrial \$.....do.	'821,990	'817,581			199,337			204,079			209,627					204,129
Railways and railroads.....do.	'4,697	'4,730			1,271			1,116			1,145					1,212
Residential or domestic.....do.	'797,010	'822,423			220,216			175,244			230,346					195,458
Street and highway lighting.....do.	'13,954	'14,387			3,839			3,428			3,471					3,875
Other public authorities.....do.	'63,122	'63,453			16,532			16,065			16,662					15,621
Interdepartmental.....do.	'5,753	'6,086			1,555			1,474			1,689					1,376
Revenue from sales to ultimate customers (Edison Electric Institute) †.....mil. \$.	'149,836	'153,146			37,609			35,503			43,212					36,270
<b>GAS †</b>																
Total utility gas, quarterly (American Gas Association):																
Customers, end of period, total @.....thous.	'50,158				51,033			50,759			50,405					
Residential.....do.	'46,099				46,840			46,627			46,348					
Commercial.....do.	'3,834				3,963			3,905			3,824					
Industrial @.....do.	178				183			180			175					
Other.....do.	'47				47			47			47					
Sales to customers, total.....tril. Btu.	'12,616				4,288			2,110			1,621					
Residential.....do.	'4,513				2,064			739			385					
Commercial.....do.	'2,335				993			386			252					
Industrial.....do.	'3,686				928			623			534					
Electric generation *.....do.	'1,949				250			338			432					
Other.....do.	'130				53			24			17					
Revenue from sales to customers, total.....mil. \$.	'63,293				21,151			9,613			6,857					
Residential.....do.	'26,864				11,267			4,382			2,563					
Commercial.....do.	'12,723				5,128			1,987			1,258					
Industrial.....do.	'15,659				3,682			2,283			1,814					
Electric generation *.....do.	'7,428				832			362			1,164					
Other.....do.	'620				240			99			58					

<b>FOOD AND KINDRED PRODUCTS; TOBACCO</b>																
<b>ALCOHOLIC BEVERAGES</b>																
Beer:																
Production.....mil. bbl.	193.31	196.49	15.71	15.21	16.50	17.99	18.67	18.65	18.33	17.06	15.26	15.62	13.53	13.97		
Taxable withdrawals.....do.	175.13	178.33	13.99	13.01	14.66	16.02	17.10	16.59	17.26	15.78	14.02	14.64	12.48	12.94		
Stocks, end of period.....do.	13.07	13.42	13.48	14.22	14.68	15.24	15.13	15.38	15.22	14.41	14.06	13.75	13.40	13.42		
Distilled spirits (total):																
Production.....mil. tax gal.	96.79		8.64	7.84	8.69	8.62	6.68	7.08	6.06	4.49	5.28					
Consumption, apparent, for beverage purposes #.....mil. wine gal.	'416.30		27.37	26.28	31.49	30.72	30.69	33.88	31.75	30.81						
Stocks, end of period.....mil. tax gal.	530.46		529.58	530.07	530.47	524.50	523.67	524.63	521.06	516.00	510.51					
Imports.....mil. proof gal.	115.78	103.59	6.83	6.97	7.84	7.92	7.65	7.95	8.92	8.09	8.20	10.40	14.15	8.67		
Whisky:																
Production.....mil. tax gal.	60.17		5.00	5.32	5.77	6.61	4.46	4.21	3.73	1.95	2.18					
Stocks, end of period.....do.	460.53		459.04	459.54	460.03	454.34	459.65	457.54	454.79	450.37	444.63					
Imports.....mil. proof gal.	79.68	67.68	4.37	4.66	5.30	5.04	4.88	5.36	5.37	5.03	5.74	7.10	9.56	5.08		
Wines and distilling materials:																
Effervescent wines:																
Production.....mil. wine gal.	32.19		1.98	2.21	2.45	2.40	1.43	1.18	3.16	3.01	3.01	4.22				
Taxable withdrawals.....do.	30.32		1.44	1.05	2.17	1.46	3.31	2.15	1.01	2.14	2.07	4.66				
Stocks, end of period.....do.	14.68		15.87	17.27	17.01	17.92	15.46	12.83	17.52	18.56	17.16	18.73				
Imports.....do.	15.76	14.30	1.25	.76	1.04	.97	1.01	.87	.96	1.10	.97	1.34	2.49	1.56		
Still wines:																
Production.....do.	'463.52		6.50	4.87	4.56	4.85	4.54	4.41	5.24	97.65	185.41	109.43				
Taxable withdrawals.....do.	'412.30		29.56	31.03	35.63	43.30	41.33	45.52	43.60	51.36	32.37	38.20				
Stocks, end of period.....do.	594.56		602.67	570.10	550.97	539.54	478.74	439.71	405.86	459.06	601.25	614.81				
Imports.....do.	121.00	90.31	9.58	6.31	8.00	7.37	7.98	7.44	7.10	6.36	6.38	8.18	8.95	6.67		
Distilling materials produced at wineries.....do.	153.98		8.53	11.18	6.90	6.28	4.10	3.87	4.08	22.77	29.96	27.18				

See footnotes at end of tables.

Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<b>FOOD AND KINDRED PRODUCTS; TOBACCO—Continued</b>																
<b>DAIRY PRODUCTS</b>																
Butter:																
Production (factory).....mil. lb.	1,247.8	1,207.6	135.8	119.4	120.2	121.7	116.0	92.0	81.5	72.3	79.2	84.6	84.0	100.9	109.2	230.9
Stocks, cold storage, end of period.....do	205.5	193.0	206.3	245.5	253.3	304.8	333.8	342.8	337.6	304.4	279.6	253.3	223.5	193.0	206.6	210.5
Producer Price Index.....1967=100	217.1	223.0	212.9	212.9	212.9	213.2	213.4	214.0	220.4	234.9	234.8	236.0	235.5	235.1	211.3	210.5
Cheese:																
Production (factory), total.....mil. lb.	5,024.9	5,225.8	425.9	398.7	462.7	461.0	480.5	459.1	439.3	424.9	414.8	425.4	397.6	435.8	413.6	562.3
American, whole milk.....do	2,854.4	2,834.3	239.2	227.2	263.6	266.1	250.8	262.1	244.1	224.0	201.7	207.1	195.5	222.9	219.5	219.5
Stocks, cold storage, end of period.....do	852.9	693.6	835.8	811.2	836.7	838.4	873.3	892.4	915.6	911.7	854.5	805.0	757.0	693.6	680.8	650.8
American, whole milk.....do	758.8	601.7	742.1	721.9	724.6	742.9	778.5	794.4	815.1	811.5	755.4	711.2	665.5	601.7	587.2	562.3
Imports.....do	302.5	311.4	22.9	37.2	20.9	17.5	19.9	24.5	24.6	23.1	25.8	30.7	33.2	31.3	31.3	31.3
Price, wholesale, cheddar, single daisies (Chicago).....\$ per lb.	1.620	1.575	1.556	1.556	1.556	1.557	1.558	1.558	1.572	1.596	1.597	1.599	1.599	1.599	( <sup>9</sup> )	
Condensed and evaporated milk:																
Production, case goods.....mil. lb.	635.3	569.0	43.1	43.5	50.2	52.6	53.8	49.8	49.3	47.8	46.6	44.9	42.8	44.6	39.8	49.9
Stocks, manufacturers', case goods, end of period.....do	62.3	45.0	61.3	72.7	73.2	86.2	91.6	103.5	106.9	111.8	105.1	87.8	62.1	45.0	49.9	49.9
Exports.....do	11.6	10.8	1.4	1.5	2.5	1.7	.4	.5	.3	.5	.5	.5	.6	.6	.6	.6
Fluid milk:																
Production on farms.....do	143,667	122,185	10,321	9,565	10,659	10,630	11,213	10,649	10,468	10,169	9,662	9,732	9,400	9,717	9,932	9,279
Utilization in manufactured dairy products.....do	83,023	82,977	7,129	6,721	7,495	7,733	8,000	7,445	7,156	6,612	6,309	6,272	5,734	6,371	6,468	6,468
Price, wholesale, U.S. average.....\$ per 100 lb.	12.75	12.42	12.50	12.40	12.20	12.00	12.00	11.90	12.00	12.20	12.70	13.10	13.40	13.40	13.30	13.10
Dry milk:																
Production:																
Dry whole milk.....mil. lb.	118.9	121.5	9.2	10.7	11.5	10.1	8.6	8.8	10.8	11.2	11.4	9.8	10.2	9.2	11.3	11.3
Nonfat dry milk (human food).....do	1,390.0	1,297.8	123.7	114.7	128.1	137.2	144.0	136.7	115.1	95.9	75.2	68.7	68.2	90.4	82.1	82.1
Stocks, manufacturers', end of period:																
Dry whole milk.....do	6.5	6.7	5.5	6.3	7.0	6.9	4.9	4.5	6.8	6.8	6.6	4.3	5.6	6.7	6.5	6.5
Nonfat dry milk (human food).....do	78.2	57.9	68.0	63.3	74.4	79.2	85.2	85.3	67.2	65.1	52.1	39.9	43.7	57.9	59.1	59.1
Exports, whole and nonfat (human food).....do	276.1	482.4	18.3	27.1	41.2	25.9	40.0	16.7	41.3	77.1	45.6	57.9	52.0	39.5	39.5	39.5
Price, manufacturers' average selling, nonfat dry milk (human food).....\$ per lb.	.849	.810	.811	.812	.807	.807	.810	.808	.807	.808	.808	.810	.816	.814	.802	.802
<b>GRAIN AND GRAIN PRODUCTS</b>																
Exports (barley, corn, oats, rye, wheat).....mil. bu.	2,695.0	2,083.9	238.3	192.9	163.3	117.7	96.2	140.7	155.4	182.9	195.5	230.6	190.3	179.9	179.9	179.9
Barley:																
Production (crop estimate).....do	2591.4	2610.5														
Stocks (domestic), end of period, total.....do	530.9	4324.8					4324.8									
On farms.....do	365.6	199.3					199.3									
Off farms.....do	165.4	125.3					125.3									
Exports, including malt \$.....do	34.8	75.9	1.5	.1	.2	.8	.5	.3	1.6	12.5	12.2	16.6	14.4	14.7	14.7	14.7
Producer Price Index, No. 2 feed, Minneapolis.....1967=100	150.1	121.3	135.9	135.9	138.7	126.6	127.4	110.4	101.9	93.4	101.9	123.2	141.8	118.9	118.5	118.2
Corn:																
Production (crop estimate, grain only).....mil. bu.	28,865.0	28,252.8														
Stocks (domestic), end of period, total.....do	7,894.8	10,302.6			5,947.1		4,990.0			4,039.5			10,302.6			
On farms.....do	5,528.6	7,795.5			3,982.0		3,143.1			2,049.4			6,795.5			
Off farms.....do	2,366.2	3,507.1			1,965.1		1,847.0			1,990.1			3,507.1			
Exports, including meal and flour.....do	1,731.6	1,064.7	164.8	119.6	97.6	56.9	46.6	55.9	44.8	50.0	80.3	124.1	114.3	109.9	109.9	109.9
Producer Price Index, No. 2, Chicago.....1967=100	204.8	161.6	190.7	193.0	187.1	189.7	199.8	199.0	158.2	133.6	116.8	112.2	126.6	132.8	120.0	118.5
Oats:																
Production (crop estimate).....mil. bu.	2520.8	2384.5														
Stocks (domestic), end of period, total.....do	379.6	1183.7					1183.7									
On farms.....do	311.2	1147.2					1147.2									
Off farms.....do	68.4	36.5					36.5									
Exports, including oatmeal.....do	1.7	3.9	.1	.1	.3	.1	.8	.1	.3	.4	.4	.5	.2	.4	.4	.4
Producer Price Index, No. 2, Minneapolis.....1967=100	216.8	188.6	202.6	185.4	191.1	158.1	174.6	174.6	153.8	158.1	179.6	199.0	247.9	238.5	237.1	235.7
Rice:																
Production (crop estimate).....mil. bags #	2134.9	2134.4														
Southern States mills (Ark., La., Tenn., Tex.):																
Receipts, rough, from producers.....mil. lb.	9,230	10,242	207	201	148	452	692	487	391	1,166	3,524	1,200	785	990	230	230
Shipments from mills, milled rice.....do	5,659	6,556	338	436	382	399	556	623	624	632	689	616	616	645	603	603
Stocks, domestic, rough and cleaned (cleaned basis), end of period.....mil. lb.	2,751	3,046	2,584	2,330	2,144	1,720	1,559	1,310	960	1,180	2,819	3,034	2,975	3,046	2,737	2,737
Exports.....do	4,101	5,111	277	163	249	208	212	450	603	778	835	565	446	323	323	323
Producer Price Index, medium grain, milled.....1967=100	206.3	178.7	207.3	207.5	197.2	189.2	182.7	181.0	170.6	170.3	164.4	159.2	155.5	155.8	153.9	148.5
Rye:																
Production (crop estimate).....mil. bu.	220.6	219.5														
Producer Price Index, No. 2, Minneapolis.....1967=100	196.9	167.2	212.6	195.5	197.6	191.2	197.6	158.9	128.9	128.9	137.5	139.6	146.1	171.8	169.7	169.2
Wheat:																
Production (crop estimate), total.....mil. bu.	2,425	2,097														
Spring wheat.....do	2,598	2,568														
Winter wheat.....do	1,828	1,519														
Distribution, quarterly @.....do	2,132	2,080		390			354			842			494			
Stocks (domestic), end of period, total.....do	2,526.2	2,664.3			2,130.1		1,905.0			3,154.6			2,664.3			
On farms.....do	1,011.2	1,063.0			799.4		681.1			1,293.0			1,063.0			
Off farms.....do	1,515.0	1,601.3			1,330.6		1,223.9			1,861.6			1,601.3			
Exports, total, including flour.....do	926.8	939.0	71.8	73.1	65.2	59.9	48.4	84.4	108.7	119.9	102.0	89.5	61.2	54.8	54.8	54.8
Wheat only.....do	893.1	883.7	68.6	67.7	60.1	54.0	46.3	79.5	104.0	113.4	97.8	83.5	59.1	49.6	49.6	49.6

See footnotes at end of tables.

Units	Annual		1986												1987			
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.		
	Unless otherwise stated in footnotes below, data through 1984 and methodological notes are as shown in Business Statistics, 1984																	
<b>FOOD AND KINDRED PRODUCTS; TOBACCO—Continued</b>																		
<b>GRAIN AND GRAIN PRODUCTS—Continued</b>																		
Wheat—Continued																		
Producer Price Index:																		
Hard, winter Ord, No. 1, Kansas City																		
		1967=100	204.6	176.9	199.8	197.7	199.5	195.8	224.1	172.7	152.1	149.2	151.0	157.6	158.8	163.9	161.5	166.1
Spring, No. 1, D.N. Ord, Minneapolis																		
		1967=100	186.4	160.5	187.6	183.0	180.9	185.6	176.6	145.5	124.2	135.8	147.9	148.7	156.0	154.5	155.3	151.2
Wheat flour:																		
Production:																		
Flour	thous. sacks (100 lb.)		313,815	333,380	27,403	27,069	25,172	25,938	26,423	26,155	27,030	29,495	29,679	30,931	29,387	28,698	26,672	
Millfeed	thous. sh. tons		5,596	5,921	479	471	440	450	461	458	481	527	536	559	536	523	487	
Grindings of wheat	thous. bu.		700,151	745,764	61,095	60,128	55,386	57,729	58,904	58,394	60,697	66,125	66,682	69,671	66,307	64,646	60,042	
Stocks held by mills, end of period	thous. sacks (100 lb.)		4,847	4,867			4,466			4,786			4,948			4,867		
Exports	thous. sacks (100 lb.)		14,454	23,741	1,374	2,312	2,171	2,526	883	2,089	2,044	2,791	1,324	2,541	941	2,240		
Producer Price Index	6/83=100		96.6	91.4	96.2	96.4	96.4	94.8	99.7	92.8	87.9	87.0	85.4	86.9	86.6	86.6	86.6	88.9
<b>POULTRY AND EGGS</b>																		
Poultry:																		
Slaughter	mil. lb.		16,972	18,021	1,454	1,310	1,365	1,515	1,521	1,523	1,549	1,527	1,629	1,675	1,400	1,553	1,534	
Stocks, cold storage (frozen), end of period, total	mil. lb.		324	369	330	341	339	379	412	480	569	629	690	718	423	369	389	410
Turkeys	do		150	179	157	161	150	186	227	294	388	449	512	544	250	179	198	212
Price, in Georgia producing area, live broilers	\$ per lb.		.280	.329	.285	.270	.280	.275	.290	.320	.420	.460	.360	.385	.330	.295	.295	.275
Eggs:																		
Production on farms	mil. cases \$		190.0	190.3	16.3	14.7	16.4	15.7	16.1	15.6	15.8	15.9	15.4	16.1	15.9	13.9	13.8	
Stocks, cold storage, end of period:																		
Shell	thous. cases \$		24	22	28	21	20	32	44	38	25	33	29	20	29	22	20	24
Frozen	mil. lb.		13	13	13	13	11	12	11	14	15	15	14	14	13	13	14	13
Price, wholesale, large (delivered, Chicago)	\$ per doz.		.634	.681	.706	.657	.769	.626	.620	.573	.694	.700	.694	.663	.741	.728	.644	.620
<b>LIVESTOCK</b>																		
Cattle and calves:																		
Slaughter (federally inspected):																		
Calves	thous. animals		3,168	3,194	289	256	276	284	257	240	281	262	263	276	238	272	248	
Cattle	do		34,765	35,912	3,204	2,613	2,726	3,096	3,123	3,017	3,213	3,101	3,019	3,164	2,693	2,944	3,084	
Prices, wholesale:																		
Beef steers (Omaha)	\$ per 100 lb.		58.37	57.74	59.69	56.42	55.55	53.69	55.79	54.08	58.27	59.04	59.43	59.73	61.54	59.82	58.79	61.02
Steers, stocker and feeder (Kansas City)	do		62.08	60.38	61.34	61.68	59.99	56.68	62.21	53.69	57.98	62.20	61.51	61.94	62.77	62.83	65.75	69.01
Calves, vealers (So. St. Paul)	do		58.28	59.92	45.00	52.50	55.00	55.00	55.83	61.10	62.13	62.50	67.50	67.50	67.50	67.50	65.94	68.28
Hogs:																		
Slaughter (federally inspected).....thous. animals																		
			81,974	77,201	6,968	6,127	6,662	7,160	6,699	5,894	5,918	5,798	6,322	7,045	6,049	6,558	6,723	
Prices:																		
Wholesale, average, all weights (Sioux City)	\$ per 100 lb.		44.98	50.73	45.60	43.80	41.08	40.59	46.43	54.95	61.59	63.66	59.59	54.86	54.44	52.02	47.56	49.08
Hog-corn price ratio (bu. of corn equal in value to 100 lb. live hog)			17.6	26.1	19.0	18.4	17.6	17.3	19.2	22.7	29.5	35.9	40.5	37.9	35.9	33.7	32.1	36.0
Sheep and lambs:																		
Slaughter (federally inspected).....thous. animals																		
			5,976	5,464	507	441	524	477	417	406	432	426	495	495	401	442	418	
Price, wholesale, lambs, average (Omaha)	\$ per 100 lb.		68.41	67.54	61.75	68.50	67.00	68.00	80.75	74.71	70.50	66.16	62.45	57.23	65.17	72.70	77.25	74.62
<b>MEATS</b>																		
Total meats (excluding lard):																		
Production	mil. lb.		39,131	39,038	3,482	2,937	3,133	3,478	3,387	3,157	3,282	3,181	3,259	3,499	2,983	3,260	3,410	
Stocks, cold storage, end of period	do		607	566	617	615	622	663	674	641	620	573	543	574	566	566	598	593
Exports (meat and meat preparations)	do		1,461	1,722	124	123	123	132	139	121	125	147	159	188	170	171		
Imports (meat and meat preparations)	do		2,511	2,544	225	196	197	179	180	213	260	232	232	237	168			
Beef and veal:																		
Production, total	do		24,055	24,725	2,185	1,809	1,904	2,156	2,152	2,068	2,193	2,119	2,093	2,190	1,845	2,012	2,141	
Stocks, cold storage, end of period	do		329	318	330	313	308	311	328	331	346	327	299	301	304	313	327	310
Exports	do		660	884	63	60	60	60	59	50	56	60	87	107	82	80		
Imports	do		1,449	1,505	134	115	109	101	104	137	165	148	143	127	136	87		
Price, wholesale, beef, fresh steer carcasses, choice (600-700 lbs.) (Central U.S.)	\$ per lb.		.913	.890	.923	.868	.850	.833	.864	.836	.892	.910	.905	.918	.957	.920	.897	.917
Lamb and mutton:																		
Production, total	mil. lb.		350	330	31	27	32	29	25	24	25	25	30	30	24	27	25	
Stocks, cold storage, end of period	do		13	13	12	14	12	13	13	14	14	15	14	15	14	13	12	11
Pork (excluding lard):																		
Production, total	do		14,726	13,983	1,266	1,101	1,198	1,292	1,210	1,065	1,063	1,087	1,137	1,279	1,115	1,220	1,244	
Stocks, cold storage, end of period	do		229	197	235	239	254	284	280	248	215	185	186	216	206	197	218	229
Exports	do		192	133	11	9	11	14	14	14	9	7	8	11	13	13		
Imports	do		934	925	81	72	77	69	67	70	84	77	80	87	91	74		
Prices:																		
Producer Price Index, Hams, smoked	1967=100		284.5	312.5	288.3	277.2	272.3	261.4	265.7	276.7	308.3	336.4	346.4	368.2	376.3	371.6	310.1	295.2
Fresh loins, 8-14 lb. average, wholesale (N.Y.)	\$ per lb.		1.136	1.285	1.226	1.162	1.125	1.135	1.126	1.325	1.486	1.504	1.440	1.305	1.216	1.251	1.191	1.241
<b>MISCELLANEOUS FOOD PRODUCTS</b>																		
Cocoa (cacao) beans, imports (including shells).....thous. lg. tons																		
			266.1	201.5	29.4	17.1	15.1	9.3	19.0	16.1	21.2	22.5	11.8	7.8	14.9	17.2		
Coffee:																		
Imports, total.....thous. bags																		
			18,698	19,483	2,360	1,836	1,645	1,667	1,810	1,286	1,549	1,513	1,641	1,535	1,449	1,192		
From Brazil	do		4,148	2,200	558	340	121	264	172	68	47	84	60	239	91	156		
U.S. Import Price Index	6/77=100		59.1	77.3			96.5			75.1			77.5		62.2			
Fish:																		
Stocks, cold storage, end of period.....mil. lb.																		
			362	353	311	284	259	263	262	280	299	340	358	357	364	353	323	305

See footnotes at end of tables.



Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<b>FOOD AND KINDRED PRODUCTS; TOBACCO—Cont.</b>																
<b>MISCELLANEOUS FOOD PRODUCTS—Cont.</b>																
<b>Sugar:</b>																
Exports, raw and refined.....sh. tons...	375,782	454,394	60,948	20,528	34,846	22,788	31,891	19,934	21,618	60,083	57,027	35,292	45,016	44,423		
Imports, raw and refined.....thous. sh. tons...	2,423	1,913	174	131	208	158	173	152	191	115	158	127	203	123		
<b>Producer Price Indexes:</b>																
Raw (cane).....1967=100...	291.3	292.2	284.0	288.0	291.6	289.5	288.8	293.8	293.7	292.9	293.2	296.9	299.0	294.4	299.7	304.8
Refined.....12/77=100...	165.6	166.4	165.1	165.1	165.7	165.1	165.1	164.9	165.0	166.6	167.5	168.4	168.6	169.1	169.2	169.1
Tea, imports.....thous. lb.	174,617	197,963	16,923	13,219	21,719	19,002	15,747	14,970	19,732	14,626	13,110	14,864	14,965	14,086		
<b>TOBACCO</b>																
<b>Leaf:</b>																
Production (crop estimate).....mil. lb.	1,512	1,198														
Stocks, dealers' and manufacturers', end of period.....do...	5,293	4,979			5,145			4,847			4,902			4,979		
Exports, incl. scrap and stems.....thous. lb.	538,649	466,630	21,580	31,869	48,826	45,947	28,437	22,418	16,372	23,684	22,144	32,926	66,347	106,080		
Imports, incl. scrap and stems.....do...	430,273	457,658	32,507	26,374	40,133	47,524	42,601	30,041	40,742	45,716	39,493	44,280	41,906	26,237		
<b>Manufactured:</b>																
<b>Consumption (withdrawals):</b>																
<b>Cigarettes (small):</b>																
Tax-exempt.....millions.....	66,491	74,301	6,153	5,063	5,906	5,645	5,232	6,403	5,754	6,096	3,779	7,555	5,646	6,069		
Taxable.....do.....	594,922	533,020	41,398	43,179	51,458	48,015	52,392	55,974	38,417	51,401	50,308	51,965	49,220	48,793		
Cigars (large), taxable.....do.....	2,916	2,876	207	179	220	248	268	272	261	242	261	258	210	250		
Exports, cigarettes.....do.....	58,968	63,945	4,142	5,290	5,037	4,331	5,228	5,416	5,610	5,485	5,329	6,413	6,623	5,041		
<b>LEATHER AND PRODUCTS</b>																
<b>LEATHER</b>																
Exports: Upper and lining leather.....thous. sq. ft.	131,505	160,888	12,032	10,849	13,050	13,652	14,560	13,945	11,902	16,769	11,502	13,043	14,003	15,581	13,122	
Producer Price Index, leather.....1967=100...	353.1	383.9	368.5	368.8	368.9	370.2	383.6	394.1	390.4	391.8	388.4	383.2	389.6	403.5	395.3	399.8
<b>LEATHER MANUFACTURES</b>																
<b>Footwear:</b>																
Production, total.....thous. pairs.....	266,042		21,911	20,845	20,476	20,296	19,885	17,509	17,954	20,265	19,069	20,840	17,656			
Shoes, sandals, and play shoes, except athletic.....thous. pairs.....	205,926		17,872	16,479	15,781	15,340	15,043	12,974	14,846	16,343	14,973	16,431	14,100			
Slippers.....do.....	52,372		3,562	3,867	4,167	4,374	4,370	4,095	2,501	3,210	3,465	3,730	2,954			
Athletic.....do.....	7,744		477	499	528	582	472	440	607	712	631	679	602			
Other footwear.....do.....	4,174		414	419	432	436	456	475	239	407	464	620	486			
Exports.....do.....	9,205	10,277	611	664	707	1,039	899	1,080	927	732	930	1,057	848	785	944	
<b>Producer Price Indexes:</b>																
Men's leather upper, dress and casual 12/80=100...	109.7	112.9	112.0	112.5	112.6	112.6	112.6	112.6	111.3	112.8	113.6	113.7	113.8	114.0	114.1	114.6
Women's leather upper.....1967=100...	223.5	224.8	224.8	224.7	225.9	225.9	224.5	224.1	224.4	222.9	223.0	226.7	226.1	226.1	227.6	223.5
Women's plastic upper.....12/80=100...	104.0	104.4	105.3	105.6	105.0	105.0	104.3	101.1	104.1	104.0	104.5	104.5	104.6	104.5	100.0	
<b>LUMBER AND PRODUCTS</b>																
<b>LUMBER—ALL TYPES #</b>																
<b>National Forest Products Association:</b>																
Production, total.....mil. bd. ft.	27,352	41,680	3,092	3,046	3,347	3,362	3,405	3,355	2,961	3,441	3,397	3,820	3,496	3,623		
Hardwoods.....do.....	6,081	6,955	517	559	522	538	524	525	434	486	538	660	798	888		
Softwoods.....do.....	31,321	34,725	2,575	2,487	2,825	2,824	2,881	2,830	2,527	2,955	2,859	3,160	2,698	2,735		
Shipments, total.....do.....	37,023	41,615	2,955	2,899	3,478	3,321	3,538	3,498	2,979	3,344	3,291	3,689	3,480	3,791		
Hardwoods.....do.....	5,373	7,165	503	529	541	536	515	512	427	502	550	685	845	1,056		
Softwoods.....do.....	51,150	34,450	2,452	2,370	2,937	2,785	3,023	2,986	2,552	2,842	2,741	3,004	2,635	2,735		
Stocks (gross), mill, end of period, total.....do.....	6,484	6,549	6,769	6,916	6,784	6,826	6,697	6,361	6,393	6,484	6,590	6,653	6,715	6,549		
Hardwoods.....do.....	1,719	1,509	1,927	1,957	1,933	1,940	1,949	1,756	1,778	1,762	1,750	1,724	1,677	1,509		
Softwoods.....do.....	4,765	5,040	4,842	4,959	4,846	4,886	4,748	4,605	4,615	4,722	4,840	4,929	5,038	5,040		
Exports, total sawmill products.....do.....																
Imports, total sawmill products.....do.....	14,178	14,607	1,118	1,159	1,325	1,380	1,438	1,411	1,594	1,272	1,334	1,012	803	766		
<b>SOFTWOODS</b>																
<b>Douglas fir:</b>																
Orders, new.....mil. bd. ft.	8,044	9,058	670	659	833	679	741	702	650	754	810	852	694	801	867	
Orders, unfilled, end of period.....do.....	528	668	558	600	638	594	497	452	522	580	597	647	650	668	756	
Production.....do.....	8,062	9,008	666	671	739	739	780	684	572	748	873	846	723	759	790	
Shipments.....do.....	8,077	8,918	640	617	795	723	833	746	580	696	798	802	691	783	779	
Stocks (gross), mill, end of period.....do.....	899	989	935	989	933	949	891	813	805	857	937	981	1,013	989	1,000	
Exports, total sawmill products.....do.....	486	522	37	51	49	45	48	39	32	42	36	48	47	48		
Sawed timber.....do.....	127	105	10	12	9	10	8	9	6	7	11	9	7	7		
Boards, planks, scantlings, etc.....do.....	358	417	28	39	40	35	40	30	26	34	29	37	38	41		
Producer Price Index, Douglas fir, dressed 1967=100...	336.6	331.5	314.2	303.6	316.1	348.0	358.2	331.1	341.4	339.3	345.4	333.5	330.1	317.6	314.8	333.9

See footnotes at end of tables.

Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<b>LUMBER AND PRODUCTS—Continued</b>																
<b>SOFTWOODS—Continued</b>																
<b>Southern pine:</b>																
Orders, new.....mil. bd. ft.	10,769	11,523	889	890	986	781	910	1,031	845	790	708	1,085	778	765		
Orders, unfilled, end of period.....do.	680	710	612	687	678	618	570	620	726	634	657	732	721	710		
Production.....do.	10,730	11,605	881	825	968	878	949	955	798	919	676	1,014	846	833		
Shipments.....do.	10,644	11,492	872	816	997	842	949	982	822	891	676	955	837	775		
Stocks (gross), mill and concentration yards, end of period.....mil. bd. ft.	1,894	2,007	1,872	1,881	1,852	1,888	1,892	1,866	1,874	1,895	1,897	1,892	1,947	2,007		
Exports, total sawmill products.....thous. bd. ft.	169,925	187,258	13,108	13,278	15,780	17,007	19,256	15,686	12,059	16,129	15,946	15,176	17,302	16,581		
Producer Price Index, southern pine, dressed.....1967=100	300.6	299.5	288.8	288.8	304.1	324.5	317.0	306.1	302.6	303.6	295.5	287.9	289.2	290.4	295.8	305.0
<b>Western pine:</b>																
Orders, new.....mil. bd. ft.	9,247	10,480	747	728	909	836	856	935	869	986	993	947	812	828	955	
Orders, unfilled, end of period.....do.	433	452	485	501	553	498	464	457	467	510	517	531	519	452	554	
Production.....do.	9,276	10,487	743	736	828	893	839	891	872	972	1,007	962	841	864	840	
Shipments.....do.	9,221	10,461	695	712	857	891	890	943	859	943	986	933	824	895	853	
Stocks (gross), mill, end of period.....do.	1,312	1,338	1,343	1,367	1,338	1,340	1,289	1,260	1,273	1,302	1,323	1,352	1,369	1,338	1,325	
Producer Price Index, other softwood, dressed.....1967=100	373.7	390.4	372.3	371.4	379.8	400.0	392.5	383.6	383.3	387.2	409.6	399.5	407.3	401.3	401.3	419.6
<b>HARDWOOD FLOORING</b>																
<b>Oak:</b>																
Orders, unfilled, end of period.....mil. bd. ft.	5.5	7.5	5.8	6.6	8.2	8.6	9.5	8.8	8.8	9.2	8.3	7.4	7.9	7.5	8.3	
Shipments.....do.	121.8	145.2	11.1	10.6	12.2	12.4	12.5	11.8	11.3	12.6	12.7	14.7	11.2	12.4	12.4	
Stocks (gross), mill, end of period.....do.	6.2	7.4	4.7	4.2	3.7	3.6	3.5	4.7	4.1	4.3	5.3	5.1	5.5	7.4	7.1	

**METALS AND MANUFACTURES**

<b>IRON AND STEEL</b>																
<b>Exports:</b>																
Steel mill products.....thous. sh. tons	932	929	87	73	74	72	61	70	68	86	103	72	87	77	71	
Scrap.....do.	9,950	11,704	1,320	892	1,185	1,063	960	898	803	1,011	752	964	708	1,154	810	
Pig iron.....do.	32	47	1	4	1	10	1	2	9	2	(?)	6	1	10		
<b>Imports:</b>																
Steel mill products.....do.	24,256	20,698	1,748	2,043	1,966	1,601	1,627	1,732	2,060	1,529	1,586	1,359	1,927	1,521		
Scrap.....do.	611	724	49	66	66	46	36	39	49	101	69	48	96	57		
Pig iron.....do.	344	295	24	13	3	52	22	14	31	33	44	20	26	13		
<b>Iron and Steel Scrap</b>																
Production.....thous. sh. tons	30,455	26,335	2,529	2,410	2,576	2,642	2,512	2,348	2,201	1,871	1,838	1,881	1,763	1,753		
Receipts, net.....do.	38,816	37,962	3,121	3,234	3,311	3,420	3,241	3,083	2,875	3,044	3,168	3,288	3,086	3,077		
Consumption.....do.	70,493	65,374	5,811	5,729	6,071	6,134	5,896	5,594	5,100	5,026	4,967	5,239	4,935	4,882		
Stocks, end of period.....do.	5,104	4,413	4,844	4,794	4,698	4,715	4,685	4,634	4,680	4,566	4,595	4,545	4,467	4,413		
<b>Producer Price Indexes, iron and steel scrap:</b>																
No. 1 heavy melting, composite *.....1967=100	273.3	266.2	267.5	274.8	269.0	267.2	264.2	257.8	258.2	267.7	265.7	265.7	266.7	270.3		
Pittsburgh district *.....do.	287.6	278.0	276.3	285.6	274.4	274.4	263.3	259.6	268.9	283.7	283.7	283.7	283.7	298.6		
<b>Ore</b>																
<b>Iron ore (operations in all U.S. districts):</b>																
Mine production.....thous. lg. tons	48,751	38,882	2,861	3,443	3,840	4,363	4,836	3,096	3,086	3,041	2,986	2,767	2,221	2,342		
Shipments from mines.....do.	49,411	42,374	755	1,106	1,226	4,356	5,354	4,527	4,799	4,600	4,147	4,093	4,036	3,375		
Imports.....do.	15,955	16,749	1,292	1,209	1,168	1,444	1,742	1,943	1,700	1,120	1,444	1,191	1,228	1,267		
<b>U.S. and foreign ores and ore agglomerates:</b>																
Receipts at iron and steel plants.....do.	61,757	51,307	1,280	2,165	2,738	4,634	6,685	6,095	5,558	4,249	4,555	4,585	4,480	4,281		
Consumption at iron and steel plants.....do.	63,658	55,283	5,476	5,209	5,522	5,425	5,347	4,655	4,066	4,274	3,754	3,872	3,771	3,913		
Exports (domestic).....do.	7,135	6,501	13	(?)	143	213	533	589	828	1,160	1,650	529	369	469		
Stocks, total, end of period.....do.	29,389		27,260	26,184	25,140	23,997	25,048	25,073	24,940	23,417	24,915	24,509	23,211			
At mines.....do.	5,968		8,073	10,407	12,998	13,035	12,635	11,210	9,511	7,960	7,166	5,875	4,061			
At furnace yards.....do.	21,290		17,065	13,936	11,102	10,312	11,373	12,754	14,350	14,455	16,086	10,795	17,163			
At U.S. docks.....do.	2,404		2,122	1,841	1,040	650	1,040	1,109	1,079	1,002	1,663	1,839	1,987			
<b>Manganese (manganese content), general imports.....do.</b>																
	828	888	66	104	53	98	51	47	75	79	93	58	76	84		
<b>Pig Iron and Iron Products</b>																
<b>Pig iron:</b>																
Production (including production of ferroalloys).....thous. sh. tons	50,446	43,839	4,297	4,002	4,341	4,341	4,284	3,697	3,526	2,966	2,982	3,161	3,097	3,146	3,214	3,069
Consumption.....do.	51,460		4,177	3,825	4,123	3,949	3,946	3,527	3,428	2,964	2,889	3,015	2,972			
Stocks, end of period.....do.	239		264	269	257	265	257	259	248	241	227	228	221			
Producer Price Index, basic.....6/82=100	98.4		97.6	97.9		97.9	97.8	97.8								
<b>Castings, gray and ductile iron:</b>																
Shipments, total.....thous. sh. tons	10,017	7,152	587	557	589	697	641	589	568	562	601	681	550	530		
For sale.....do.	6,432	4,569	364	327	360	429	420	376	382	395	389	428	367	332		
<b>Castings, malleable iron:</b>																
Shipments, total.....do.	376	478	43	35	39	47	39	37	35	31	36	46	41	49		
For sale.....do.	198	153	15	13	13	18	15	10	8	11	11	15	12	12		

See footnotes at end of tables.

Unless otherwise stated in footnotes below, data through 1984 and methodological notes are as shown in BUSINESS STATISTICS: 1984

Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<b>METALS AND MANUFACTURES—Continued</b>																
<b>Steel, Raw and Semifinished</b>																
Steel (raw):																
Production.....thous. sh. tons..	88,259	80,470	7,665	7,171	7,947	7,787	7,616	6,730	6,352	5,668	5,644	6,087	5,860	5,877	6,248	5,992
Rate of capability utilization.....percent..	66.1	62.9	69.4	71.8	71.9	78.5	69.5	63.5	59.2	52.8	54.3	56.8	56.5	54.9	65.5	69.5
Steel castings:																
Shipments, total.....thous. sh. tons..	940	879	79	71	63	84	83	70	65	66	69	77	75	77	75	
For sale, total.....do.....	904	844	76	68	61	81	79	66	62	64	66	74	72	75		
<b>Steel Mill Products</b>																
Steel products, net shipments:																
Total (all grades).....thous. sh. tons..	73,043	69,948	6,437	5,799	6,142	6,283	6,212	6,007	5,815	5,364	5,608	5,923	4,899	5,199	5,664	
By product:																
Semifinished products.....do.....	4,345	4,887	395	383	411	430	444	433	393	384	412	418	351	367	430	
Structural shapes (heavy), steel piling.....do.....	4,698	4,815	448	370	414	404	391	402	418	384	366	395	317	322	365	
Plates.....do.....	4,327	3,532	334	294	312	338	352	326	317	265	242	274	224	256	282	
Rails and accessories.....do.....	931	648	73	72	74	71	61	50	44	49	44	39	31	40	41	
Bars and tool steel, total.....do.....	12,668	12,102	1,128	993	1,057	1,120	1,106	1,048	1,014	950	951	1,028	858	858	933	
Bars: Hot rolled (including light shapes).....do.....	7,027	6,459	632	507	562	608	582	547	524	512	499	532	475	490	587	
Bars: Reinforcing.....do.....	4,326	4,352	369	376	379	391	412	391	387	337	349	387	293	278	282	
Bars: Cold finished.....do.....	1,255	1,235	122	105	110	116	107	105	98	98	98	104	86	85	110	
Pipe and tubing.....do.....	4,096	2,836	324	288	308	264	226	229	236	211	191	210	179	173	188	
Wire and wire products.....do.....	1,136	1,077	93	89	100	113	102	96	98	88	81	89	68	64	80	
Tin mill products.....do.....	3,772	3,302	301	285	337	349	340	347	332	320	310	287	262	272	280	
Sheets and strip (including electrical), total.....do.....	37,069	36,249	3,341	2,999	3,130	3,195	3,189	3,077	2,918	2,713	3,010	3,181	2,609	2,847	3,087	
Sheets: Hot rolled.....do.....	12,952	11,993	1,149	1,019	1,049	1,030	1,036	999	906	840	1,003	1,069	875	1,004	1,021	
Sheets: Cold rolled.....do.....	13,574	13,107	1,207	1,093	1,151	1,214	1,180	1,151	1,075	949	1,062	1,112	924	974	1,088	
By market (quarterly):																
Service centers and distributors.....do.....	17,548	16,616			4,346			4,367		3,986	2,147	1,145	1,323	1,270		
Construction, incl. maintenance.....do.....	6,407	6,073			1,550			1,700		1,489	2,514	407	413	410		
Contractors' products.....do.....	2,663	2,546			652			674		646	2,208	171	197	181		
Automotive.....do.....	12,725	11,720			3,242			3,158		2,689	987	827	808	1,011		
Rail transportation.....do.....	1,059	782			253			211		163	61	46	60	56		
Machinery, industrial equip., tools.....do.....	2,129	1,908			523			537		436	148	131	143	169		
Containers, packaging, ship materials.....do.....	4,069	4,079			999			1,098		1,098	321	275	299	317		
Other.....do.....	26,098	25,990			6,811			6,758		6,313	2,239	1,899	1,956	2,252		
Steel mill shapes and forms, inventories, end of period—total for the specified sectors: mil. sh. tons..	23.5	23.4	23.6	23.8	23.7	23.9	24.1	23.8	23.8	23.7	23.0	22.3	23.0	23.4		
Producing mills, inventory, end of period: Steel in process.....mil. sh. tons..	7.4	7.3	7.4	7.3	7.5	7.5	7.5	7.2	7.1	7.2	7.0	6.7	7.2	7.3		
Finished steel.....do.....	6.2	5.9	6.0	6.2	6.0	6.1	6.2	6.1	6.1	6.1	6.0	5.8	5.9	5.9		
Service centers (warehouses), inventory, end of period.....mil. sh. tons..	5.8	5.7	6.0	6.0	5.9	5.9	6.0	6.0	6.1	6.0	5.7	5.5	5.5	5.7		
Consumers (manufacturers only): Inventory, end of period.....do.....	4.1	4.6	4.2	4.3	4.3	4.4	4.4	4.5	4.5	4.4	4.3	4.3	4.4	4.6		
Receipts during period.....do.....	53.6	44.5	3.7	3.6	3.7	4.0	4.0	3.9	3.7	3.4	4.1	3.7	3.2	3.5		
Consumption during period.....do.....	57.5	43.9	3.6	3.5	3.7	3.9	4.0	3.8	3.6	3.5	4.2	3.7	3.1	3.3		
<b>NONFERROUS METALS AND PRODUCTS</b>																
<b>Aluminum:</b>																
Production, primary (dom. and foreign ores) thous. met. tons..	3,499	3,036	273	251	281	275	284	241	231	235	231	243	239	252		
Recovery from scrap.....do.....	1,728	1,739	147	129	147	153	150	138	151	147	164	146	133	134		
Imports (general): Metal and alloys, crude.....do.....	960.9	1,468.4	90.5	110.9	140.9	144.4	167.3	137.0	131.2	136.1	106.1	118.3	100.4	85.2		
Plates, sheets, bars, etc.....do.....	463.4	495.3	41.4	41.5	40.5	34.0	41.6	37.1	63.3	41.0	34.6	42.6	48.9	28.9		
Exports: Metal and alloys, crude.....do.....	383.0	228.6	24.1	28.1	20.0	14.1	18.7	12.6	12.1	17.2	18.0	21.2	19.1	23.5		
Plates, sheets, bars, etc.....do.....	174.5	203.3	20.2	18.3	14.1	18.2	19.2	15.9	12.7	14.3	16.7	18.9	20.7	14.1		
Price, U.S. market, 99.7% purity, monthly average.....\$ per lb..	4881	5587	5525	5682	6157	5935	5777	5674	5412	5449	5540	5357	5250	5284	5460	5945
<b>Aluminum products:</b>																
Shipments: Ingot and mill prod. (net ship.).....mil. lb..	14,462	15,261	1,184	1,187	1,395	1,340	1,388	1,203	1,115	1,133	1,117	1,219	1,473	1,507		
Mill products, total.....do.....	11,092	11,497	946	913	1,030	1,064	1,086	938	908	915	932	972	887	907		
Sheet and plate.....do.....	6,442	6,659	541	525	609	624	654	540	530	526	523	548	507	532		
Castings.....do.....	2,228	2,276	228	209	205	211	199	191	152	162	178	198	178	165		
Inventories, total (ingot, mill products, and scrap), end of period.....mil. lb..			5,161	5,158	5,054	5,097	5,045	5,044	5,084	5,059	4,976	4,927	4,902	4,939		
<b>Copper:</b>																
Production: Mine, recoverable copper.....thous. met. tons..	1,105.8	1,149.7	99.4	87.7	96.8	94.2	97.5	94.8	95.2	94.9	97.9	100.5	92.8	97.4		
Refined from primary materials.....do.....	945.6	1,071.6	87.0	75.4	75.5	88.1	91.9	89.8	98.8	86.2	88.9	94.5	90.0	102.4		
Electrolytically refined: From domestic ores.....do.....	890.4	906.6	74.9	65.1	62.8	73.8	79.5	77.3	84.8	71.7	73.5	80.0	72.9	87.1		
From foreign ores.....do.....	55.2	40.6	3.1	1.8	3.6	4.3	2.6	2.1	3.4	3.8	3.9	3.1	5.2	3.2		
Electrowon.....do.....	93.5	124.4	9.0	8.5	9.1	9.5	9.3	10.4	10.6	10.8	11.4	11.4	11.9	12.1		
Refined from scrap.....do.....	363.2	492.2	42.5	41.9	45.2	42.6	42.4	40.8	39.1	37.4	43.9	43.5	36.0	36.7		
Imports, unmanufactured (general): Refined, unrefined, scrap (copper cont.).....do.....	483.2	687.5	59.6	52.4	57.4	46.6	69.7	45.3	51.8	43.4	92.9	40.4	67.2	40.8		
Refined.....do.....	390.7	503.1	51.9	43.9	49.5	38.2	54.9	36.8	36.0	36.0	37.3	31.7	55.6	31.2		
Exports: Refined and scrap.....do.....	463.0	497.1	49.4	38.3	45.2	38.8	50.6	38.1	29.6	55.1	25.3	46.2	41.6	43.9		
Refined.....do.....	48.1	14.9	1.3	1.5	1.2	1.0	2.4	.9	.8	1.8	1.7	.6	.9	.8		
Consumption, refined (reported by mills, etc.).....do.....	1,899	2,008	176	173	185	172	162	170	167	128	155	185	171	152		
Stocks, refined, end of period.....do.....	311		324	300	270	259	258	241	274	262	232	209	198	217		
Price, avg. U.S. producer cathode, delivered \$ per lb..	6697	6605	6988	6825	7014	6880	6708	6747	6382	6237	6484	6346	6286	6384		

See footnotes at end of tables.

Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
	Unless otherwise stated in footnotes below, data through 1984 and methodological notes are as shown in BUSINESS STATISTICS: 1984															

METALS AND MANUFACTURES—Continued

<b>NONFERROUS METALS AND PRODUCTS—Continued</b>																
Copper-base mill and foundry products, shipments (quarterly total):																
Brass mill products.....mil. lb.	2,363	2,317			590				580				578			569
Copper wire mill products (copper content).....do	1,880	1,821			464				459				453			445
Brass and bronze foundry products.....do	541	544			149				158				112			125
Lead:																
Production:																
Mine, recoverable lead.....thous. met. tons.	414.0	337.3	40.2	36.1	38.0	33.8	24.9	23.6	25.0	23.3	24.0	24.2	20.7	24.1		
Recovered from scrap (lead cont.).....do	594.2	590.8	49.8	52.9	53.2	50.2	59.1	46.0	41.0	50.2	46.2	51.3	50.8	48.5		
Imports (general), ore (lead content), metal.....do	56.5	103.4	6.3	4.0	2.3	1.7	1.3	3.7	14.7	12.7	8.6	18.9	14.4	14.6		
Consumption, total.....do	1,148.3	1,077.7	96.7	85.4	79.6	90.8	86.0	84.1	71.0	94.9	101.5	105.9	89.7	92.4		
Stocks, end of period:																
Producers', ore, base bullion, and in process (lead content), ABMS.....thous. met. tons.	61.3	74.0	61.7	64.8	58.6	58.0	47.5	57.5	71.5	74.5	72.0	73.9	64.9	74.0	67.0	
Refiners' (primary), refined and antimonial (lead content).....thous. met. tons.	88.9	20.4	86.9	93.6	105.1	104.3	105.4	95.4	80.4	73.2	52.1	37.6	27.2	20.4		
Consumers' (lead content).....do	93.1	55.0	63.8	65.2	66.9	62.1	64.0	59.9	64.3	58.3	52.1	50.1	53.5	55.0		
Scrap (lead-base, purchased), all smelters (gross weight).....thous. met. tons.	22.0	19.4	24.0	24.6	24.2	25.4	21.2	21.1	24.8	22.6	21.1	19.6	16.3	19.4		
Price, common grade, delivered.....\$ per lb.	1.907	2.205	1.835	1.779	1.820	1.873	1.938	2.207	2.194	2.242	2.343	2.555	2.801	2.868		
Tin:																
Imports (for consumption):																
Ore (tin content).....metric tons	1,633	4,030		210	214	67	204	936	94	677	293	378	957			
Metal, unwrought, unalloyed.....do	33,831	35,768	2,523	1,480	3,278	5,081	3,332	2,789	4,111	2,508	1,833	2,371	4,268	2,194		
Recovery from scrap, total (tin cont.).....do	9,045	7,243	821	754	730	631	629	534	368	564	419	601	585	607		
As metal.....do	1,176	714					143	138			144		141	148		
Consumption, total.....do	51,600	50,100	4,300	4,000	4,200	4,500	4,400	4,400	4,100	4,100	4,000	4,300	3,900	3,900		
Primary.....do	38,900	37,400	3,200	2,900	3,200	3,400	3,300	3,300	3,100	3,000	3,000	3,200	2,900	2,900		
Exports, incl. reexports (metal).....do	2,875	3,022	272	680	185	307	259	269	98	213	199	167	261	112		
Stocks, pig (industrial), end of period.....do	5,665	4,802	5,310	4,692	3,097	4,127	3,987	4,032	4,166	4,246	3,497	3,554	4,681	4,802		
Price, Straits quality (delivered).....\$ per lb.	5.9595	3.6991			4.5579	3.6425	6.5224	3.4661	3.4652	3.4701	3.4583	3.5387	3.3422	4.0277		
Zinc:																
Mine prod., recoverable zinc.....thous. met. tons.																
Imports (general):																
Ores (zinc content).....do	91.4	197.7	10.9	14.0	10.6	3.6	8	11.7	25.6	23.9	16.6	30.6	24.1	25.4		
Metal (slab, blocks).....do	568.7	667.1	74.0	59.4	57.8	50.0	53.8	40.1	60.9	44.8	61.3	51.8	56.5	56.6		
Consumption (recoverable zinc content):																
Ores.....do	52.7	14.6	5.2	4.8	3.5	3.3	4.9	5.9	6	7	6	5	5	5		
Scrap, all types.....do	251.0	258.8	20.1	19.4	20.2	20.5	21.6	21.4	20.7	20.8	21.8	27.0	21.9	22.6		
Slab zinc: @																
Production, total.....thous. met. tons.	301.0	269.9	25.6	19.4	19.4	21.3	24.0	22.7	23.3	22.2	22.7	24.1	21.8	23.8	23.4	24.3
Consumption, fabricators.....do	711.8	674.1	55.4	56.3	59.9	56.2	57.8	59.1	51.4	54.8	58.6	58.2	52.5	52.8		
Exports.....do	7	1.9	2	2	2	2	(2)	(2)	(2)	(2)	1	5	1	2		
Stocks, end of period:																
Producers', at smelter (ABMS).....do	55.6	15.5	30.5	26.1	25.4	19.6	15.4	11.3	9.0	9.3	7.4	8.7	10.7	15.5	16.6	19.5
Consumers.....do	75.4	44.4	48.6	48.5	45.9	45.0	42.3	38.9	44.5	42.7	42.2	46.0	45.7	42.7		
Price, high grade.....\$ per lb.	4.037	3.800	3.287	3.088	3.122	3.213	3.297	3.654	3.955	4.083	4.370	4.598	4.578	4.351	4.140	
<b>MACHINERY AND EQUIPMENT</b>																
Heating, combustion, atmosphere equipment, new orders (domestic), net, qtrly #.....mil. \$.																
Electric processing heating equipment.....do	1239.5				43.0				30.2			30.9				
Fuel-fired processing heating equip.....do	100.0				21.1				17.8			10.5				
Material handling equipment (industrial):																
Shipments *.....do	4,272.4		260.5	355.9	414.8	394.4	444.7	473.4	397.2	420.2						
Industrial supplies, machinery and equipment: New orders index, seas. adjusted.....1977=100	119.9		118.3	120.1	116.4	116.0	119.4	116.7	116.6	118.1	120.0	120.3				
Industrial suppliers distribution: Sales index, seas. adjusted.....1977=100	144.3		146.7	144.3	136.9	144.3	143.1	141.2	145.7	146.9	144.4	150.4	143.0			
Inflation index, not seas. adj. (tools, material handling equip., valves, fittings, abrasives, fasteners, metal products, etc.).....1977=100	162.9		163.4	163.6	163.8	164.4	164.5	164.7	165.1	165.0	165.1	165.3	165.3			
Fluid power products shipments indexes:																
Hydraulic products \$.....1985=100	100	93	96	97	104	109	101	106	93	99	100	97	87	96	94	
Pneumatic products \$.....do	100	98	105	101	105	108	100	101	95	91	96	103	87	88	95	
Machine tools:																
Metal cutting type tools:																
Orders, new (net), total.....mil. \$.	1,853.10	1,544.25	135.00	168.60	159.90	136.15	141.70	156.80	128.80	115.10	100.15	130.85	83.95	78.25	99.90	
Domestic.....do	1,632.15	1,376.55	124.75	160.65	146.05	118.30	118.50	145.65	99.25	108.60	89.95	114.95	75.85	74.05	88.00	
Shipments, total.....do	1,742.25	1,890.30	91.50	123.90	171.55	152.10	172.45	244.80	149.10	108.25	161.35	183.50	116.80	215.00	111.70	
Domestic.....do	1,548.50	1,684.70	74.05	109.50	148.20	140.05	153.10	226.70	135.90	92.50	140.80	170.40	104.40	189.10	104.60	
Order backlog, end of period.....do	1,243.3	897.2	1,286.8	1,331.5	1,319.8	1,303.9	1,273.2	1,185.2	1,164.8	1,171.7	1,110.5	1,057.8	1,025.0	897.2	885.4	
Metal forming type tools:																
Orders, new (net), total.....do	675.00	581.05	55.75	41.80	54.70	57.10	64.50	44.35	41.20	39.30	35.10	49.30	48.65	49.30	47.85	
Domestic.....do	610.00	506.80	50.20	37.60	50.75	50.95	58.50	44.90	36.05	30.40	23.65	44.45	42.30	37.05	33.00	
Shipments, total.....do	802.95	688.20	54.35	78.75	77.25	87.45	57.10	67.10	40.95	43.10	46.60	59.30	50.00	56.25	36.50	
Domestic.....do	742.95	621.35	50.80	76.15	71.10	50.75	54.00	62.30	36.60	39.05	40.30	52.40	44.70	43.20	31.30	
Order backlog, end of period.....do	414.2	307.1	415.6	378.7	356.2	355.8	363.2	340.4	340.7	336.9	325.4	315.4	314.0	307.1	318.4	

See footnote #1 at end of tables.

Unless otherwise stated in footnotes below, data through 1984 and methodological notes are as shown in Business Statistics: 1984

Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<b>METALS AND MANUFACTURES—Continued</b>																
<b>MACHINERY AND EQUIPMENT—Continued</b>																
Tractors used in construction, shipments, qtrly: Tracklaying (ex. shovel loaders).....	units				2,147				2,986					1,558		
	mil. \$	628.7			227.6				283.1					141.3		
Wheel (contractors' off-highway).....	units	7,080			1,586				1,643					1,203		
	mil. \$	486.6			105.3				129.0					86.5		
Shovel loaders †.....	units	70,653			13,027				14,679					11,308		
	mil. \$	2,364.6			405.6				474.3					326.0		
<b>ELECTRICAL EQUIPMENT</b>																
Batteries (auto-type replacement), shipments.....	thous.	58,684	60,306	4,776	3,511	3,760	4,089	4,243	4,061	4,662	5,668	6,461	6,936	5,969	3,798	
Radio sets, production, total market.....	thous.	22,351	25,364	1,271	1,304	1,338	1,348	2,065	2,228	1,813	2,832	2,774	3,165	2,822	2,404	
Television sets (incl. combination models), production, total market.....	thous.	20,525	23,351	1,687	1,616	1,888	2,045	1,570	1,975	1,583	1,927	2,337	2,209	2,161	2,353	1,820
<b>Household major appliances (electrical), factory shipments (domestic and export) #.....</b>																
Air conditioners (room).....	do	41,797	45,072	3,601	3,187	3,466	3,749	3,909	4,090	3,985	3,712	4,006	4,085	3,425	3,609	4,082
Dishwashers.....	do	3,022	2,816	131	175	422	456	451	427	361	39	53	56	92	155	243
Disposers (food waste).....	do	3,575	3,918	319	287	295	337	301	317	323	339	346	386	330	338	337
Microwave ovens/ranges @.....	do	4,105	4,269	385	340	339	300	318	410	296	363	414	404	347	338	449
Ranges.....	do	10,883	12,444	1,087	904	870	879	1,051	903	892	1,024	1,183	1,137	1,129	1,188	1,332
Refrigerators.....	do	3,142	3,318	266	254	240	266	257	301	283	271	294	319	278	283	282
Freezers.....	do	6,080	6,510	448	407	419	549	570	692	730	605	597	611	449	434	474
Washers.....	do	1,236	1,222	90	77	80	99	106	140	159	122	110	94	72	72	84
Dryers (incl. gas).....	do	5,273	5,765	490	399	408	446	459	494	521	500	554	600	410	485	506
Vacuum cleaners (qtrly).....	do	3,914	4,245	376	308	314	325	309	324	358	356	408	460	350	357	435
<b>GAS EQUIPMENT (RESIDENTIAL)</b>																
Furnaces, warm air, shipments.....	thous.	1,822	2,105	155	150	160	140	151	149	147	199	218	252	202	182	
Ranges, total, sales.....	do	1,814	1,940	142	147	164	144	150	178	127	156	189	182	173	187	
Water heaters (storage), automatic, sales.....	do	3,529	3,729	337	323	343	344	270	295	292	273	290	346	294	322	

<b>PETROLEUM, COAL, AND PRODUCTS</b>																
<b>COAL</b>																
Anthracite: Production †.....	thous. sh. tons.	4,708	3,760	261	243	260	300	294	297	298	330	333	431	373	340	327
Exports.....	do	1,286	1,460	8	7	61	118	52	150	195	162	274	138	199	95	
Producer Price Index.....	1967=100	616.3	638.6	645.9	646.4	646.4	635.1	635.1	636.1	635.8	635.5	635.5	635.5	635.8	640.1	641.6
Bituminous: Production †.....	thous. sh. tons.	878,930	884,995	78,282	72,686	77,569	74,894	73,137	72,671	67,818	76,549	75,022	76,832	68,671	70,264	72,220
Consumption, total †.....	do	815,134		75,490	65,580	64,192	58,626	61,333	67,991							
Electric power utilities.....	do	692,308		63,965	54,998	53,810	48,030	51,352	58,328	67,954	61,730	56,489				
Industrial, total.....	do	115,856		10,782	9,932	9,918	9,917	9,571	8,839							
Coke plants (oven and beehive).....	do	41,029		3,505	3,322	3,553	3,599	3,531	3,069							
Residential and commercial.....	do	6,469		743	650	464	679	410	324							
Stocks, end of period, total †.....	do	162,977		158,033	156,440	159,034	166,082	170,029	168,606							
Electric power utilities.....	do	149,188		144,896	143,986	147,263	153,949	157,594	155,750	142,932	141,781	144,590				
Industrial, total.....	do	13,789		13,137	12,454	11,771	12,133	12,495	12,856							
Oven-coke plants.....	do	3,408		3,293	3,177	3,061	3,217	3,373	3,529							
Exports.....	do	91,361	84,017	5,922	5,145	6,089	8,181	8,489	7,166	7,579	7,553	7,915	7,066	6,475	6,436	
Producer Price Index.....	1967=100	543.5	534.7	537.7	535.4	538.3	536.5	535.6	535.1	535.2	534.4	533.6	533.1	530.9	530.7	532.7
<b>COKE</b>																
Production: Beehive and oven (byproduct).....	thous. sh. tons.	28,651				7,252			7,156			5,518				
Petroleum coke \$.....	do	33,204	36,397	3,097	2,705	3,006	2,323	3,166	3,158	3,030	3,137	3,146	3,053	2,906	3,166	
Stocks, end of period: Oven-coke plants, total.....	do	2,553				2,319			2,174			2,141				
At furnace plants.....	do	2,143				1,898			1,750			1,747				
At merchant plants.....	do	404				421			424			394				
Petroleum coke.....	do	1,232	1,206	1,207	1,183	1,456	1,403	1,454	1,366	1,256	1,304	1,296	1,231	1,143	1,206	
Exports.....	do	1,179	1,063	52	18	83	67	113	83	81	240	26	72	151	76	
<b>PETROLEUM AND PRODUCTS</b>																
Crude petroleum: Producer Price Index.....	1967=100	619.4	343.8	618.1	489.0	353.1	300.7	293.0	300.8	272.6	263.8	311.8	303.8	307.3	308.0	368.6
Gross input to crude oil distillation units @@.....	mil. bbl.	4,440.2	4,679.4	389.5	338.0	364.3	377.1	411.6	400.2	402.8	414.7	397.6	395.3	387.9	400.4	
Refinery operating ratio @@.....	% of capacity	78	83	80	78	76	81	86	86	84	87	86	83	84	84	
All oils, supply, demand, and stocks: @@ New supply, total @.....	mil. bbl.	5,730.9	5,967.4	504.7	435.2	474.1	472.7	511.9	510.2	528.1	527.9	505.2	501.5	487.8	508.1	
Production: Crude petroleum.....	do	3,274.6	3,163.9	282.8	257.1	279.1	265.5	274.1	257.7	267.7	260.1	250.0	261.4	249.6	258.8	
Natural gas plant liquids.....	do	607.5	592.2	55.0	48.9	51.4	47.9	51.4	48.4	50.1	48.6	46.0	47.4	48.3	48.9	
Imports: Crude and unfinished oils.....	do	1,308.6	1,612.6	112.1	90.2	101.1	122.5	136.8	150.0	152.9	158.2	159.5	143.5	143.4	142.5	
Refined products.....	do	540.3	598.8	54.8	39.1	42.6	36.3	49.6	54.1	57.3	61.1	49.7	49.2	46.5	58.0	
Change in stocks, all oils.....	do	-37.5	74.8	19.0	-22.7	-26.0	-8.8	25.6	35.3	37.0	5.4	36.4	-8.2	2.2	-20.4	
Product demand, total.....	do	6,024.6	6,172.6	520.0	473.6	523.7	497.0	513.5	498.6	518.0	544.0	494.0	535.2	505.7	549.1	
Exports: Crude petroleum.....	do	74.5	56.2	4.9	4.5	6.6	2.8	3.0	7.2	2.0	7.2	4.8	4.7	3.4	4.9	
Refined products.....	do	209.9	224.5	21.5	19.6	15.3	21.9	19.0	11.5	17.7	19.5	16.5	20.8	20.7	20.4	

See footnotes at end of tables.

Unless otherwise stated in footnotes below, data through 1984 and methodological notes are as shown in BUSINESS STATISTICS: 1984

Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.

PETROLEUM, COAL, AND PRODUCTS—Continued

PETROLEUM AND PRODUCTS +—Continued																
All oils, supply, demand, and stocks—Continued																
Domestic product demand, total #.....mil. bbl.	5,740.1	5,891.9	493.6	449.6	501.8	472.3	491.4	479.9	498.3	517.3	472.7	509.7	481.5	523.8		
Gasoline.....do	2,503.3	2,572.2	201.7	180.8	216.9	213.5	217.9	217.0	234.2	231.7	206.6	225.1	206.6	220.1		
Kerosene.....do	41.6	36.6	5.7	4.2	4.0	1.7	2.4	1.1	1.9	3.0	1.4	3.1	3.4	4.8		
Distillate fuel oil.....do	1,046.8	1,059.8	100.5	96.7	98.2	88.2	85.9	74.4	76.8	84.5	75.4	90.1	86.0	103.0		
Residual fuel oil.....do	438.8	510.5	44.5	40.4	43.2	39.7	41.3	40.5	46.8	46.3	38.5	37.8	41.3	50.1		
Jet fuel.....do	444.7	475.5	39.7	35.8	37.3	37.6	38.7	39.4	40.4	41.6	40.0	39.2	41.2	44.6		
Lubricants.....do	53.1	47.3	3.5	3.9	4.6	4.1	5.5	4.2	3.7	4.1	4.4	4.3	1.9	3.3		
Asphalt.....do	155.1	163.5	6.2	4.0	6.7	12.1	16.3	19.3	21.2	21.5	21.0	18.8	9.7	6.8		
Liquefied petroleum gases.....do	583.6	562.2	55.7	49.0	47.6	40.4	40.4	41.1	36.7	41.5	44.2	54.8	53.6	57.2		
Stocks, end of period, total.....do	1,513.8	1,593.5	1,537.8	1,515.0	1,489.0	1,480.3	1,505.8	1,541.1	1,578.1	1,583.5	1,620.0	1,611.8	1,614.0	1,593.5		
Crude petroleum.....do	314.2	342.8	326.3	327.3	337.8	336.9	328.7	327.2	345.2	337.7	344.2	350.5	348.7	342.8		
Strategic petroleum reserve.....do	493.3	511.6	494.4	495.4	496.9	498.8	499.9	501.8	508.4	505.0	506.4	507.5	509.5	511.6		
Unfinished oils, natural gaso- line, etc.....do	148.0	140.9	151.0	151.1	145.7	150.3	154.1	156.7	152.8	144.0	144.7	151.5	146.4	140.9		
Refined products.....do	556.6	609.9	560.5	536.6	505.6	493.0	523.0	557.2	580.2	601.8	631.1	609.8	618.9	609.9		
Refined petroleum products:																
Gasoline (incl. aviation):																
Production.....do	2,352.3	2,476.3	202.8	177.2	188.6	195.8	220.7	214.1	217.4	221.7	208.0	206.7	207.2	216.0		
Stocks, end of period.....do	192.4	196.5	203.5	209.0	187.2	176.7	191.5	199.7	192.7	190.3	199.2	187.6	193.2	196.5		
Prices, regular grade (excl. aviation):																
Producer Price Index †.....2/73=100	507.3	333.4	486.5	427.7	327.8	310.4	348.4	361.4	286.6	282.5	311.9	284.5	283.9	289.1	320.5	340.4
Retail, U.S. city average (BLS):																
Leaded.....\$ per gal.	\$1.115	857	1,107	1,094	894	815	852	885	822	778	797	771	762	764	806	
Unleaded.....do	\$1.202	927	1,194	1,120	981	888	923	955	890	843	860	831	821	823	862	
Aviation gasoline:																
Production.....mil. bbl.	9.3	10.9	.6	.9	.7	.9	1.0	1.1	1.2	1.4	1.0	.9	.7	.4		
Stocks, end of period.....do	2.1	2.2	2.1	2.4	2.2	2.1	2.0	2.1	2.2	2.3	2.5	2.5	2.5	2.2		
Kerosene:																
Production.....do	34.5	34.3	4.5	3.6	3.1	2.5	1.8	1.5	2.1	2.2	2.9	2.8	3.2	4.1		
Stocks, end of period.....do	7.5	8.6	7.3	6.7	6.1	6.9	6.3	6.7	6.9	7.0	8.6	8.6	8.6	8.6		
Producer Price Index (light distillate) †.....1967=100	809.3	534.5	795.6	750.2	684.6	584.8	523.8	504.4	452.7	413.3	426.8	423.9	424.6	429.1	451.9	487.9
Distillate fuel oil:																
Production.....mil. bbl.	980.9	1,021.4	89.9	71.8	82.0	88.7	88.6	82.0	84.1	90.7	85.8	84.2	87.4	91.2		
Imports.....do	73.1	85.9	9.7	3.6	6.7	4.4	4.5	4.9	9.1	11.0	7.2	7.6	7.0	10.1		
Stocks, end of period.....do	143.7	155.0	139.0	112.8	99.3	95.3	97.3	108.8	122.8	138.1	152.6	152.1	158.4	155.0		
Producer Price Index (middle distillate) †.....1967=100	821.5	499.8	890.2	631.6	519.1	504.3	476.4	452.9	369.0	406.5	469.0	436.0	440.7	461.8	520.3	537.9
Residual fuel oil:																
Production.....mil. bbl.	322.0	323.8	28.9	24.0	25.1	27.8	28.3	24.5	26.3	27.8	25.6	25.6	29.2	30.6		
Imports.....do	186.3	237.2	19.5	16.2	17.7	15.1	20.6	20.6	20.7	24.8	18.9	18.5	16.8	27.7		
Stocks, end of period.....do	50.4	47.5	48.1	42.7	38.8	35.9	39.6	43.0	40.4	41.3	44.0	45.8	46.3	47.5		
Producer Price Index †.....1967=100	983.1	527.1	877.8	756.5	647.2	517.3	477.7	453.0	434.0	361.0	419.1	453.4	450.8	479.7	528.7	625.2
Jet fuel:																
Production.....mil. bbl.	433.9	471.9	41.4	37.7	40.0	34.8	37.2	38.3	39.9	39.4	38.7	40.7	39.8	43.8		
Stocks, end of period.....do	40.5	49.7	41.6	44.1	47.4	45.3	45.0	40.3	48.5	48.3	48.7	50.6	50.1	49.7		
Lubricants:																
Production.....do	53.1	55.1	4.4	4.5	4.2	4.3	5.0	4.4	4.3	4.8	5.1	4.4	5.0	4.8		
Stocks, end of period.....do	11.8	14.3	12.4	12.6	12.0	12.0	11.3	11.3	11.2	11.3	11.7	11.3	13.9	14.8		
Asphalt:																
Production.....do	146.3	149.8	6.7	6.4	8.3	11.5	15.3	17.3	18.0	18.3	16.0	14.2	10.4	7.0		
Stocks, end of period.....do	21.2	17.6	22.4	25.2	27.3	27.3	27.3	27.0	25.0	22.6	18.9	15.2	16.6	17.6		
Liquefied petroleum gases:																
Production, total.....do	622.0	631.1	58.1	51.8	53.6	51.2	54.5	51.6	53.8	52.4	49.5	51.0	51.2	52.5		
At gas processing plants (L.P.G.).....do	479.3	473.7	44.5	39.9	41.7	38.8	40.5	38.4	39.6	38.2	36.3	37.8	38.5	39.6		
At refineries (L.R.G.).....do	142.6	157.3	13.6	11.9	11.9	12.4	14.0	13.3	14.2	14.2	13.3	13.2	12.7	12.8		
Stocks (at plants and refineries).....do	73.5	102.7	70.4	67.6	70.4	76.5	87.0	97.5	116.1	126.2	130.4	122.7	115.5	102.7		

PULP, PAPER, AND PAPER PRODUCTS

PULPWOOD																
Receipts.....thous. cords (128 cu.ft.)	'85,499	'90,943	8,088	7,483	7,294	7,591	7,277	7,372	7,770	7,465	7,493	8,247	7,224	7,639		
Consumption.....do	'85,744	'91,434	7,880	7,261	7,478	7,742	7,499	7,563	7,812	7,582	7,362	7,779	7,681	7,795		
Inventories, end of period.....do	5,046	4,794	5,491	5,807	5,433	5,335	4,910	4,851	4,836	4,835	4,970	5,501	4,909	4,794		
WASTE PAPER																
Consumption.....thous. sh. tons	'15,290	'16,579	1,399	1,287	1,431	1,358	1,443	1,384	1,320	1,390	1,380	1,419	1,398	1,399		
Inventories, end of period.....do	967	948	954	906	887	891	844	843	884	851	877	948	893	948		
WOODPULP																
Production:																
Total.....thous. sh. tons	'54,141	'57,252	4,346	4,407	4,844	4,763	4,771	4,844	4,742	4,903	'4,662	'4,871	'4,757	4,901		
Dissolving pulp.....do	1,174	1,258	107	95	109	97	110	107	103	113	104	98	95	122		
Paper grades chemical pulp.....do	43,690	46,316	3,931	3,576	3,922	3,859	3,856	3,942	3,797	3,961	'3,763	'3,942	'3,854	3,972		
Groundwood and thermo- mechanical.....do	5,251	5,545	463	425	467	459	466	450	474	469	457	481	'464	470		
Semi-chemical.....do	4,027	4,133	346	311	346	347	340	345	368	359	338	350	345	338		
Inventories, end of period:																
At pulp mills:																
Own use woodpulp.....do	163	166	165	157	143	149	164	171	176	195	186	176	'175	166		
Market pulp.....do	486	282	444	422	372	365	365	304	353	352	303	292	'353	282		
Market pulp at paper and board mills.....do	492	569	504	528	543	537	508	568	579	542	558	527	538	569		
Exports, all grades, total.....do	'3,794	'4,308	368	196	414	358	365	368	299	418	457	344	312	409		
Dissolving and special alpha.....do	631	711	55	48	57	62	63	54	46	63	83	61	53	66		
All other.....do	'3,161	'3,599	312	148	357	296	303	315	254	355	374	283	259	343		
Imports, all grades, total.....do	'4,466	'4,340	383	335	145	349	422	370	401	422	379	372	'467	295		
Dissolving and special alpha.....do	117	148	17	6	15	17	6	16	5	18	18	12	'7	11		
All other.....do	'4,349	'4,193	366	329	130	332	417	355	396	404	361	359	460	284		

See footnotes at end of tables.

Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.

PULP, PAPER, AND PAPER PRODUCTS—Continued

PAPER AND PAPER PRODUCTS																
<b>Paper and board:</b>																
<b>Production (API):</b>																
Total.....thous. sh. tons..	'67,076	'71,023	5,924	5,471	6,065	5,849	6,046	5,910	5,774	6,114	5,872	6,180	5,877	'5,917	6,198	.....
Paper.....do.....	84,042	85,520	2,985	2,759	3,031	2,923	2,980	2,932	2,881	3,023	2,974	3,123	2,926	'2,959	3,055	.....
Paperboard.....do.....	33,034	35,503	2,940	2,713	3,034	2,926	3,065	2,978	2,893	3,085	2,898	3,057	2,950	'2,959	3,143	.....
<b>Producer price indexes:</b>																
Paperboard.....1967=100.....	274.6	272.3	264.6	265.7	267.0	267.6	269.0	268.5	272.2	274.9	274.9	'276.2	281.7	278.7	286.0	290.2
Building paper and board.....do.....	257.1	260.7	253.3	254.8	257.2	260.8	262.4	262.6	262.2	262.2	262.7	265.0	262.7	262.5	262.3	261.7
<b>Selected types of paper (API):</b>																
<b>Groundwood paper, uncoated:</b>																
Orders, new.....thous. sh. tons..	'1,477	'1,548	142	115	128	127	115	139	152	138	122	130	132	122	139	.....
Orders, unfilled, end of period.....do.....	106	131	118	116	115	103	99	117	141	149	141	132	129	131	125	.....
Shipments.....do.....	'1,516	'1,523	128	117	127	127	120	123	128	126	132	137	134	124	134	.....
<b>Coated paper:</b>																
Orders, new.....do.....	'5,642	'6,275	547	490	533	479	487	529	529	562	549	555	507	515	555	.....
Orders, unfilled, end of period.....do.....	393	399	400	404	428	405	402	424	475	467	478	458	434	399	495	.....
Shipments.....do.....	'5,875	'6,260	521	488	504	510	497	504	484	556	555	570	535	540	566	.....
<b>Uncoated free sheet papers:</b>																
Orders, new.....do.....	'9,704	'10,523	890	827	879	866	904	875	889	922	841	922	839	856	864	.....
Shipments.....do.....	'10,012	'10,744	916	826	929	875	896	897	893	903	893	958	854	899	913	.....
<b>Unbleached kraft packaging and industrial converting papers:</b>																
Shipments.....thous. sh. tons..	'3,403	'3,340	290	263	295	292	282	278	277	277	274	272	263	275	280	.....
Tissue paper, production.....do.....	'4,941	'5,083	428	399	436	424	445	419	395	430	415	454	423	'410	412	.....
<b>Newsprint:</b>																
<b>Canada:</b>																
Production.....thous. metric tons..	8,988	9,289	772	726	747	777	783	770	818	780	744	808	782	'783	795	.....
Shipments from mills.....do.....	8,996	9,302	713	696	754	800	771	807	758	790	840	816	743	815	750	.....
Inventory, end of period.....do.....	290	277	349	379	373	349	361	324	384	374	278	270	309	'277	322	.....
<b>United States:</b>																
Production.....do.....	4,924	5,108	420	394	444	409	446	420	433	441	420	426	429	428	445	.....
Shipments from mills.....do.....	4,927	5,115	387	394	434	415	443	425	433	444	437	436	426	440	427	.....
Inventory, end of period.....do.....	57	49	90	90	99	93	96	90	89	86	69	58	61	49	67	.....
Estimated consumption, all users.....do.....	11,587	11,936	918	881	1,004	1,000	1,035	996	931	997	999	1,088	'1,078	'1,009	927	.....
Publishers' stocks, end of period #.....thous. metric tons..	910	849	920	927	904	889	870	869	892	893	904	888	803	'849	845	.....
Imports.....thous. sh. tons..	8,472	8,589	708	722	708	659	752	678	823	760	668	726	791	594	.....	.....
Producer Price Index, standard newsprint.....1967=100.....	332.4	326.1	324.1	324.5	324.3	324.1	324.1	323.1	323.5	322.2	322.3	333.6	333.8	333.6	340.5	343.0
<b>Paper products:</b>																
Shipping containers, corrugated and solid fiber shipments.....mil. sq. ft. surf. area..	267,453	283,621	'24,531	21,306	22,567	25,174	23,365	23,419	23,976	23,726	24,390	27,132	21,406	22,030	24,708	.....

RUBBER AND RUBBER PRODUCTS

RUBBER																
<b>Natural rubber:</b>																
Consumption.....thous. metric tons..	774.68	744.65	59.43	71.83	71.27	81.94	45.45	54.56	69.90	49.93	57.04	80.33	50.77	52.27	.....	.....
Stocks, end of period.....do.....	95.17	33.52	96.95	96.90	100.42	98.58	98.63	96.65	93.83	86.39	91.57	75.26	78.23	33.52	.....	.....
Imports, incl. latex and guayule.....thous. long tons..	779.83	752.99	63.64	70.32	76.62	83.12	47.64	54.01	68.96	44.47	62.91	72.34	53.13	55.83	.....	.....
U.S. Import Price Index *.....12/83=100.....	71.9	77.0	.....	.....	77.5	.....	.....	74.6	.....	.....	76.7	.....	.....	79.2	.....	.....
<b>Synthetic rubber:</b>																
Production.....thous. metric tons..	'1,837.86	1,985.49	166.52	158.38	189.14	178.57	167.81	164.87	155.27	170.47	178.59	186.67	145.59	139.91	.....	.....
Consumption.....do.....	'1,801.76	1,872.50	160.66	146.91	175.73	157.56	163.85	147.99	151.45	168.54	160.60	177.51	145.77	124.68	.....	.....
Stocks, end of period.....do.....	'213.87	216.91	352.75	352.99	397.65	402.96	238.61	247.52	239.88	233.40	236.47	231.14	224.58	216.91	.....	.....
Exports (Bu. of Census).....thous. lg. tons..	306.94	338.85	23.49	27.66	24.00	35.39	25.71	25.04	26.34	31.77	34.24	30.39	27.78	'27.04	.....	.....
<b>TIRES AND TUBES</b>																
<b>Pneumatic casings, automotive:</b>																
Production.....thous.....	'196,923	'190,289	16,306	15,966	16,968	16,037	15,003	14,647	14,203	16,112	16,540	18,180	15,144	15,183	.....	.....
Shipments, total.....do.....	'242,050	225,168	19,407	16,966	18,910	20,442	20,014	22,107	18,829	21,244	22,025	23,418	'19,842	18,078	.....	.....
Original equipment.....do.....	'62,537	57,121	5,603	5,323	5,429	5,459	5,417	5,582	3,978	4,532	5,359	5,695	4,656	4,268	.....	.....
Replacement equipment.....do.....	173,553	174,205	13,366	11,168	13,021	14,526	14,229	16,229	14,457	16,252	16,142	17,205	'14,743	13,356	.....	.....
Exports.....do.....	5,960	5,334	438	475	460	457	368	346	394	460	524	518	443	454	.....	.....
Stocks, end of period.....do.....	39,823	34,286	40,717	43,499	45,359	44,519	44,741	40,009	38,036	36,836	34,890	34,130	33,681	34,286	.....	.....
Exports (Bu. of Census).....do.....	5,627	5,202	409	365	450	386	434	334	350	484	442	620	477	451	.....	.....
<b>Inner tubes, automotive:</b>																
Exports (Bu. of Census).....do.....	1,123	809	75	69	90	57	65	60	57	64	60	61	109	42	.....	.....

See footnotes at end of tables.

Units	Annual		1986														1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.		

STONE, CLAY, AND GLASS PRODUCTS

<b>PORTLAND-CEMENT</b>																
Shipments, finished cement.....thous. bbl.	445,144	470,500	28,904	23,660	32,340	41,463	43,197	44,809	46,872	46,585	45,926	49,053	35,085	30,723	25,532	
<b>CLAY CONSTRUCTION PRODUCTS</b>																
Shipments: †																
Brick, unglazed (common and face)																
mil. standard brick.....																
	6,833.7	7,186.3	487.6	408.0	543.7	681.7	678.4	686.1	700.0	668.2	666.6	693.5	514.3	458.3	448.0	
Structural tile, except facing.....thous. sh. tons.	72.8	72.5	3.9	2.9	4.9	5.5	5.3	6.6	6.9	7.3	9.2	8.2	6.0	5.6	3.8	
Sewer pipe and fittings, vitrified.....do.	436.7	297.9	19.9	12.9	17.3	27.0	30.8	28.0	32.8	28.3	30.4	29.7	23.6	17.2	19.3	
Floor and wall tile and accessories, glazed and unglazed.....mi. sq. ft.	393.5	439.9	30.6	30.8	31.8	36.2	37.2	37.7	39.1	38.0	39.5	40.1	35.2	43.8	37.9	
Producer Price Index, brick and structural clay tile * 12/84=100	101.4	105.3	104.7	104.7	104.7	104.8	105.2	105.3	105.1	105.6	105.8	105.8	105.9	105.2	106.2	107.7
<b>GLASS AND GLASS PRODUCTS</b>																
Flat glass, mfrs.' shipments.....thous. \$	1,174,380	1,259,750			284,475			314,089			330,318			330,868		
Glass containers: †																
Production.....thous. gross.																
	273,695	289,919	22,887	23,649	25,353	25,291	25,926	25,919	25,409	25,171	23,556	25,598	22,451	18,709		
Shipments, total.....do.																
	272,821	286,242	22,458	21,812	23,127	25,787	24,959	25,939	26,129	24,637	23,762	25,458	21,471	21,203		
Narrow-neck containers:																
Food.....do.																
	23,770	25,662	1,859	1,911	2,405	2,229	2,313	2,161	2,176	2,590	2,578	2,117	1,644	1,679		
Beverage.....do.																
	60,055	60,460	4,303	4,065	4,861	6,173	5,384	5,856	5,899	5,248	4,637	4,856	4,361	4,267		
Beer.....do.																
	83,777	88,096	7,209	6,542	7,222	7,878	7,742	8,080	8,333	7,128	6,965	7,334	6,663	7,000		
Liquor and wine.....do.																
	25,975	28,129	1,848	1,883	2,276	2,585	2,582	2,895	2,870	2,524	2,021	2,408	2,112	2,125		
Wide-mouth containers:																
Food and dairy products.....do.																
	59,935	63,320	5,295	4,935	4,704	4,970	4,649	5,105	5,152	5,618	5,821	7,009	5,228	4,834		
Narrow-neck and wide-mouth containers:																
Medicinal and toilet.....do.																
	17,322	19,033	1,767	1,815	1,510	1,795	1,685	1,740	1,586	1,450	1,585	1,573	1,333	1,194		
Chemical, household, and industrial.....do.																
	1,957	1,542	177	161	149	157	104	102	113	79	105	161	130	104		
Stocks, end of period.....do.	38,843	38,622	38,568	40,484	42,152	41,248	42,396	42,202	40,749	41,080	40,539	40,937	41,622	38,622		
<b>GYPSUM AND PRODUCTS</b>																
Production:																
Crude gypsum (exc. byproduct).....thous. sh. tons.																
	14,784	16,227	1,919	1,084	1,195	1,378	1,363	1,342	1,284	1,332	1,375	1,463	1,311	1,241		
Calcined.....do.																
	17,135	17,538	1,511	1,173	1,542	1,543	1,446	1,445	1,431	1,531	1,625	1,489	1,361	1,441		
Imports, crude gypsum.....do.	9,922	9,559	694	804	640	659	784	958	993	1,009	832	707	936	544		
Sales of gypsum products:																
Uncalcined.....do.																
	4,386	3,359	271	266	212	266	253	317	308	338	297	296	299	236		
Calcined:																
Industrial plasters.....do.																
	544	259	46	41	47	15	13	14	14	13	14	16	14	11		
Building plasters, total (incl. Keene's cement).....do.																
	214	260	16	15	24	25	23	23	24	25	24	25	18	18		
Board products, total.....mil. sq. ft.																
	19,431	20,411	1,696	1,369	1,697	1,880	1,712	1,623	1,715	1,757	1,795	1,952	1,618	1,592		
Lath.....do.																
	28	24	3	2	2	2	2	2	2	2	2	1	3	2		
Veneer base.....do.																
	432	475	41	30	39	43	41	40	41	43	45	36	36	36		
Gypsum sheathing.....do.																
	328	323	32	20	28	31	31	28	30	26	27	26	25	21		
Regular gypsum board.....do.																
	11,631	12,343	1,014	819	1,037	1,135	1,009	960	1,024	1,060	1,098	1,198	1,006	985		
Type X gypsum board.....do.																
	5,507	5,781	487	397	472	530	496	481	494	499	500	538	441	445		
Predecorated wallboard.....do.																
	128	123	11	9	10	11	11	10	11	10	10	11	9	10		
3/8 mobile home board.....do.																
	853	751	59	56	63	76	70	60	64	68	64	76	52	44		
Water/moisture resistant board **.....do.																
	523	591	50	37	46	53	52	48	50	51	52	57	48	49		

TEXTILE PRODUCTS

<b>FABRIC</b>																
Woven fabric, finishing plants:																
Production (finished fabric).....mil. linear yd.																
	6,788	6,796	631	560	539	661	538	536	538	531	532	707	551	472		
Cotton.....do.																
	2,499	2,522	233	215	201	241	201	201	186	192	196	270	202	184		
Manmade fiber and silk fabrics.....do.																
	4,287	4,271	398	345	338	419	336	335	351	339	336	437	349	288		
Inventories held at end of period.....do.																
	535	504	509	509	510	505	508	507	535	559	554	550	527	504		
Cotton.....do.																
	193	211	187	189	186	185	184	179	188	205	208	209	207	211		
Manmade fiber and silk fabrics.....do.																
	342	293	322	320	324	320	324	328	347	354	347	342	320	293		
Backlog of finishing orders.....do.																
			516	543	520	539	525	495	514	516	529	538	492	442		
Cotton.....do.																
			189	198	190	188	187	156	177	182	190	190	176	164		
Manmade fiber and silk fabrics.....do.																
			327	345	330	351	338	340	337	334	339	343	316	278		
<b>COTTON AND MANUFACTURES</b>																
Cotton (excluding linters):																
Production:																
Ginnings.....thous. running bales.																
	12,988	9,095								147	624	2,408	5,291	7,495	8,590	
Crop estimate.....thous. net weight bales \$.																
	13,432	9,785												9,792	9,785	
Consumption.....thous. running bales.	5,268	6,566	595	499	492	620	503	489	522	534	523	683	529	576	550	
Stocks in the United States, total, end of period #.....thous. running bales.																
	13,683	13,416	12,897	12,121	11,478	10,725	10,162	9,528	9,045	18,113	16,704	15,366	14,639	13,416	12,409	
Domestic cotton, total.....do.																
	13,682	13,416	12,897	12,120	11,477	10,724	10,161	9,527	9,044	18,112	16,703	15,366	14,639	13,416	12,409	
On farms and in transit.....do.																
	2,374	2,540	1,490	1,125	1,890	902	737	787	150	1,049	8,119	5,286	3,913	2,540	1,827	
Public storage and compresses.....do.																
	10,696	10,252	10,726	10,271	9,624	9,035	8,645	7,931	8,124	7,393	7,996	9,519	10,148	10,252	9,942	
Consuming establishments.....do.																
	612	624	681	724	764	787	779	809	770	670	588	561	578	624	640	

See footnotes at end of tables.



Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
	Unless otherwise stated in footnotes below, data through 1984 and methodological notes are as shown in BUSINESS STATISTICS: 1984															
<b>TEXTILE PRODUCTS—Continued</b>																
<b>COTTON AND MANUFACTURES—Cont.</b>																
Cotton (excluding linters)—Continued																
Exports.....thous. running bales..	4,756	5,666	396	180	176	163	76	55	21	261	346	314	529	3,149		
Imports.....thous. net-weight bales \$.	46	7	5	1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Price(farm), American upland.....cents per lb.	*56.8	51.0	*54.0	*56.9	*58.1	*59.2	*58.5	*58.5	*61.5	*46.8	*47.8	47.1	*53.6	*54.7	51.0	*46.8
Price, Strict Low Middling, Grade 41, staple 34 (1/16"), average 10 markets.....cents per lb.	*60.5	60.0	58.4	59.3	61.8	62.6	64.0	65.2	65.7	26.8	33.6	44.0	45.7	54.2	57.2	
Spindle activity (cotton system spindles):																
Active spindles, last working day, total.....mil.	12.5	11.8	12.5	12.5	12.2	12.3	12.3	11.8	11.9	11.8	11.9	*11.9	*11.8	11.8		
Consuming 100 percent cotton.....do.	4.7	4.6	4.7	4.5	4.4	4.5	4.5	4.5	4.5	4.5	4.5	4.6	4.5	4.6		
Spindle hours operated, all fibers, total.....bil.	75.5	81.4	*7.6	6.5	6.2	*7.8	6.4	6.1	*6.7	6.3	6.4	8.1	6.4			
Average per working day.....do.	*2.90	*3.09	*3.05	*3.25	*3.12	*3.11	*3.19	*3.07	*2.69	*3.14	*3.20	*3.25	*3.19			
Consuming 100 percent cotton.....do.	27.4	29.2	*2.7	2.3	2.1	*2.7	2.2	2.1	*2.4	2.3	2.3	3.1	2.4			
Cotton cloth:																
Cotton broadwoven goods over 12" in width: Production (qtrly.).....mil. sq. yd.	3,921	3,885			1,045			942			936			963		
Orders, unfilled, end of period, compared with average weekly production.....no. weeks' prod.	9.6		9.8	11.1	11.1	12.2	12.3	12.9								
Inventories, end of period, compared with avg. weekly production.....no. weeks' prod.	4.5		3.4	3.7	3.5	3.3	3.1	2.8								
Ratio of stocks to unfilled orders (at cotton mills), end of period.....do.	.47		.29	.33	.31	.27	.25	.22								
Exports, raw cotton equiv. thous. net-weight.....480 lb. bales..	*220.5	288.0	17.5	20.1	23.6	23.5	27.4	23.6	17.3	30.1	26.2	26.1	28.2	24.4		
Imports, raw cotton equivalent.....do.	1,024.9	1,306.1	116.4	109.1	128.9	116.6	106.5	*104.8	127.1	109.6	100.2	98.8	96.2	91.9		
Producer Price Index, gray cotton broadwovens.....12/75=100..	155.6	154.5	155.1	154.4	153.8	153.6	154.1	154.1	154.5	154.1	154.6	*154.3	155.9	154.7	156.6	155.6
<b>MANMADE FIBERS AND MANUFACTURES</b>																
Fiber production, qtrly:																
Acetate filament yarn.....mil. lb.	204.6	214.8			54.3			54.7			54.1			51.7		
Rayon staple, including tow.....do.	352.7	403.7			95.1			99.7			103.4			105.5		
Noncellulosic, except textile glass: Yarn and monofilaments.....do.	3,790.2	3,823.7			965.0			923.7			*943.3			991.7		
Staple, incl. tow.....do.	3,773.3	3,991.5			972.7			979.5			1,000.9			1,038.4		
Textile glass fiber.....do.																
Fiber stocks, producers', end of period:																
Acetate filament yarn.....mil. lb.	12.3	14.8			13.3			12.5			14.0			14.8		
Rayon staple, including tow.....do.	22.5	22.4			19.7			20.5			21.5			22.4		
Noncellulosic fiber, except textile glass: Yarn and monofilaments.....do.	292.5	306.8			317.1			305.3			*297.4			306.3		
Staple, incl. tow.....do.	311.8	326.4			332.3			330.5			308.5			326.4		
Textile glass fiber.....do.																
Manmade fiber and silk broadwoven fabrics:																
Production(qtrly.), total #.....mil. sq. yd.	10,796.6															
Filament yarn (100%) fabrics #.....do.	4,754.9															
Chiefly rayon and/or acetate fabrics.....do.																
Chiefly nylon fabrics.....do.	371.8															
Spun yarn (100%) fabrics #.....do.	4,903.1															
Rayon and/or acetate fabrics, blends.....do.	36.5															
Polyester blends with cotton.....do.	3,844.0															
Acetate filament and spun yarn fabrics.....do.	866.6															
Producer Price Index, gray synthetic broadwovens.....12/75=100..	147.2	146.3	147.1	147.3	147.2	147.9	147.2	147.4	147.5	145.9	144.1	144.4	144.2	144.6	144.2	145.7
Manmade fiber textile trade:																
Exports, manmade fiber equivalent.....mil. lbs.	*449.16	506.79	39.88	35.33	41.67	45.91	46.01	40.12	41.41	*41.49	43.16	43.84	48.12	39.19		
Yarn, tops, thread, cloth.....do.	206.23	226.86	18.74	15.58	20.12	22.30	*19.18	17.94	18.66	18.07	18.16	19.44	21.71	16.96		
Cloth, woven.....do.	124.87	134.57	10.12	9.34	10.72	10.91	*10.54	10.85	13.32	11.47	12.04	11.42	13.14	10.69		
Manufactured prods., apparel, furnishings.....do.	243.86	279.22	21.14	19.76	21.55	23.61	26.83	22.18	22.75	23.37	25.00	24.41	26.41	22.23		
Imports, manmade fiber equivalent.....do.	1,491.03	1,683.66	142.31	130.04	132.47	125.18	147.02	159.71	179.65	162.82	135.95	135.27	134.26	98.98		
Yarn, tops, thread, cloth.....do.	268.06	302.12	23.88	23.39	28.07	27.47	29.13	30.94	32.96	26.63	20.15	19.51	22.49	17.50		
Cloth, woven.....do.	186.20	204.84	16.91	15.91	19.65	18.69	20.31	21.43	22.14	17.72	13.42	13.27	13.88	11.50		
Manufactured products, apparel, furnishings.....do.	1,222.97	1,381.54	118.43	106.64	104.41	97.71	*117.89	128.77	146.70	136.19	115.80	115.76	111.78	81.48		
Apparel, total.....do.	799.90	921.16	74.40	70.34	67.74	61.64	76.62	88.51	106.13	99.80	79.88	77.70	67.94	50.45		
Knit apparel.....do.	341.17	428.32	27.82	27.13	26.92	28.05	38.32	45.72	56.12	52.41	40.77	39.82	27.75	17.50		
<b>WOOL AND MANUFACTURES</b>																
Wool consumption, mill (clean basis):																
Apparel class.....mil. lb.	106.1	135.7	*12.6	11.1	11.6	*13.5	10.8	11.4	*12.3	9.9	10.0	*11.8	10.0	10.8		
Carpet class.....do.	10.6	10.5	*1.1	.8	.8	*.9	.9	.8	*.9	1.0	1.0	*1.0	.8	.7		
Wool imports, clean yield.....do.	79.5	94.7	10.2	8.8	7.6	7.5	8.0	8.6	7.0	6.3	7.0	5.0	9.2	8.5		
Duty-free.....do.	29.3	30.1	2.5	2.5	2.0	2.8	2.2	2.4	2.8	3.0	2.8	1.8	3.3	2.4		
Wool prices, raw, shorn, clean basis, delivered to U.S. mills:																
Domestic—Graded territory, 64's, staple 2 3/4" and up.....dollars per lb.	1.92	1.91	1.93	1.89	1.80	1.88	1.98	1.98	1.93	1.90	1.90	1.90	1.90	1.90	1.93	2.02
Australian, 64's, Type 62, duty-paid.....do.	2.29	2.36	2.31	2.29	2.31	2.38	2.52	2.42		2.30	2.24	2.30	2.40	2.50	2.52	2.59
Wool broadwoven goods, exc. felts: Production (qtrly.).....mil. sq. yd.	138.3	131.3			37.7			38.8			27.3			27.4		
<b>FLOOR COVERINGS</b>																
Carpet, rugs, carpeting (woven, tufted, other), shipments, quarterly.....mil. sq. yds.	1,159.2															
<b>APPAREL</b>																
Women's, misses', juniors' apparel cuttings:																
Coats.....thous. units..	10,540	8,959	449	515	626	693	619	903	870	973	1,131	1,185	649	396		
Dresses.....do.	152,060	131,924	14,324	13,134	13,776	14,085	10,545	9,966	8,420	9,061	9,487	10,099	9,240	9,787		
Suits (incl. pant suits, jumpsuits).....do.	10,986															
Skirts.....do.	93,577	89,769	8,693	8,671	9,120	8,574	7,484	7,524	7,172	7,112	7,332	6,904	*5,676	5,507		
Slacks, jeans, dungarees, and jean-cut casual slacks *.....do.	242,442	219,716	21,330	19,127	17,976	18,540	19,933	19,333	17,246	17,078	18,449	18,513	*15,599	16,592		
Blouses.....thous. dozen.	31,234	29,575	2,620	2,530	2,425	2,504	2,232	2,549	2,520	2,432	2,804	2,623	2,177	2,159		

See footnotes at end of tables.

Units	Annual		1986												1987	
	1985	1986	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.

TEXTILE PRODUCTS—Continued

APPAREL—Continued

Men's apparel cuttings:																	
Suits.....thous. units..	12,403	10,552	984	959	888	1,002	987	822	598	796	870	988	858	800			
Coats (separate), dress and sport.....do	19,794	19,794	1,560	1,516	1,508	1,662	1,485	1,620	1,445	1,768	1,990	2,082	1,715	1,458			
Trousers (separate), dress.....do	116,418	112,612	10,188	10,166	10,338	10,551	9,138	8,165	7,707	9,231	9,836	9,988	7,810	8,499			
Slacks (jean cut), casual.....do	186,355	180,511	16,085	15,949	12,539	12,517	13,758	16,492	16,125	14,039	15,512	16,168	14,556	16,621			
Shirts, dress and sport.....thous. doz.	40,363	48,028	3,755	3,890	4,072	4,421	4,019	3,759	3,533	3,993	4,374	4,867	3,925	3,415			
Hosiery, shipments.....thous. doz. pairs.	308,660		24,239	24,442	25,537	28,452	23,784	25,127	27,870	25,029	23,517	30,818	29,989	24,190			

TRANSPORTATION EQUIPMENT

AEROSPACE VEHICLES

Orders, new (net), qtrly, total.....mil. \$.	\$110,450																
U.S. Government.....do	\$69,722																
Prime contract.....do	\$107,915																
Sales (net), receipts, or billings, quarterly, total.....do	\$100,144																
U.S. Government.....do	\$63,515																
Backlog of orders, end of period #.....do	\$142,813																
U.S. Government.....do	\$91,833																
Aircraft (complete) and parts.....do	\$62,553																
Engines (aircraft) and parts.....do	\$13,638																
Missiles, space vehicle systems, engines, propulsion units, and parts.....mil. \$.	\$18,192																
Other related operations (conversions, modifications), products, services.....mil. \$.	\$19,091																
Aircraft (complete):																	
Shipments †.....do	10,939.9	12,993.8	755.3	819.7	1,337.2	925.5	1,138.7	1,063.0	1,134.2	994.1	796.0	1,239.7	1,148.8	1,641.7	579.0		
Airframe weight †.....thous. lb.	40,372	(*)															
Exports, commercial.....mil. \$.	6,252	7,207	201	575	921	531	443	718	720	578	493	882	476	668			

MOTOR VEHICLES (NEW)

Passenger cars:																	
Factory sales (from U.S. plants):																	
Total.....thous.	8,002	7,516	713	675	655	713	685	706	505	426	637	684	556	561	617	(*)	
Domestic.....do	7,337	6,369	662	618	590	647	615	630	466	401	581	627	509	522	585		
Retail sales, total, not seas. adj.....do	11,039	11,450	870	832	897	972	1,072	1,001	954	952	1,217	906	783	992	826	781	
Domestics \$.....do	8,205	8,215	636	613	649	720	786	786	649	673	925	633	521	673	423	558	
Imports \$.....do	2,834	3,235	234	219	248	252	286	265	305	279	292	273	262	319	198	223	
Total, seas. adj. at annual rate.....mil.			11.4	10.8	9.8	11.2	11.4	\$11.1	10.7	12.7	16.1	10.3	10.5	13.6	8.2	9.9	
Domestics \$.....do			8.5	8.0	7.0	8.0	8.2	\$8.2	7.4	9.4	12.3	7.0	7.0	9.6	5.8	7.3	
Imports \$.....do			2.9	2.8	2.8	3.2	3.1	\$2.9	3.3	3.4	3.8	3.3	3.5	4.0	2.4	2.6	
Retail inventories, domestics, end of period: \$																	
Not seasonally adjusted.....thous.	1,630	1,499	1,763	1,867	1,907	1,945	1,867	1,860	1,726	1,557	1,293	1,413	1,537	1,499	1,726	1,961	
Seasonally adjusted.....do	1,603	1,297	1,685	1,741	1,796	1,809	1,755	\$1,733	1,696	1,548	1,178	1,294	1,376	1,297	\$1,500	1,609	
Inventory-retail sales ratio, domestics \$.....	2.3	1.9	2.4	2.6	3.1	2.7	2.6	\$2.5	2.7	2.0	1.1	2.2	2.3	1.6	\$3.1	2.6	
Exports (BuCensus), total.....do	701.16	669.46	57.26	63.52	69.63	73.01	58.90	80.32	39.18	20.62	59.52	50.50	54.20	42.81			
To Canada.....do	677.19	639.67	55.42	61.99	66.50	70.22	56.99	77.72	36.68	18.97	59.01	45.95	49.95	40.26			
Imports (ITC), complete units.....do	4,394.9	4,691.3	395.2	351.5	381.0	380.9	410.4	460.8	435.7	328.9	322.5	393.1	466.1	365.2	322.9		
From Canada, total.....do	1,146.3	1,162.2	89.8	95.4	104.2	117.8	110.4	113.7	52.2	60.0	97.5	104.4	120.7	96.0	53.8		
Registrations (C), total new vehicles.....do	\$10,889	\$11,140	913	822	848	906	918	1,012	934	894	1,149	948	719	902			
Imports, including domestically sponsored.....do	\$3,011	\$3,444	277	236	259	266	260	272	284	298	317	301	263	324			
Trucks and buses:																	
Factory sales (from U.S. plants):																	
Total.....do	3,357	3,393	294	290	281	308	298	299	251	264	318	306	246	250	299	(*)	
Domestic.....do	3,126	3,130	274	262	258	281	272	273	234	247	295	279	224	230	277		
Retail sales, domestics: *																	
Total, not seasonally adjusted.....do	3,913.2	\$3,947.2	283.0	282.2	318.2	340.3	377.2	359.1	328.0	320.8	430.9	296.5	260.8	347.8	238.9	304.7	
0-10,000 lbs. GVW.....do	3,618.3	\$3,671.3	262.2	264.7	295.0	315.0	354.1	333.9	304.0	299.1	407.9	271.9	241.5	322.1	219.2	234.3	
10,001 lbs. GVW and over.....do	294.8	\$275.8	20.8	17.4	23.1	25.3	23.2	25.3	24.0	21.6	23.1	24.7	19.3	25.7	19.7	20.4	
Total, seasonally adjusted.....do			305.0	304.4	278.8	314.4	334.8	330.1	316.6	394.3	451.2	295.8	287.8	341.3	\$266.6	\$329.5	
0-10,000 lbs. GVW.....do			282.4	283.7	256.4	291.5	312.8	306.6	294.8	371.4	428.7	272.8	263.6	316.7	\$244.8	\$305.3	
10,001 lbs. GVW and over.....do			22.5	20.7	22.3	22.8	22.1	23.5	21.9	22.9	22.5	23.0	24.2	24.7	\$21.8	24.3	
Retail inventories, including captive imports, end of period:																	
Not seasonally adjusted.....do	827.6	839.4	907.5	959.8	976.5	1,006.3	991.1	984.0	935.9	923.3	840.8	881.6	905.2	839.4	942.5	996.1	
Seasonally adjusted @.....do	850.4	861.5	882.9	923.3	943.9	969.5	963.6	964.8	1,017.8	976.5	874.9	893.2	884.3	861.5	\$917.2	956.6	
Exports (BuCensus).....do	185.27	209.06	15.51	15.47	16.66	20.68	30.05	20.23	13.62	7.18	23.28	19.44	15.47	11.48			
Imports (BuCensus), including separate chassis and bodies.....thous.	1,308.94	1,394.80	140.09	109.41	134.15	130.22	117.66	131.18	138.47	124.20	80.18	94.75	115.73	78.78			
Registrations (C), new vehicles, excluding buses not produced on truck chassis.....thous.	\$4,675	\$4,801	374	345	370	401	407	434	405	397	483	415	320	396			
Truck trailers and chassis, complete (excludes detachables), shipments ††.....number	175,152	171,619	13,091	11,719	14,776	15,072	15,760	15,315	14,309	14,920	16,014	14,958	\$11,815	13,870	12,525		
Van type ††.....do	124,556	126,470	9,122	8,266	10,779	10,696	11,412	11,444	10,906	11,572	12,571	11,155	\$8,707	9,840	9,171		
Trailer bodies (detachable), sold separately ††.....do	252	595	22	14	64	52	66	81	55	71	53	56	36	25	41		
Trailer chassis (detachable), sold separately ††.....do	11,286	6,298	845	568	415	567	430	771	380	352	342	621	446	561	532		
RAILROAD EQUIPMENT																	
Freight cars (new), for domestic use; all railroads and private car lines (excludes rebuilt cars and cars for export):																	
Shipments.....number	\$12,080	11,508	443	544	574	607	827	999	1,247	1,161	1,134	1,132	886	1,954			
Equipment manufacturers.....do	\$11,674	11,508	443	544	574	607	827	999	1,247	1,161	1,134	1,132	886	1,954			
New orders.....do	\$9,510	12,426	500	1,425	1,252	1,850	955	435	797	1,081	1,096	723	668	1,594			
Equipment manufacturers.....do	\$9,510	12,426	500	1,425	1,252	1,850	955	435	797	1,081	1,096	723	668	1,594			
Unfilled orders, end of period.....do	1,759	2,677	1,816	2,697	3,375	4,618	4,746	4,232	3,782	3,702	3,664	3,255	3,037	2,677			
Equipment manufacturers.....do	1,759	2,677	1,816	2,697	3,375	4,618	4,746	4,232	3,782	3,702	3,664	3,255	3,037	2,677			
Freight cars (revenue), class I railroads(AAR): ‡																	
Number owned, end of period.....thous.	867	799	862	857	850	842	836	829</									

## 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. The estimates of personal income have been revised as a part of the annual revision of the national income and product accounts (NIPA's) released in July 1986 and as part of the comprehensive revision of the NIPA's released in 1985. Articles describing those revisions appear in the July 1986 and December 1985 issues of the SURVEY. See tables 2.6-2.9 in the July 1986 SURVEY for revised estimates for 1983-85. Pre-1983 estimates appear in *The National Income and Product Accounts of the United States, 1929-82: Statistical Tables*. For order information see the box at the beginning of the National Income and Product Accounts Tables in this issue of the SURVEY.

‡ 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.

◇ See note "◇" for p. S-2.

## Page S-2

1. Based on data not seasonally adjusted.

◇ Effective with Sept. 1986 SURVEY, the industrial production index has been revised back to Jan. 1984. These revisions are available upon request.

# Includes data not shown separately.

† See note "†" for p. S-8.

‡ See note "‡" for p. S-8.

§ Revised series. Data for inventories are available from 1959; sales and ratios 1967 forward. Revisions are available upon request.

## Page S-3

# Includes data for items not shown separately.

† See note "†" for p. S-8.

‡ See note "‡" for p. S-8.

§ 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.

◇ 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.

## Page S-5

1. Based on unadjusted data.

2. Effective with the Mar. 1986 SURVEY, the reporting frequency has been changed from monthly to 3-month intervals.

@ Compiled by Dun & Bradstreet, Inc. Monthly data from 1984 to 1985 for failures and liabilities, are available upon request, but are not comparable to the earlier years. The failure annual rate 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 July 1986 SURVEY, data (back to 1983, for some commodities) have been revised. Effective with the Feb. 1987 SURVEY, data (back to 1984, for some commodities) have been revised. These revisions are available upon request.

◇ See note "†" for p. S-6.

## Page S-6

§ For producer 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.

† Beginning with January 1987 data, the consumer price indexes are being calculated on a revised basis, using 1982-84 expenditure patterns and updated population weights. Additional information regarding the revised basis is available from the Bureau of Labor Statistics, Washington, DC 20212. Seasonally adjusted data have been revised as follows: back to 1981, effective with the Feb. 1986 SURVEY and back to 1982, effective with the Mar. 1987 SURVEY. These revisions are available upon request.

‡ Effective with the Feb. 1986 SURVEY, data back to 1981 have been revised. Effective with the Feb. 1987 SURVEY, data back to 1982 have been revised. These revisions are available upon request.

## Page S-7

1. Computed from cumulative valuation total.

2. Index as of Mar. 1, 1987: building, 372.4; construction, 405.3.

# Includes data for items not shown separately.

§ Data for Jan., May, July, and, Oct. 1986 are for five weeks; other months four weeks.

◇ Effective Feb. 1987 SURVEY, data for seasonally adjusted housing starts have been revised back to 1984. Effective Feb. 1986 SURVEY, data for seasonally adjusted housing starts have been revised back to 1983. These revisions are available upon request.

† Effective May 1986 SURVEY, data for seasonally adjusted building permits have been revised back to Jan. 1984. These revisions are available upon request.

@ Effective July 1986 SURVEY, data have been revised. In addition to the normal revisions, a number of important changes have been made, including the elimination of the "Nonhousekeeping" residential category, which has been replaced for the most part by a new "Hotels and Motels" category in nonresidential buildings; the inclusion of residential major replacements in "Additions and Alterations," which is renamed "Improvements;" and significant historical revisions to estimates for one-unit residential buildings, railroads, electric, gas, and Federal industrial buildings. Due to these changes, much of the data have been revised back to 1964 and are available from the Construction Statistics Division at the Bureau of the Census, Washington, D.C. 20233.

‡ Effective July 1986 SURVEY, this index has been revised to a new comparison base of 1982=100. Revisions back to 1964 are available upon request.

## Page S-8

1. Advance estimate.

\* New series effective Sept. 1985 SURVEY. All activity reported on a gross basis (i.e., the entire amount of loan) including refinancings and combination construction—purchase loans. Revised data are now available back to Jan. 1984. Earlier data will be available later.

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

§ Data include guaranteed direct loans sold.

† Effective April 1986 SURVEY, wholesale trade data have been revised back to Jan. 1976. Revised data and a summary of changes appear in the report *Revised Monthly Wholesale Trade Sales and Inventories* BW-13-85S, available from the Bureau of the Census, Washington, D.C. 20233; \$2.50 per copy.

‡ Effective April 1986 SURVEY, retail trade data have been revised. Estimates of retail sales have been revised back to Jan. 1983 and estimates of retail inventories have been revised back to Jan. 1978. Revised data and a summary of changes appear in the report *Revised Monthly Retail Sales and Inventories* BR-13-85S, available from the Bureau of the Census, Washington, D.C. 20233; \$3.00 per copy.

# Includes data for items not shown separately.

## Page S-9

1. Advance estimate.

2. Data beginning Jan. 1986 are not strictly comparable with earlier data because of a change in estimation procedures.

‡ See note "‡" for p. S-8.

# Includes data for items not shown separately.

◇ Effective with the January 1987 SURVEY, the seasonally adjusted labor force series have been revised back to January 1982. The January 1987 issue of *Employment and Earnings* contains the new seasonal adjustment factors, a description of the current methodology, and revised data for the most recent 13 months or calendar quarters. Revised monthly data for the entire 1982-86 revision period will appear in the February 1987 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.

@ Data include resident armed forces.

## Page S-10

◇ See note "◇" for p. S-9.

§ Effective June 1986 SURVEY, data have been revised back to April 1984 (not seasonally adjusted) and January 1981 (seasonally adjusted) to reflect new benchmarks and seasonal adjustment factors. The June 1986 issue of *Employment and Earnings* will contain a detailed discussion of the effects of the revisions.

## Page S-11

‡ 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.

§ See note "§" for p. S-10.

## Page S-12

1. 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. Use the corresponding unadjusted series.

§ See note "§" for p. S-10.

◇ Production and nonsupervisory workers.

‡ Earnings in 1977 dollars reflect changes in purchasing power since 1977 by dividing by Consumer Price Index.

§§ Wages as of Mar. 1, 1987: Common, \$16.67; Skilled, \$21.85.

@ New series. The Employment Cost Index (ECI) is a quarterly measure of the average change in the cost of employing labor. See p. S-36 of the August through October 1984 issues of the SURVEY for a brief description of the ECI.

† Excludes farm, household, and Federal workers.

‡‡ See note "‡" for p. S-11.

## Page S-13

1. Average for Dec.
2. Reported annual; monthly revisions are not available.
- ‡ Effective January 1984, series revised due to changes in the reporting panel and in the item contents. The new panel includes 168 banks that had domestic office assets exceeding \$1.4 billion as of December 31, 1982. Beginning Jan. 1985, data are as of the last Wednesday of the month. Earlier data are as of the Wednesday nearest the end of the month or year (meaning some data are as of the first Wednesday of the next month).
- # Includes data for items not shown separately.
- ‡‡ Reflects offsetting changes in classification of deposits of thrift institutions. Deposits of thrifts were formerly grouped with deposits of individuals, partnerships, and corporations, instead of with deposits of commercial banks in the United States.
- \* "Transaction balances other than demand deposits" consists of ATS, NOW, super NOW, and telephone transfer accounts, which formerly were classified with savings deposits. "Nontransaction balances" reflects the combination of deposits formerly reported separately as time deposits and the savings deposits remaining after deduction of the items now reported separately under "transaction balances."
- § Excludes loans and federal funds transactions with domestic commercial banks and includes valuation reserves (individual loan items are shown gross; i.e., before deduction of valuation reserves).
- ◇ Securities of Federal agencies and corporations have been shifted out of "other securities" and are now combined with U.S. Treasury securities. Also, loan obligations of States and political subdivisions have been shifted out of "other securities" and are now shown separately among the loan items.
- @ Insured unemployment (all programs) data include claims filed under extended duration provisions of regular State laws; amounts paid under these programs are excluded from state benefits paid data.
- @@ Insured unemployment as a percent of average covered employment in a 12-month period.

## Page S-14

1. Data are for fiscal years ending Sept. 30 and include revisions not distributed to the months.
2. Weighted by number of loans.
- † Effective with Mar. 1987 SURVEY, the consumer installment credit series have been revised for the period 1980 through 1986 to reflect updated seasonal adjustment factors and newly available historical information for depository institutions, finance companies, and retailers. Effective with Apr. 1986 SURVEY, the consumer installment credit series have been revised for the period 1975 through 1985.
- \* New series. Effective with Apr. 1986 SURVEY, data for savings institutions (includes savings and loan associations, mutual savings banks, and federal savings banks) are shown for the first time.
- # Includes data for items not shown separately.
- ◇ Adjusted to exclude domestic commercial interbank loans and federal funds sold to domestic commercial banks.
- ‡ Rates on the commercial paper placed for firms whose bond rating is Aa or the equivalent.
- ‡‡ Courtesy of *Metals Week*.
- @@ Average effective rate
- § Effective July 1986 SURVEY, data have been revised back to Dec. 1972 and are available from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.
- @ Revised for periods between October 1986 and February 1987. During this interval, outstanding gold certificates were inadvertently in excess of the gold stock.

## Page S-15

- † Effective Feb. 1987 SURVEY, the money stock measures and components have been revised and are available from the Banking Section of the Division of Research and Statistics at the Federal Reserve Board, Washington, D.C. 20551.
- ‡ Composition of the money stock measures is as follows:
  - M1.—This measure is currency plus demand deposits at commercial banks and interest-earning checkable deposits at all depository institutions—namely NOW accounts, automatic transfer from savings (ATS) accounts, and credit union share draft balances—as well as a small amount of demand deposits at thrift institutions that cannot, using present data sources, be separated from interest-earning checkable deposits.
  - M2.—This measure adds to M1 overnight repurchase agreements (RPs) issued by commercial banks and certain overnight Eurodollars (those issued by Caribbean branches of member banks) held by U.S. nonbank residents, money market mutual fund shares, and savings and small-denomination time deposits (those issued in denominations of less than \$100,000) at all depository institutions. Depository institutions are commercial banks (including U.S. agencies and branches of foreign banks, Edge Act corporations, and foreign investment companies), mutual savings banks, savings and loan associations, and credit unions.
  - M3.—This measure equals M2 plus large-denomination time deposits (those issued in denominations of \$100,000 or more) at all depository institutions (including negotiable CD's) plus term RPs issued by commercial banks and savings and loan associations.
  - L.—This broad measure of liquid assets equals M3 plus other liquid assets consisting of other Eurodollar holdings of U.S. nonbank residents, bankers acceptances, commercial paper, savings bonds, and marketable liquid Treasury obligations.
- ‡‡ Includes ATS and NOW balances at all depository institutions, credit union share draft balances, and demand deposits at thrift institutions.
- ◇ Overnight (and continuing contract) RPs are those issued by commercial banks to the nonbank public, and overnight Eurodollars are those issued by Caribbean branches of member banks to U.S. nonbank customers.
- @ Small time deposits are those issued in amounts of less than \$100,000. Large time deposits are those issued in amounts of \$100,000 or more and are net of the holdings of domestic banks, thrift institutions, the U.S. Government, money market mutual funds, and foreign banks and official institutions.
- # Includes data for items not shown separately.
- § Number of issues represents number currently used; the change in number does not affect the continuity of the series.

## Page S-16

1. The Aaa public utility average was suspended Jan. 17, 1984, because of a lack of appropriate issues. The average corporate and the Aaa corporate do not include Aaa utilities from Jan. 17 to Oct. 12. The Aaa utility average was reinstated on Oct. 12; the Oct. monthly average includes only the last 14 days of the month.
2. Effective with Jan. 1986 data, the practice of adjusting exports and imports for seasonal and working-day variations was discontinued.
- § Number of issues represents number currently used; the change in number does not affect the continuity of the series.
- ‡ For bonds due or callable in 10 years or more.
- # Includes data for items not shown separately.
- @ Data may not equal the sum of the geographic regions, or commodity groups and principal commodities, because of revisions to the totals not reflected in the component items.

## Page S-17

1. See note 2 for p. S-16.
- # Includes data not shown separately.
- § Data may not equal the sum of geographic regions, or commodity groups and principal commodities, because of revisions to the totals not reflected in the components.

## Page S-18

1. Annual total; quarterly or monthly revisions are not available.
2. Restaurant sales index data represent hotels and motor hotels only.
3. For month shown.
- # Includes data for items not shown separately.
- § Total revenues, expenses, and income for all groups of carriers also reflect nonscheduled service.
- ‡ The threshold for Class I railroad status is adjusted annually by the Interstate Commerce Commission to compensate for inflation.
- ◇ Average daily rent per room occupied, not scheduled rates.
- ## Data represent entries to a national park for recreational use of the park, its services, conveniences, and/or facilities.
- † Before extraordinary and prior period items.

## Page S-19

1. Reported annual total; monthly revisions are not available.
2. For month shown.
3. Less than 500 short tons.
- # Includes data for items not shown separately.
- § Data are reported on the basis of 100 percent content of the specified material unless otherwise indicated.
- \* New series. Access lines are a communication circuit that connects a customer location to a switching center.
- @ Because of deregulation, carriers are free to enter both domestic and international markets. Previously, carriers were limited either to domestic or overseas markets. Separate data for domestic or overseas are no longer available.
- ‡ Data for 1984 (and for some commodities, 1985 and 1983) have been revised and are available upon request.
- † Effective with 1985, data are reported on the basis of 100 percent content of ethyl acetate material.
- ◇ Beginning January, 1986, data are not directly comparable to earlier periods because the data represent only companies that have annual revenues over \$100 million.

## Page S-20

1. Reported annual total; monthly or quarterly revisions are not available.
- § Data are not wholly comparable from year to year because of changes from one classification to another.
- ◇ Data for 1982-85 have been revised and are available upon request.
- † Data for 1983-85 have been revised and are available upon request.
- # Effective with the Sept. 1985 SURVEY, monthly data have been restated back to Jan. 1984 to include consumption for Hawaii. Prior to 1984, consumption for Hawaii is reflected in annual totals only.
- ‡ Revised data for 1983-85 (and 1981, for revenue from sales to ultimate customers) are available upon request.
- \* New series, first shown in the January 1987 SURVEY. Data (formerly included with the "industrial" class) are reported separately, beginning with 1st Qtr. 1985.
- @ Includes less than 500 electric generation customers not shown separately.

## Page S-21

1. Previous year's crop. Through 1985, new crop is not reported until Oct. (crop year: Oct. 1-Sept. 30). Beginning 1986, new crop is reported beginning Sept. (crop year: Sept. 1-Aug. 31).
2. Crop estimate for the year.
3. Stocks as of June 1.
4. Stocks as of June 1 and represents previous year's crop; new crop not reported until June (beginning of new crop year). Beginning with 1986, quarterly stock estimates for barley and oats are no longer available. However, June 1 stocks will continue to be available and published here in the May and Annual columns each year.
5. Less than 50,000 bushels.
6. See note "@" for this page.
7. Stocks as of Dec. 1.
8. Based on a 10-month average.
9. Prices are no longer available.
10. Effective with 1986 reporting, coverage has been reduced to 21 selected States, representing approximately 85 percent of U.S. production. Comparable data for 1985 are available upon request.
- § Excludes pearl barley.
- # Bags of 100 lbs.
- @ Effective with the Mar. 1987 SURVEY, data have been restated to reflect a change in reporting periods. The quarterly data, available back through 1976, now represent the 3-month periods Dec.-Feb., Mar.-May, June-Aug., and Sept.-Nov. The annual data, also available back through 1976, now represent Dec.-Nov.

## Page S-22

1. Figure covers 20 selected States, representing approximately 84 percent of U.S. production.
- § Cases of 30 dozen.
- ◇ Bags of 60 kilograms.
- \* This series, first shown in the January 1987 SURVEY, is from the Bureau of Labor Statistics International Price Program and provides a measure of price change for coffee purchased from other countries by U.S. residents. Prices are based on the cost, insurance, and freight (c.i.f.) value at the U.S. port of importation; they include the other costs associated with bringing the product to the U.S. border, but do not include duty charges. To the extent possible, the data gathered refer to transactions completed during the first 2 weeks of the third month of each calendar quarter—March, June, September, and December. Annual data back to 1978 and quarterly data back to 2d Qtr. 1977 are available upon request.

## Page S-23

1. Crop estimate for the year.
2. Reported annual total; revisions not distributed to the months.
- # Totals include data for items not shown separately.
- ◇ Effective Sept. 1985 SURVEY, the footwear production series have been revised for 1983 and 1984.

## Page S-24

1. Annual data; monthly revisions not available.
2. Less than 500 tons.
3. Beginning January 1985, data have been revised because of a new estimation procedure and may not be comparable to earlier periods.
4. See notes 1 and 3 for this page.
- \* New series. Historical data are available upon request.

## Page S-25

1. Annual data; monthly revisions are not available.
2. For month shown.
- † Beginning January 1982, data represent metallic (mostly aluminum) content. Data for 1981 and prior years represent aluminum content only.
- ◇ The source for these series is now the Bureau of Mines.
- § Source: *Metals Week*.
- \* New series. Refined copper is recovered from leach solution by electrolysis.

## Page S-26

1. Annual data; monthly revisions are not available.
2. Less than 50 tons.
3. Beginning 1st quarter 1984, data have been revised because of a new sample and may not be comparable to earlier periods.
4. Total for 8 months; no data for March, April, September, and October.
5. Total for 10 months; no data for November and December.
6. Beginning July 1986, data are not comparable with earlier periods.
7. Total for 5 months; data for May, June, Sept., Nov., and Dec.
8. Total for 10 months; no data for Jan. and Feb.
- ◇ Includes secondary smelters' lead stocks in refinery shapes and in copper-base scrap.
- @ All data (except annual production figures) reflect GSA remelted zinc and zinc purchased for direct shipment.
- ‡ Source for monthly data: American Bureau of Metal Statistics. Source for annual data: Bureau of Mines.
- # Includes data not shown separately.
- § Beginning with the Aug. 1985 SURVEY, unadjusted fluid power shipments indexes are shown. Seasonally adjusted indexes are no longer available.
- \* New series. For an explanation of material handling equipment shipments and historical data, see p. S-35 of the Dec. 1985 SURVEY.

## Page S-27

1. Data are for five weeks; other months 4 weeks.
2. Beginning January 1986, data have been restated because a new methodology has been adopted.
- # Includes data for items not shown separately.
- § Includes nonmarketable catalyst coke.
- ◇ Includes small amounts of "other hydrocarbons and alcohol new supply (field production)," not shown separately.
- † Effective with the Oct. 1985 SURVEY, coal production data for 1984 have been revised. Effective with the July 1986 SURVEY, coal consumption and stocks for 1985 have been revised. Effective with the Oct. 1986 SURVEY, coal production data for 1985 have been revised. These revisions are available upon request.
- @ Includes U.S. produced and imported microwave ovens and combination microwave oven/ranges.
- ‡ "Tractor shovel loaders" includes some front engine mount wheel tractors that had previously been included in "Tractors, wheel, farm, and nonfarm."
- @@ Effective with the July 1986 SURVEY, data for 1985 have been revised and are available upon request.

## Page S-28

1. Reported annual totals; revisions not allocated to the months.
2. Effective with the Jan. 1985 price, gasoline that contains alcohol as an additive is included.
- # Includes data for items not shown separately.
- † Except for price data, see note "@@" for p. S-27.
- ‡ Effective with June 1985, indexes reflect price movements through the middle of the month for which they are shown. Indexes prior to June 1985 were based on prices for the previous month; reflecting a one-month lag in pricing.

## Page S-29

1. See note 1 for p. S-28.
- ◇ Source: American Paper Institute. Total U.S. estimated consumption by all newspaper users.
- # Compiled by the American Newspaper Publishers Association.
- \* New series. This index is from the Bureau of Labor Statistics International Price Program and provides a measure of price change for natural rubber purchased from other countries by U.S. residents. The data gathered refer to prices that are "free on board" (f.o.b.) foreign port. The prices refer to transactions completed during the first 2 weeks of the third month of each calendar quarter—March, June, September, and December. Data back to December 1983 are available upon request.

## Page S-30

1. Reported annual total; revisions not allocated to the months.
2. Crop for the year.
3. Data cover five weeks; other months, four weeks.
4. Beginning with 1985, value of shipments for rolled and wire glass is excluded. Comparable data for 1984 and earlier periods, which exclude such shipments, are not available.
- # Includes data for items not shown separately.
- ◇ Cumulative ginnings to the end of month indicated.
- § Bales of 480 lbs.
- ‡ Monthly revisions for 1984-85 are available upon request.
- † Monthly revisions for 1985 are available upon request.
- \* New series, first shown in the Oct. 1986 SURVEY. Monthly indexes are available back to Dec. 1984.
- \*\* New series, first shown in the January 1987 SURVEY. Monthly data are available back to Jan. 1985.

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1. Less than 500 bales.
2. Annual total includes revisions not distributed to the months.
3. Average for crop year; Aug. 1-Jul. 31.
4. For five weeks; other months four weeks.
- ◇ Based on 480-lb. bales, preliminary price reflects sales as of the 15th; revised price reflects total quantity purchased and dollars paid for the entire month (revised price includes discounts and premiums).
- # Includes data not shown separately.
- § Bales of 480 lbs..
- \* New series.

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1. Annual total includes revisions not distributed to the months.
2. Production of new vehicles (thous. of units) for Feb. 1987: *passenger cars*, 696; *trucks and buses*, 319.
3. Effective with 1984, data are reported on an annual basis only. The annual/end of year figure for 1982 has been revised and is available upon request.
4. Data are no longer available.
5. Effective with the July 1986 SURVEY, data have been revised back to 1984 and are available upon request.
6. Effective with the Feb. 1987 SURVEY, data have been revised back to 1984 and are available upon request.
- # Total includes backlog for nonrelated products and services and basic research.
- § Domestic comprise all cars assembled in the U.S. and cars assembled in Canada and imported to the U.S. under the provisions of the Automotive Products Trade Act of 1965. Imports comprise all other cars.
- ◇ Courtesy of R.L. Polk & Co.; republication prohibited. Because data for some states are not available, month-to-month comparisons are not strictly valid.
- ‡ Excludes railroad-owned private refrigerator cars and private line cars.
- † Monthly revisions for 1984-85 are available upon request.
- @ Effective with the Feb. 1986 SURVEY, retail inventories of trucks and buses have been revised back to 1967. These revisions, which were made to reflect updated factors, are shown on p. S-35 of the Feb. 1986 SURVEY.
- \* New series. GVW: gross vehicle weight. For an explanation of methodology and historical data for retail sales of trucks and buses, see p. S-36 of the July 1986 SURVEY.
- †† Data for 1983-85 have been revised and are available upon request.

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