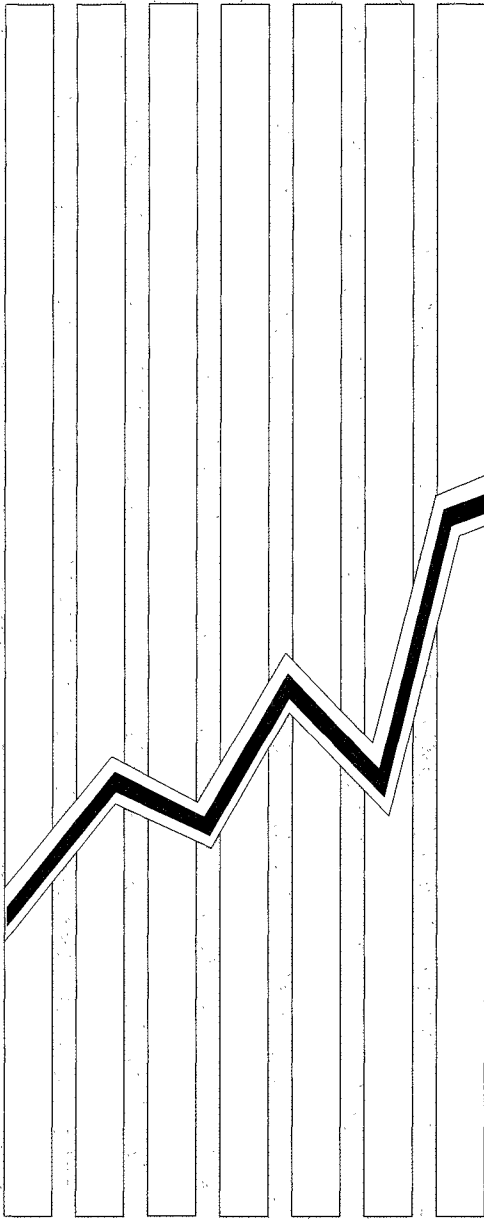
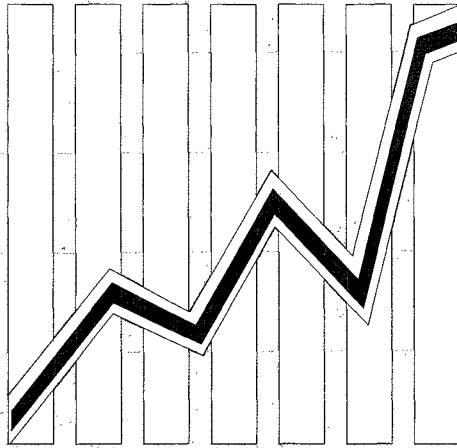


SURVEY *of* CURRENT BUSINESS



U.S. DEPARTMENT OF COMMERCE ≈ ECONOMICS AND STATISTICS ADMINISTRATION
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SURVEY of CURRENT BUSINESS

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Personal Income and Outlays (December 24).

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BUSINESS SITUATION

Ralph W. Morris prepared the first section of this article, and Daniel Larkins prepared the section on corporate profits.

REAL GROSS domestic product (GDP) increased 3.7 percent in the third quarter of 1998, according to the "final" estimates of the national income and product accounts (NIPA's), after increasing 1.8 percent in the second quarter (table 1 and chart 1).¹ The acceleration was more than accounted for by an upturn in inventory investment.

The largest contributors to the third-quarter increase in real GDP were personal consumption

1. Quarterly estimates in the NIPA's are expressed at seasonally adjusted annual rates. Quarter-to-quarter dollar changes are the differences between the published estimates. Quarter-to-quarter percent changes are annualized and are calculated from unrounded data unless otherwise specified.

Real estimates are calculated using a chain-type Fisher formula with annual weights for all years and quarters except those in the most recent year, which are calculated using quarterly weights; real estimates are expressed both as index numbers (1992=100) and as chained (1992) dollars. Price indexes (1992=100) are also calculated using a chain-type Fisher formula.

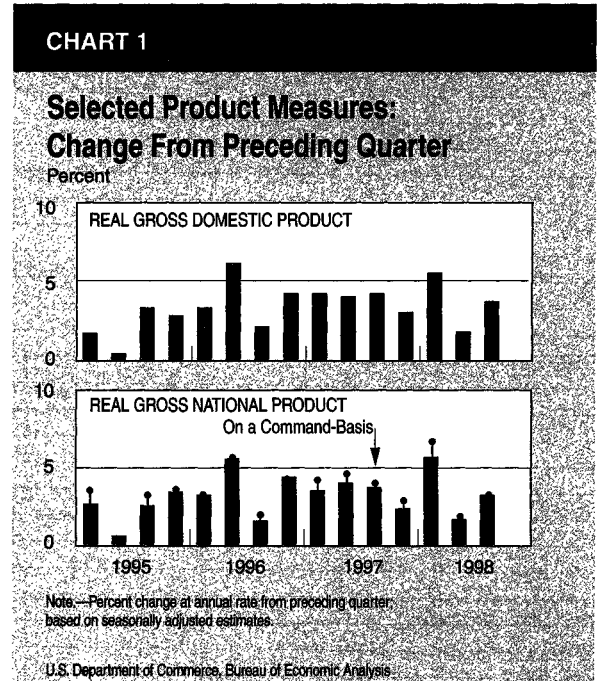


Table 1.—Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers

[Seasonally adjusted at annual rates]

	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1997			
						1998			
		1998	1997	1998			IV	I	II
	III	IV	I	II	III	IV	I	II	III
Gross domestic product	7,566.5	53.4	100.1	33.9	67.9	3.0	5.5	1.8	3.7
Less: Exports of goods and services	965.3	10.7	-6.9	-19.8	-6.8	4.4	-2.8	-7.7	-2.8
Plus: Imports of goods and services	1,224.3	17.3	42.6	26.9	7.0	6.3	15.7	9.3	2.3
Equals: Gross domestic purchases	7,798.8	59.0	142.8	73.7	80.2	3.2	7.8	3.9	4.2
Less: Change in business inventories	55.7	15.5	24.9	-53.2	17.5				
Nonfarm	47.0	18.7	23.2	-56.0	17.1				
Farm	9.1	-3.6	1.6	3.4	4.1				
Equals: Final sales to domestic purchasers	7,739.8	44.1	120.1	124.2	63.4	2.4	6.6	6.7	3.3
Personal consumption expenditures	5,181.8	34.0	74.1	75.1	51.6	2.8	6.1	6.1	4.1
Durable goods	733.7	5.2	25.5	19.1	4.3	3.1	15.8	11.2	2.4
Nondurable goods	1,549.1	-1.4	26.9	19.7	8.2	-4	7.4	5.3	2.1
Services	2,904.8	29.4	24.5	37.5	38.0	4.3	3.5	5.4	5.4
Gross private domestic fixed investment	1,270.9	10.2	55.4	39.2	6.8	3.6	20.4	13.4	2.2
Nonresidential fixed investment	958.7	4.0	45.7	28.5	-1.7	1.8	22.2	12.8	-7
Structures	202.0	.5	-2.6	-1.2	.1	.9	-4.9	-2.3	.2
Producers' durable equipment	769.3	3.8	52.4	32.5	-2.0	2.2	34.3	18.8	-1.0
Residential investment	316.5	5.6	10.6	10.6	7.4	8.2	15.6	15.0	9.9
Government consumption expenditures and gross investment	1,299.6	.3	-6.2	11.8	4.8	.1	-1.9	3.7	1.5
Federal	452.5	-2.4	-10.4	8.0	-1.6	-2.1	-8.8	7.3	-1.4
National defense	303.5	-1.5	-15.4	7.0	3.2	-2.0	-18.5	9.9	4.3
Nondefense	148.4	-9	4.6	1.0	-4.5	-2.3	13.1	2.6	-11.5
State and local	847.3	2.8	4.2	3.8	6.4	1.3	2.1	1.8	3.1
Addendum: Final sales of domestic product	7,507.6	38.5	77.7	83.9	51.2	2.1	4.3	4.6	2.8

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates usually are not additive. Chained (1992) dollar levels and residuals, which measure the extent of nonadditivity in each table, are in NIPA tables 1.2, 1.4, and 1.6. Percent changes are calculated from unrounded data. Percent changes in major aggregates are in NIPA table 8.1.

Table 2.—Contributions to Percent Change in Real Gross Domestic Product

[Seasonally adjusted at annual rate]

	1997				1998			
	IV	I	II	III	IV	I	II	III
Percent change at annual rate:								
Gross domestic product	3.0	5.5	1.8	3.7				
Percentage points at annual rates:								
Personal consumption expenditures	1.88	4.09	4.09	2.78				
Durable goods .....	.26	1.23	.91	.20				
Nondurable goods	-.08	1.41	1.01	.42				
Services	1.70	1.40	2.14	2.15				
Gross private domestic investment	1.34	4.07	-.75	1.22				
Fixed investment .....	.48	2.82	1.95	.33				
Nonresidential .....	.16	2.21	1.35	-.08				
Structures .....	.03	-.15	-.07	.01				
Producers' durable equipment .....	.13	2.36	1.42	-.09				
Residential .....	.32	.60	.60	.41				
Change in business inventories .....	.85	1.22	-2.66	.89				
Net exports of goods and services	-.30	-2.24	-2.08	-.62				
Exports .....	.53	-.33	-.92	-.32				
Goods .....	.67	-.29	-.98	-.04				
Services	-.14	-.04	.06	-.36				
Imports	-.83	-1.94	-1.18	-.30				
Goods	-.71	-1.75	-1.19	-.32				
Services	-.12	-.19	.01	.01				
Government consumption expenditures and gross investment .....	.02	-.34	.64	.27				
Federal	-.14	-.57	.44	-.09				
National defense	-.09	-.84	.38	.17				
Nondefense	-.05	.26	.06	-.26				
State and local .....	.15	.24	.20	.35				

NOTE.—Contributions to percent change in major aggregates are in NIPA table 8.2.

expenditures for services and inventory investment (table 2). The increase in GDP was moderated by decreases in exports of services and in Federal nondefense spending and by an increase in imports of goods.²

The "final" estimate of the change in real GDP is 0.2 percentage point less than the 3.9-percent increase indicated by the "preliminary" estimate reported in the December "Business Situation" (table 3). The revision is close to the average revision—0.3 percentage point, without regard to sign—from the preliminary estimate to the final estimate for 1978–97.

2. Imports are subtracted from final expenditures in the calculation of GDP.

**Table 3.—Revisions to Change in Real Gross Domestic Product and Prices,
Third Quarter 1998**

[Seasonally adjusted at annual rates]

	Percent change from preceding quarter		Final estimate minus preliminary estimate		
	Preliminary estimate	Final estimate	Change in real GDP		Contribution to percent change in real GDP
			Percentage points	Billions of chained (1992) dollars		Percentage points
Gross domestic product	3.9	3.7	-0.2	-3.5	-0.20
Less: Exports of goods and services	-1.9	-2.8	-9	-2.1	-10
Plus: Imports of goods and services	1.3	2.3	1.0	3.0	-13
Equals: Gross domestic purchases	4.2	4.2	0	.7	.....
Less: Change in business inventories .....	.....	.....	.....	-9	-05
Nonfarm .....	.....	.....	.....	-1.4	.....
Farm .....	.....	.....	.....	.4	.....
Equals: Final sales to domestic purchasers	3.3	3.3	0	1.6	.....
Personal consumption expenditures	4.1	4.1	0	-1	0
Durable goods	2.4	2.4	0	.1	0
Nondurable goods	2.1	2.1	0	-2	.01
Services	5.4	5.4	0	-2	-02
Gross private domestic fixed investment	1.4	2.2	.8	2.2	.11
Nonresidential	-1.2	-7	.5	1.3	.06
Structures	-1.5	.2	1.7	.8	.05
Producers' durable equipment	-1.1	-1.0	.1	.2	0
Residential	8.6	9.9	1.3	1.0	.05
Government consumption expenditures and gross investment	1.6	1.5	-1	-4	-02
Federal	-1.6	-1.4	.2	.3	.01
National defense	4.3	4.3	0	-1	0
Nondefense	-12.2	-11.5	.7	.4	.01
State and local	3.4	3.1	-3	-7	-04
Addenda:					
Final sales of domestic product	2.9	2.8	-1	-2.6	.....
Gross domestic purchases price index ¹ .....	.5	.7	.2	.....	.....
GDP price index ¹ .....	.8	1.0	.2	.....	.....

1. Based on chained-type annual (1992) weights.

NOTE.—The final estimates for the third quarter of 1998 incorporate the following revised or additional major source data that were not available when the preliminary estimates were prepared.

Personal consumption expenditures: Revised retail sales for September, hospital expenses for August, and residential gas usage for July.

Nonresidential fixed investment: Revised construction put in place for August and September and revised manufacturers' shipments of machinery and equipment for September.

Residential fixed investment: Revised construction put in place for August and September.

Change in business inventories: Revised manufacturing and trade inventories for September.

Exports and imports of goods and services: Revised data on exports and imports of goods for September and revised balance-of-payments data on exports and imports of goods and services for the third quarter.

Government consumption expenditures and gross investment: Revised State and local construction put in place for August and September.

Wages and salaries: Revised employment, average hourly earnings, and average weekly hours for September.

GDP prices: Revised export and import prices for July through September, revised values and quantities of petroleum imports for September, revised prices of single-family homes under construction for the third quarter, and airline transportation prices paid by consumers for the third quarter.

Revisions to the components of GDP were small. A downward revision to net exports more than offset an upward revision to business fixed investment. In net exports, a downward revision to exports and an upward revision to imports reflected the incorporation of revised Census Bureau and Bureau of Economic Analysis (BEA) data on international trade in goods and services. In business fixed investment, the upward revision was primarily to residential and nonresidential structures and reflected the incorporation of revised Census Bureau data on the value of residential and nonresidential construction put in place for August and September.

Real gross domestic purchases increased 4.2 percent, the same as the preliminary estimate; in the second quarter, it increased 3.9 percent.³ Real final sales of domestic product increased 2.8 percent, 0.1 percentage point less than the preliminary estimate; in the second quarter, it increased 4.6 percent.⁴

The price index for gross domestic purchases increased 0.7 percent, 0.2 percentage point more than the preliminary estimate; in the second quarter, the index increased 0.4 percent. The price index for GDP increased 1.0 percent, 0.2 percentage point more than the preliminary estimate; in the second quarter, the index increased 0.9 percent. The larger third-quarter increase in GDP prices than in gross domestic purchases prices was due to a larger decrease in the prices of imports than in the prices of exports.⁵ The upward revisions to third-quarter prices mainly reflected the incorporation of newly available Department of Transportation price data on airline transportation services purchased by consumers and of newly available Census Bureau price data on single-family structures.

Real disposable personal income (DPI) increased 3.2 percent in the third quarter, 0.1 percentage point more than the preliminary estimate. The upward revision was accounted for by an upward revision to personal income. The personal saving rate—personal saving as a percentage of current-dollar DPI—was 0.2 percent, the same as the preliminary estimate.

3. Gross domestic purchases—a measure of purchases by U.S. residents regardless of where the purchased goods and services were produced—is calculated as GDP less exports of goods and services plus imports of goods and services.

4. Final sales of domestic product equals GDP less change in business inventories.

5. Import prices are included in gross domestic purchases prices but not in GDP prices, and export prices are included in GDP prices but not in gross domestic purchases prices.

Gross national product (GNP).—In the third quarter, real GNP—goods and services produced by labor and property supplied by U.S. residents—increased 3.3 percent, 0.4 percentage point less than real GDP (chart 1 and table 4).⁶ Receipts of factor income from the rest of the world decreased, and payments of factor income increased; corporate profits accounted for most of the decrease in receipts and more than accounted for the increase in payments. The revised estimate of the growth in GNP is the same as the preliminary estimate; in the second quarter, GNP had increased 1.7 percent.

Real GNP on a command basis, which measures the goods and services produced by the U.S. economy in terms of their purchasing power, increased more than real GNP—3.5 percent, compared with 3.3 percent—reflecting an improvement in the terms of trade.⁷ In the second quarter, real GNP on a command-basis also increased more than real GNP—2.0 percent, compared with 1.7 percent.

6. GNP equals GDP plus receipts of factor income from the rest of the world less payments of factor income to the rest of the world.

7. In the estimation of command-basis GNP, the current-dollar value of the sum of exports of goods and services and of receipts of factor income is deflated by the implicit price deflator (IPD) for the sum of imports of goods and services and of payments of factor income.

The terms of trade is a measure of the relationship between the prices that are received by U.S. producers for exports of goods and services and the prices that are paid by U.S. purchasers for imports of goods and services. It is measured by the following ratio, with the decimal point shifted two places to the right: In the numerator, the IPD for the sum of exports of goods and services and of receipts of factor income; in the denominator, the IPD for the sum of imports of goods and services and of payments of factor income. Changes in the terms of trade reflect the interaction of several factors, including movements in exchange rates, changes in the composition of the traded goods and services, and changes in producers' profit margins. For example, if the U.S. dollar depreciates against a foreign currency, a foreign manufacturer may choose to absorb this cost by reducing the profit margin on the product it sells to the United States, or it may choose to raise the price of the product and risk a loss in market share.

Corporate Profits

Profits from current production increased \$6.4 billion (0.8 percent at a quarterly rate) in the third quarter after decreasing \$8.6 billion in the second (table 5).⁸ An increase in profits of domestic nonfinancial corporations more than offset a decrease in profits from the rest of the world. Profits of domestic nonfinancial corporations increased \$14.3 billion (2.4 percent) after decreasing \$6.1 billion, as unit profits and real product increased; the increase in unit profits, in turn, reflected a small increase in unit prices and a small decrease in unit costs. Profits of domestic financial corporations decreased \$0.6 billion (0.4 percent) after decreasing \$1.2 billion. Profits from the rest of the world decreased \$7.4 billion (7.6 percent) after decreasing \$1.3 billion; the third-quarter decrease mainly reflected a drop in receipts of earnings from foreign affiliates.⁹

Cash flow from current production, a profits-related measure of internally generated funds available for investment, increased \$9.2 billion after decreasing \$5.8 billion. The ratio of cash flow to nonresidential fixed investment, an indicator of the share of the current level of investment that

8. Profits from current production is estimated as the sum of profits before tax, the inventory valuation adjustment, and the capital consumption adjustment; it is shown in NIPA tables 1.9, 1.14, 1.16, and 6.16c (which are part of the "Selected NIPA Tables"; see page D-2 of this issue) as corporate profits with inventory valuation and capital consumption adjustments.

Percent changes in profits are shown at quarterly, not annual, rates.

9. Profits from the rest of the world is calculated as (1) receipts by U.S. residents of earnings from their foreign affiliates plus dividends received by U.S. residents from unaffiliated foreign corporations minus (2) payments by U.S. affiliates of earnings to their foreign parents plus dividends paid by U.S. corporations to unaffiliated foreign residents. These estimates include capital consumption adjustments (but not inventory valuation adjustments) and are derived from BEA's international transactions accounts.

Table 4.—Relation of Real Gross Domestic Product, Real Gross National Product, and Real Command-Basis Gross National Product

[Seasonally adjusted at annual rates]

	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter							
	1998	1997	1998			1997	1998		
	III	IV	I	II	III	IV	I	II	III
Gross domestic product	7,566.5	53.4	100.1	33.9	67.9	3.0	5.5	1.8	3.7
Plus: Receipts of factor income from the rest of the world	235.7	-8.0	3.4	0	-5.3	-12.4	5.9	0	-8.5
Less: Payments of factor income to the rest of the world	254.6	1.6	-9	3.2	1.8	2.6	-1.4	5.2	2.9
Equals: Gross national product	7,546.7	43.7	104.5	30.7	60.8	2.4	5.8	1.7	3.3
Less: Exports of goods and services and receipts of factor income from the rest of the world	1,201.1	1.6	-3.0	-19.1	-12.6	.5	-1.0	-6.1	-4.1
Plus: Command-basis exports of goods and services and receipts of factor income	1,275.1	3.0	16.3	-13.1	-8.3	.9	5.2	-4.0	-2.5
Equals: Command-basis gross national product	7,620.7	45.0	123.8	36.7	65.1	2.5	6.9	2.0	3.5
Addendum:									
Terms of trade ¹	106.2	.1	1.6	.5	.5	.4	6.3	1.9	1.9

1. Calculated as the ratio of the implicit price deflator for the sum of exports of goods and services and of receipts of factor income to the corresponding implicit price deflator for imports

with the decimal point shifted two places to the right.


NOTE.—Levels of these series are in NIPA tables 1.10 and 1.11.

could be financed by internally generated funds, increased to 86.7 percent from 84.8 percent; the increase followed four consecutive decreases. The average quarterly ratio for 1991–97 was 91.9 percent.

Domestic industry profits and related measures.—Domestic industry profits increased \$8.3 billion after decreasing \$11.9 billion.¹⁰ Profits of domestic nonfinancial corporations increased \$9.5 billion after decreasing \$9.9 billion, mainly reflecting upturns in the transportation and public utilities group (which includes communications) and in “other” nonmanufacturing. In manufacturing, profits increased slightly after a decrease; profits of durable goods manufacturers increased a little more than in the second quarter, and profits of nondurable goods manufacturers decreased somewhat less than in the second quarter.

10. Domestic industry profits are estimated as the sum of corporate profits before tax and the inventory valuation adjustment; they are shown in NIPA table 6.16C (on page D–16 of this issue). Estimates of the capital consumption adjustment do not exist at a detailed industry level; they are available only for total financial and total nonfinancial industries.

Profits of domestic financial corporations decreased \$1.2 billion after decreasing \$1.9 billion.

Profits before tax (PBT) decreased \$3.0 billion after increasing \$4.4 billion. More than half of the difference between this decrease and the \$6.4 billion increase in profits from current production was accounted for by a \$5.4 billion increase in the capital consumption adjustment.¹¹ The rest of the difference was accounted for by larger inventory losses, as reflected in a \$3.9 billion increase in the inventory valuation adjustment.¹² 

11. The capital consumption adjustment converts depreciation valued at historical cost and based on service lives and depreciation patterns specified in the tax code to depreciation valued at replacement cost and based on empirical evidence on the prices of used equipment and structures in resale markets. For information on depreciation in the NIPA's, see Arnold J. Katz and Shelby W. Herman, “Improved Estimates of Fixed Reproducible Tangible Wealth, 1929–95,” SURVEY OF CURRENT BUSINESS 77 (May 1997).

12. As prices change, companies that value inventory withdrawals at original acquisition (historical) costs may realize inventory profits or losses. Inventory profits—a capital-gains-like element in profits—result from an increase in inventory prices, and inventory losses—a capital-loss-like element in profits—result from a decrease in inventory prices. In the NIPA's, inventory profits or losses are reflected in business incomes (profits before tax and nonfarm proprietors' income) and are removed by the inventory valuation adjustment (IVA); a negative IVA removes inventory profits, and a positive IVA removes inventory losses.

Table 5.—Corporate Profits

(Seasonally adjusted)

	Billions of dollars (annual rate)					Percent change (quarterly rate)			
	Level	Change from preceding quarter				1997		1998	
	1998	1997	1998			IV	I	II	III
	III	IV	I	II	III	IV	I	II	III
Profits from current production	827.0	-20.1	8.4	-8.6	6.4	-2.4	1.0	-1.0	0.8
Domestic industries	737.0	-9.8	1.8	-7.3	13.7	-1.3	.2	-1.0	1.9
Financial	129.5	6.2	1.8	-1.2	-6	5.0	1.4	-1.0	-4
Nonfinancial	607.5	-15.9	0	-6.1	14.3	-2.6	0	-1.0	2.4
Rest of the world	89.9	-10.3	6.6	-1.3	-7.4	-10.1	7.2	-1.3	-7.6
Receipts (inflows)	140.5	-14.7	3.6	-1	-5.5	-9.3	2.5	-.1	-3.8
Payments (outflows)	50.5	-4.2	-3.1	1.2	1.8	-7.8	-6.1	2.4	3.9
IVA	11.7	-5	21.0	-17.5	3.9	.....	.....	.....	.....
CCAdj	94.8	2.9	4.8	4.5	5.4	.....	.....	.....	.....
Profits before tax	720.5	-22.5	-17.3	4.4	-3.0	-3.0	-2.4	.6	-4
Profits tax liability	243.2	-4.9	-9.4	1.7	1.6	-1.9	-3.8	.7	.6
Profits after tax	477.3	-17.6	-7.9	2.6	-4.5	-3.5	-1.6	.6	-1.0
Cash flow from current production	807.9	-9.7	21.9	-5.8	9.2	-1.2	2.8	-7	1.2
Domestic industry profits:									
Corporate profits of domestic industries with IVA	642.2	-12.7	-2.9	-11.9	8.3	-1.9	-5	-1.8	1.3
Financial	133.2	6.1	1.6	-1.9	-1.2	4.7	1.2	-1.4	-9
Nonfinancial	509.0	-18.8	-4.6	-9.9	9.5	-3.5	-9	-1.9	1.9
Manufacturing	195.0	-16.6	-15.2	-2.5	.4	-7.3	-7.2	-1.2	.2
Transportation and public utilities	92.7	.3	3.1	-4.2	5.2	.4	3.5	-4.6	6.0
Wholesale trade	53.9	-5.1	3.9	2.0	.4	-9.7	8.3	3.8	.7
Retail trade	67.1	-5	5.2	0	-3	-8	8.4	.1	-4
Other	100.2	3.3	-1.6	-5.3	3.7	3.3	-1.5	-5.2	3.9
	Dollars								
Unit price, costs, and profits of nonfinancial corporations:									
Unit price	1.062	0	-0.002	0	0.001	.....	.....	.....	.....
Unit labor cost .....	.699	-.007	.002	.002	0	.....	.....	.....	.....
Unit nonlabor cost .....	.225	-.001	-.001	0	-.001	.....	.....	.....	.....
Unit profits from current production .....	.138	-.006	-.002	-.003	.002	.....	.....	.....	.....

NOTE.—Levels of these and other profits series are in NIPA tables 1.14, 1.16, 6.16C, and 7.15.
IVA Inventory valuation adjustment
CCAdj Capital consumption adjustment

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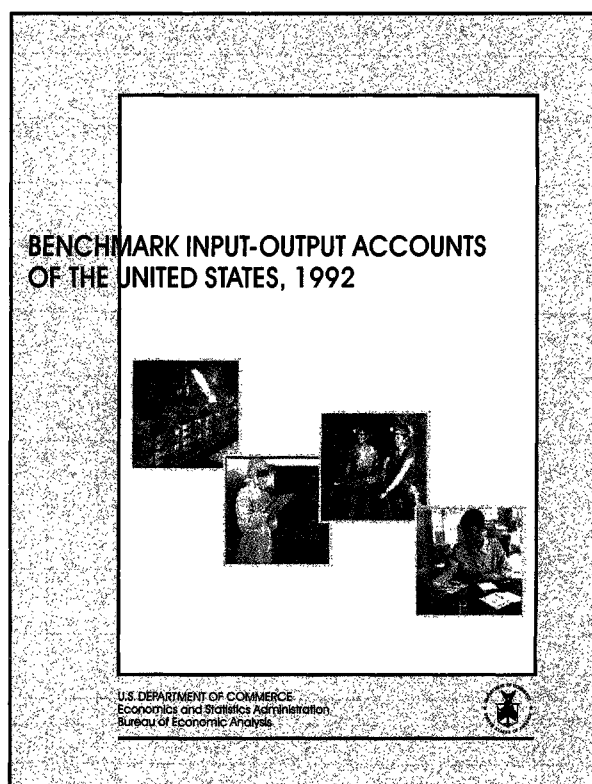
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Real Inventories, Sales, and Inventory-Sales Ratios for Manufacturing and Trade

TABLES 1, 2, and 3 show quarterly and monthly estimates of real inventories, sales, and inventory-sales ratios, respectively. Table 4 shows real manufacturing inventories by stage of fabrication. Real estimates are in chained (1992) dollars.

Data availability

Quarterly estimates for 1994:IV–1998:II of real manufacturing and trade inventories, sales, and inventory-sales ratios and of real manufacturing inventories by stage of fabrication were published in the October 1998 SURVEY OF CURRENT BUSINESS.

The estimates for 1959–98:I are available as downloadable files on BEA's Web site at <www.bea.doc.gov>;

click on Catalog of Products, look under National, National Income and Product Accounts, 1998 Underlying NIPA Historical, and click "Free download."

The estimates for 1959–98:I are also available on diskette from BEA: Product number NDN-0211, price \$60.00. To order using Visa or MasterCard, call the BEA Order Desk at 1-800-704-0415 (outside the United States, 202-606-9666). To order by mail, send a check made payable to "Bureau of Economic Analysis, BE-53" to BEA Order Desk (BE-53), Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

Table 1.—Real Manufacturing and Trade Inventories, Seasonally Adjusted, End of Period
[Billions of chained (1992) dollars]

	1996		1998					
	II	III	May	June	July ^a	Aug.	Sept	Oct ^a
Manufacturing and trade	1,021.5	1,032.0	1,022.1	1,021.5	1,021.0	1,027.3	1,032.0	1,035.4
Manufacturing	448.7	453.5	447.2	448.7	452.0	453.2	453.5	456.9
Durable goods	285.9	288.9	284.8	285.9	287.0	288.7	288.9	291.4
Primary metal industries	23.0	23.6	22.8	23.0	23.2	23.4	23.6	23.6
Fabricated metal products	28.8	29.2	28.5	28.8	29.0	29.0	29.2	29.3
Industrial machinery and equipment	64.2	64.7	64.2	64.2	64.4	64.5	64.7	64.7
Electronic and other electric equipment	42.6	42.2	43.0	42.6	42.2	42.5	42.2	42.6
Transportation equipment	69.3	70.5	68.2	69.3	69.8	70.6	70.5	72.0
Motor vehicles and equipment	15.2	14.9	14.8	15.2	15.0	14.7	14.9	14.9
Other transportation equipment	54.1	55.6	53.3	54.1	54.8	55.8	55.6	57.0
Other durable goods ¹	58.7	59.3	58.9	58.7	59.0	59.1	59.3	59.7
Nondurable goods	163.0	164.8	162.6	163.0	165.2	164.7	164.8	165.6
Food and kindred products	35.0	34.9	34.9	35.0	35.0	34.8	34.9	35.2
Paper and allied products	15.0	15.1	14.9	15.0	15.1	15.1	15.1	15.1
Chemicals and allied products	42.2	43.5	42.0	42.2	43.8	43.8	43.5	43.6
Petroleum and coal products	12.7	12.4	12.9	12.7	12.8	12.6	12.4	12.6
Rubber and miscellaneous plastic products	15.4	15.5	15.2	15.4	15.4	15.5	15.5	15.6
Other nondurable goods ²	42.6	43.1	42.6	42.6	42.8	42.6	43.1	43.3
Merchant wholesalers	268.7	275.7	268.2	268.7	268.6	272.1	275.7	275.3
Durable goods	173.6	177.0	174.1	173.6	173.3	175.3	177.0	177.6
Nondurable goods	95.3	99.0	94.4	95.3	95.6	97.0	99.0	97.9
Groceries and farm products	28.5	31.3	27.9	28.5	28.7	29.7	31.3	30.6
Other nondurable goods	67.2	68.1	66.9	67.2	67.3	67.7	68.1	67.7
Retail trade	304.3	302.9	306.7	304.3	300.5	302.2	302.9	303.4
Durable goods	157.5	155.6	161.1	157.5	153.9	155.4	155.6	157.0
Motor vehicle dealers ³	75.3	73.0	79.5	75.3	71.3	72.4	73.0	74.1
Other durable goods ³	82.3	82.8	81.6	82.3	82.8	83.2	82.8	83.1
Nondurable goods	146.6	147.2	145.3	146.6	146.5	146.6	147.2	146.2
Food stores	29.4	29.2	29.2	29.4	29.4	29.3	29.2	29.1
Other nondurable goods	117.2	118.1	116.1	117.2	117.1	117.4	118.1	117.1

^a 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.

3. Prior to 1981, inventories and sales of auto and home supply stores are included in motor vehicle dealers. Beginning with 1981, these inventories are included in "other durable goods."

NOTES.—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. Chained (1992) dollar inventory series are calculated as the product of the chain-type quantity index and the average of the end-of-year fixed-weighted inventories for 1991 and 1992, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

Table 2.—Real Manufacturing and Trade Sales, Seasonally Adjusted at Monthly Rate
[Billions of chained (1992) dollars]

	1996		1998					
	II	III	May	June	July ^a	Aug.	Sept	Oct ^a
Manufacturing and trade	751.3	757.3	750.1	754.3	753.4	755.6	762.7	764.9
Manufacturing	319.8	323.8	318.7	320.5	321.0	323.4	327.0	327.4
Durable goods	184.9	189.2	184.4	185.4	186.1	188.9	192.7	193.8
Primary metal industries	13.9	13.9	13.8	13.8	13.8	13.9	13.9	13.7
Fabricated metal products	17.9	18.4	18.0	18.0	18.5	18.3	18.4	18.4
Industrial machinery and equipment	48.1	49.5	47.4	49.4	49.6	49.3	49.6	50.2
Electronic and other electric equipment	31.2	32.8	30.8	31.9	32.3	32.4	33.6	33.3
Transportation equipment	40.0	40.9	40.9	38.2	37.9	41.6	43.3	44.5
Motor vehicles and equipment	26.8	27.5	27.7	25.0	25.3	28.2	28.8	29.3
Other transportation equipment	13.1	13.4	13.1	13.1	12.5	13.4	14.4	15.1
Other durable goods ¹	36.8	37.1	36.5	37.6	37.4	36.6	37.2	37.1
Nondurable goods	135.6	135.4	134.9	135.7	135.6	135.3	135.3	134.7
Food and kindred products	37.3	37.5	37.0	37.3	37.2	37.6	37.7	38.2
Paper and allied products	12.2	12.1	12.2	12.2	12.2	12.1	12.0	11.9
Chemicals and allied products	27.9	27.6	27.9	28.2	27.6	27.4	27.8	27.4
Petroleum and coal products	14.7	14.7	14.3	14.6	14.5	14.8	14.7	14.3
Rubber and miscellaneous plastic products	12.1	12.3	12.1	12.1	12.2	12.3	12.4	12.3
Other nondurable goods ²	31.6	31.4	31.5	31.5	32.1	31.4	30.9	30.7
Merchant wholesalers	208.0	209.8	207.4	209.1	209.3	209.0	211.2	210.1
Durable goods	111.4	111.8	110.5	112.2	112.5	111.7	111.3	110.7
Nondurable goods	96.7	98.0	96.9	97.0	96.8	97.3	99.8	99.4
Groceries and farm products	34.4	35.3	34.4	34.9	34.7	35.3	36.1	35.7
Other nondurable goods	62.4	62.9	62.7	62.3	62.4	62.3	64.0	63.8
Retail trade	224.0	224.3	224.7	225.3	223.7	223.9	225.3	228.0
Durable goods	92.9	92.0	93.4	93.8	91.6	91.8	92.8	94.7
Motor vehicle dealers ³	47.7	45.9	48.1	48.1	45.7	45.7	46.3	47.5
Other durable goods ³	45.8	47.0	45.9	46.2	46.7	46.9	47.3	48.0
Nondurable goods	130.9	132.0	131.0	131.3	131.9	131.9	132.3	133.0
Food stores	34.0	34.1	34.0	34.0	34.0	34.2	34.2	34.2
Other nondurable goods	96.9	97.9	97.0	97.3	97.9	97.7	98.1	98.8

^a 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.

3. Prior to 1981, inventories and sales of auto and home supply stores are included in motor vehicle dealers. Beginning with 1981, these inventories are included in "other durable goods."

NOTES.—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. Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

Table 3.—Real Inventory-Sales Ratios for Manufacturing and Trade, Seasonally Adjusted
[Ratio, based on chained (1992) dollars]

	1998		1998					
	II	III	May	June	July ^a	Aug.	Sept	Oct ^b
Manufacturing and trade	1.36	1.36	1.36	1.35	1.36	1.36	1.35	1.35
Manufacturing	1.40	1.40	1.40	1.40	1.41	1.40	1.39	1.40
Durable goods	1.55	1.53	1.54	1.54	1.54	1.53	1.50	1.50
Primary metal industries	1.66	1.70	1.65	1.67	1.68	1.68	1.70	1.73
Fabricated metal products	1.61	1.59	1.59	1.60	1.57	1.59	1.59	1.60
Industrial machinery and equipment	1.34	1.31	1.36	1.30	1.30	1.31	1.31	1.29
Electronic and other electric equipment	1.36	1.29	1.40	1.33	1.31	1.31	1.26	1.28
Transportation equipment	1.73	1.72	1.67	1.81	1.84	1.70	1.63	1.62
Motor vehicles and equipment .....	.57	.54	.54	.61	.59	.52	.52	.51
Other transportation equipment	4.12	4.14	4.06	4.13	4.37	4.18	3.87	3.78
Other durable goods ¹	1.59	1.60	1.62	1.56	1.58	1.62	1.60	1.61
Nondurable goods	1.20	1.22	1.21	1.20	1.22	1.22	1.22	1.23
Food and kindred products .....	.94	.93	.94	.94	.94	.93	.92	.92
Paper and allied products	1.23	1.24	1.22	1.23	1.23	1.25	1.26	1.27
Chemicals and allied products	1.51	1.58	1.51	1.50	1.59	1.60	1.57	1.59
Petroleum and coal products .....	.86	.85	.90	.87	.88	.85	.84	.88
Rubber and miscellaneous plastic products	1.27	1.26	1.26	1.28	1.26	1.26	1.25	1.27
Other nondurable goods ²	1.35	1.37	1.35	1.35	1.34	1.36	1.40	1.41
Merchant wholesalers	1.29	1.31	1.29	1.29	1.28	1.30	1.31	1.31
Durable goods	1.56	1.58	1.58	1.55	1.54	1.57	1.59	1.61
Nondurable goods .....	.99	1.01	.98	.98	.99	1.00	.99	.99
Groceries and farm products .....	.83	.89	.81	.82	.83	.84	.87	.86
Other nondurable goods	1.08	1.08	1.07	1.08	1.08	1.09	1.06	1.06
Retail trade	1.36	1.35	1.37	1.35	1.34	1.35	1.35	1.33
Durable goods	1.70	1.69	1.72	1.68	1.68	1.69	1.68	1.66
Motor vehicle dealers ³	1.58	1.59	1.65	1.56	1.56	1.59	1.58	1.56
Other durable goods ³	1.80	1.76	1.78	1.78	1.77	1.77	1.75	1.73
Nondurable goods	1.12	1.12	1.11	1.12	1.11	1.11	1.11	1.10
Food stores .....	.87	.86	.86	.86	.86	.86	.85	.85
Other nondurable goods	1.21	1.21	1.20	1.20	1.20	1.20	1.20	1.19

^a 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.
 3. Prior to 1981, inventories and sales of auto and home supply stores are included in motor vehicle dealers. Beginning with 1981, these inventories are included in "other durable goods."

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.—Real Manufacturing Inventories by Stage of Fabrication, Seasonally Adjusted, End of Period
[Billions of chained (1992) dollars]

	1998		1998					
	II	III	May	June	July ^a	Aug.	Sept	Oct ^b
Materials and supplies								
Manufacturing	149.5	150.6	148.5	149.5	150.3	150.0	150.6	150.9
Durable goods	89.5	89.9	89.0	89.5	89.9	89.6	89.9	90.2
Primary metal industries	8.0	8.1	7.8	8.0	8.0	8.0	8.1	8.1
Fabricated metal products	10.1	10.3	9.9	10.1	10.2	10.1	10.3	10.2
Industrial machinery and equipment	19.2	19.2	19.4	19.2	19.4	19.1	19.2	19.1
Electronic and other electric equipment	15.9	15.9	16.0	15.9	16.0	16.1	15.9	16.3
Motor vehicles and equipment	7.5	7.2	7.0	7.5	7.1	6.9	7.2	7.2
Other transportation equipment	7.0	7.3	7.2	7.0	7.4	7.5	7.3	7.3
Other durable goods ¹	21.9	22.1	21.9	21.9	21.9	22.0	22.1	22.2
Nondurable goods	60.1	60.8	59.6	60.1	60.5	60.5	60.8	60.8
Food and kindred products	10.9	11.1	10.7	10.9	11.1	11.0	11.1	11.1
Paper and allied products	7.4	7.4	7.3	7.4	7.5	7.5	7.4	7.4
Chemicals and allied products	13.7	14.0	13.5	13.7	13.8	13.9	14.0	14.0
Petroleum and coal products	3.7	3.8	3.9	3.7	3.9	3.9	3.8	3.7
Rubber and miscellaneous plastic products	6.2	6.3	6.1	6.2	6.2	6.3	6.3	6.3
Other nondurable goods ²	18.0	18.0	18.0	18.0	17.9	17.8	18.0	18.1
Work-in-process								
Manufacturing	146.8	147.4	146.3	146.8	146.9	148.2	147.4	149.5
Durable goods	118.2	119.3	117.7	118.2	118.3	120.0	119.3	121.1
Primary metal industries	7.6	7.8	7.7	7.6	7.7	7.8	7.8	7.8
Fabricated metal products	8.6	8.5	8.5	8.6	8.6	8.5	8.5	8.7
Industrial machinery and equipment	24.6	24.8	24.6	24.6	24.4	25.1	24.8	24.9
Electronic and other electric equipment	15.5	15.2	15.7	15.5	15.1	15.3	15.2	15.1
Motor vehicles and equipment	4.2	4.2	4.5	4.2	4.3	4.2	4.2	4.1
Other transportation equipment	43.1	44.2	42.2	43.1	43.2	44.4	44.2	45.6
Other durable goods ¹	14.8	14.8	14.9	14.8	14.9	14.9	14.8	14.9
Nondurable goods	28.5	28.0	28.4	28.5	28.5	28.1	28.0	28.3
Food and kindred products	5.3	5.0	5.3	5.3	5.2	5.1	5.0	5.1
Paper and allied products	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.4
Chemicals and allied products	8.0	8.0	8.0	8.0	8.1	8.0	8.0	8.1
Petroleum and coal products	3.1	3.1	3.1	3.1	3.1	2.9	3.1	3.1
Rubber and miscellaneous plastic products	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Other nondurable goods ²	8.5	8.4	8.4	8.5	8.5	8.4	8.4	8.3
Finished goods								
Manufacturing	152.5	155.4	152.5	152.5	154.8	155.0	155.4	156.5
Durable goods	78.1	79.5	78.0	78.1	78.7	79.0	79.5	80.0
Primary metal industries	7.4	7.6	7.3	7.4	7.5	7.6	7.6	7.7
Fabricated metal products	10.1	10.4	10.1	10.1	10.3	10.4	10.4	10.4
Industrial machinery and equipment	20.5	20.8	20.2	20.5	20.5	20.4	20.8	20.8
Electronic and other electric equipment	11.1	11.1	11.3	11.1	11.1	11.1	11.1	11.1
Motor vehicles and equipment	3.5	3.5	3.4	3.5	3.5	3.6	3.5	3.6
Other transportation equipment	4.0	4.1	4.0	4.0	4.1	4.0	4.1	4.1
Other durable goods ¹	21.8	22.3	22.0	21.8	22.1	22.1	22.3	22.4
Nondurable goods	74.5	76.0	74.6	74.5	76.2	76.1	76.0	76.6
Food and kindred products	18.8	18.8	19.0	18.8	18.8	18.7	18.8	19.0
Paper and allied products	6.1	6.2	6.1	6.1	6.1	6.2	6.2	6.2
Chemicals and allied products	20.4	21.6	20.4	20.4	22.0	21.9	21.6	21.5
Petroleum and coal products	5.9	5.5	5.9	5.9	5.7	5.7	5.5	5.7
Rubber and miscellaneous plastic products	7.1	7.0	7.0	7.1	7.1	7.1	7.0	7.1
Other nondurable goods ²	16.1	16.7	16.2	16.1	16.4	16.4	16.7	16.9

^a 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.

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Robert Eisner, 1922–98

Robert Eisner's Contributions to Economic Measurement

ROBERT EISNER, WILLIAM R. Kenan Emeritus Professor of Northwestern University, died late last year. He will be remembered for his many contributions to the understanding of investment and consumption behavior, macroeconomic theory, and fiscal and monetary policy. At the Bureau of Economic Analysis (BEA) and at economic statistics agencies around the world, he will also be remembered for his work on extensions of the national economic accounts, which, in some sense, may be his most fundamental contribution. Indeed, his approach to economics is illustrated by his choice of topic for his 1988 presidential address to the American Economic Association—"Divergences of Measurement and Theory and Some Implications for Economic Policy."¹ A decade earlier, he reminded other economists that while we may "know the pitfalls of measurement without theory...we may occasionally forget the strength and life that theory must draw from measurement."² His empirical work continuously influenced his approach to theory, and his theoretical work led to his passionate calls for improvements in economic statistics.

In the last two decades, many of Eisner's policy prescriptions for the budget deficit, trade, and social security were based on adjustments to related measures that he had advocated and that he had made to correct for the effects of inflation and other distortions. But his interest in measurement issues dates to much earlier in his career (see the selected bibliography). While he was working as an economist and statistician for the U.S. Government and earning his master's degree in economics from Columbia University and then his doctorate from Johns Hopkins University, he participated in discussions about the importance of measurement to theory. In 1951, he commented that survey data "should prove of increasing value in giving empirical content to economic theory," and by the early 1970's, he was an active participant in the long-standing (and continuing) debate about expanding the conventional measures of income and output.³

Eisner's later work on expanding the national accounts was motivated by the effects of measurement on theory and policy. In his 1988 presidential address, he stated his belief that many of the Nation's economic concerns were at least partly the result of

problems in the measures of income and output and of investment, savings, and deficits. He pointed out that conventional income and output measures excluded household production, capital gains, the services of consumer durables and government capital, and the effects of inflation on asset values and that these exclusions affected our view of trends in income, output, and productivity. For example, the entry of women into the labor force may result in a decline in *measured* labor productivity if they disproportionately fill lower paying or lower productivity jobs. However, it may result in an increase in *actual* productivity if these jobs are more productive than the unpaid jobs that they performed in the home.

In addition, Eisner pointed out that assessing the adequacy of either public or private investment and saving requires that investment measures consistently include all purchases of goods and services that produce a stream of benefits over time. For instance, the purchase of a building by the government should be counted as investment, just as the purchase of a building by a business is counted as investment. He also argued that investments in natural resources and in intangibles such as human capital (education) and technology (research and development) should be treated as investment. Additionally, he stressed the importance of adjustments for inflation and of measuring both flows and changes in the value of stocks in assessing the adequacy of saving and investment.

The effects of implementing Eisner's proposed changes can be significant. For instance, as he pointed out, establishing a capital account for government and adjusting the Federal debt for the effects of inflation would produce a significantly different picture of the Federal budget deficit and would significantly reduce the gap between the U.S. saving rate and foreign national saving rates. Establishing measures of private saving and investment that treat purchases of automobiles and other consumer durables as investment would significantly raise the measures of private saving. Moreover, presenting changes in the stock of wealth as part of a framework that also shows measures of saving from current income would help make those measures particularly useful for understanding savings behavior today, as the recent drop in personal savings from current income is undoubtedly related to the unprecedented stock-market-related gains in household wealth. Finally, adjusting the value of foreign direct investments for the effects of inflation would significantly reduce the size of the U.S. position

1. See "Divergences of Measurement and Theory and Some Implications for Economic Policy" in the selected bibliography.

2. See "New Twists to Income and Product" in the selected bibliography.

3. See the Comment on "The Contribution of Consumer Anticipations in Forecasting Consumer Demand" in the selected bibliography.

as a net debtor nation and would thus mitigate concerns about the adverse effects of the mounting trade deficits.

Eisner's calls for improvements did not fall on deaf ears. His research has left its imprint on the economic accounts of the United States and of other countries around the world. His work on household production, the capitalization of expenditures on research and development, investment in human capital, and environmental accounting inspired a large volume of work at BEA and internationally.⁴ In addition, his work significantly affected a number of BEA's key economic aggregates. In 1992, BEA revalued its estimates of the international investment position along the lines he suggested. As part of the 1995 comprehensive revision of the national income and product accounts, BEA moved toward a symmetric treatment of government investment with private investment. And in the upcoming comprehensive revision, BEA plans to better integrate its income and wealth estimates and to move toward the capitalization of computer software.

Eisner's influence on accounting conventions is also reflected in the improvements in the most recent international guidelines for national accounting, which were published in the *System of National Accounts 1993*.⁵ These guidelines emphasize the importance of integrating income and wealth accounts, the need to distinguish between nominal and real changes in wealth (and in debt), the need to capitalize computer software and other intangible investments, and the importance of satellite or supplementary accounts in developing expanded sets of accounts.

Eisner's lasting influence reflects not only his research but also his willingness to roll up his sleeves and work with statistical agencies. Over the years, he served as a trusted consultant, adviser, critic, and friend to BEA. In 1998, he provided comments to BEA on its satellite accounts, offered advice on long-term plans, and served as a distinguished member of the National Academy of Sciences blue-ribbon panel on

BEA's Integrated Economic and Environmental Satellite Accounts. BEA is both indebted and grateful to him for his encouragement, support, and advice over the years.

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4. Eisner was not alone in his advocacy of extended income and product accounts. Richard and Nancy Ruggles, William Nordhaus and James Tobin, and John Kendrick, among others, all proposed extensions of the accounts. Like Eisner, they also constructed new frameworks of accounts that illustrated the effects of their proposed modifications. Their alternative frameworks provided the underpinnings for further research at BEA. For example, see Arnold J. Katz, "Valuing the Services of Consumer Durables," *Review of Income and Wealth* 29, no. 4 (December 1983): 405-27; J. Steven Landefeld, Frank Martin, and Janice Peskin, "Estimates of the Service Values and Opportunity Costs of Government Capital, 1948-78," *Review of Income and Wealth* 30, no. 3 (September 1984): 331-49; Martin Murphy, "The Value of Nonmarket Household Production: Opportunity Cost Versus Market Cost Estimates," *Review of Income and Wealth* 24, no. 3 (September 1978): 243-255; J. Steven Landefeld and James R. Hines, "Valuing Non-Renewable Natural Resources in the Mining Industries," *Review of Income and Wealth* 31, no. 1 (March 1985): 1-20; J. Steven Landefeld and Carol S. Carson, "Integrated Economic and Environmental Satellite Accounts," SURVEY OF CURRENT BUSINESS 74 (April 1994): 33-49; and Carol S. Carson, Bruce T. Grimm, and Carol E. Moylan, "A Satellite Account for Research and Development," SURVEY 74 (November 1994): 37-71.

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Announcement of Availability of Local Area Estimates

NEW ESTIMATES FOR 1997 and revised estimates for 1995–96 are now available on BEA's Web site for the following local area series: Wage and salary disbursements, which accounts for approximately 57 percent of personal income at the national level; wage and salary employment, and average wages per job. All three series are presented on a place-of-work basis for counties and metropolitan areas. The newly available estimates reflect the incorporation of the results of the 1998 annual revision of State personal income and the underlying county source data.¹

BEA's local area estimates are based on data from the Bureau of Labor Statistics (BLS) on employment and wages for workers covered by State unemployment insurance (UI) and unemployment compensation for

Federal employees (UCFE). In order to provide complete coverage for all wages and salaries earned in the United States, the UI and UCFE data are adjusted for workers not covered by UI and UCFE programs and for underreporting and misreporting under these programs.²

To access the newly available estimates on BEA's Web site, go to <www.bea.doc.gov>, and select "Data" under the "Regional" heading. The release of the full set of estimates of personal income for local areas is scheduled for May 6, 1999. 

1. For more information about revisions to the State estimates, see Wallace K. Bailey, "State Personal Income, Revised Estimates for 1982–97," *SURVEY* 78 (October 1998): 20–41. For more information about the source data used to produce local area wages and salaries, see Bureau of Economic Analysis, U.S. Department of Commerce, *Local Area Personal Income, 1969–92* (Washington, DC, U.S. Government Printing Office, September 1994).

2. For more information about the differences between the UI and UCFE wage and salary data and the BEA estimates of wages and salaries, see (1) NIPA table 8.25, "Relation of Wages and Salaries in the National Income and Product Accounts (NIPA's) to Wages and Salaries as Published by the Bureau of Labor Statistics (BLS)," *SURVEY* 78 (August 1998): 117; and (2) Bureau of Economic Analysis, U.S. Department of Commerce, *State Personal Income, 1929–93* (Washington, DC, U.S. Government Printing Office, 1995): M–8–M–13. The *SURVEY* and the text of *State Personal Income* are available on BEA's Internet site. For the most recent BLS release of county data from the UI and UCFE programs, go to <www.bls.gov/news.release/eaapc.toc.htm>.

U.S. International Transactions, Third Quarter 1998

By Harlan W. King

THE U.S. current-account deficit—the combined balances on trade in goods and services, investment income, and net unilateral transfers—increased to \$61.3 billion in the third quarter of 1998 from \$56.7 billion (revised) in the second quarter (table A, chart 1).¹ The increase was accounted for by an increase in the deficit on investment income, a decrease in the surplus on services, and an increase in net unilateral transfers. The deficit on goods was virtually unchanged.

In the capital account, outflows for U.S. assets abroad were \$48.1 billion in the third quarter,

down from \$109.8 billion (revised) in the second, mostly as a result of a large shift to net U.S. sales of foreign securities and a slowdown in outflows for U.S. direct investment abroad. Capital inflows for foreign assets in the United States were \$112.9 billion, down from \$164.9 billion; a shift to net private foreign sales of U.S. Treasury securities, a sharp decrease in net foreign purchases of U.S. securities other than U.S. Treasury securities, and accelerated sales of foreign official assets were partly offset by a sizable step-up in liabilities reported by U.S. banks. Net recorded inflows were \$64.8 billion, up from \$55.1 billion.²

The statistical discrepancy—errors and omissions in recorded transactions—was a negative

1. Quarterly estimates of U.S. current- and capital-account components are seasonally adjusted when statistically significant seasonal patterns are present. The accompanying tables present both adjusted and unadjusted estimates.

2. Detail for capital account transactions are presented in tables 4–9, which follow the text.

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

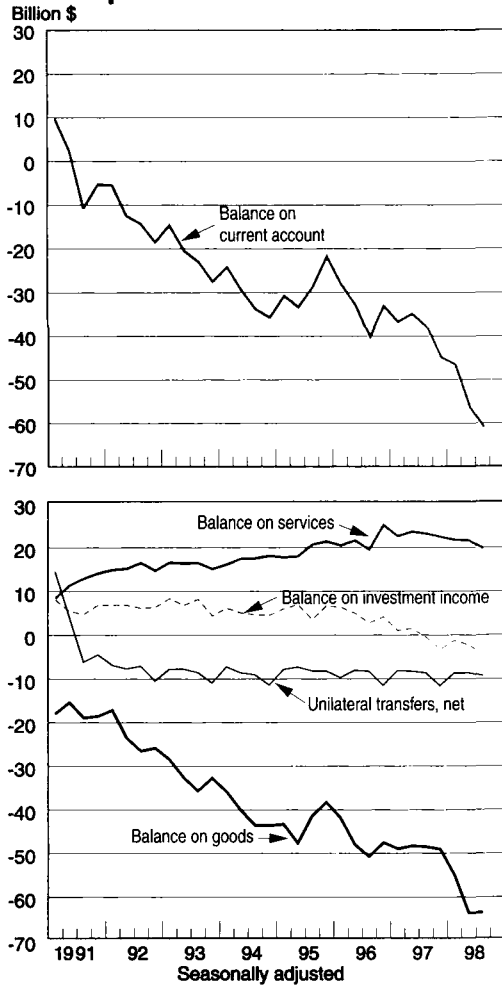
[Millions of dollars, quarters seasonally adjusted]

Line	Lines in tables 1 and 10 in which transactions are included are indicated in ()	1997	1997				1998			Change: 1998 II-III	January-September		
			I	II	III	IV	I	II ^r	III ^p		1997	1998	Change: 1997-98
1	Exports of goods, services, and income (1)	1,179,380	283,765	295,287	300,481	299,843	299,061	292,483	287,751	-4,732	879,533	879,295	-238
2	Goods, adjusted, excluding military (2)	679,325	163,499	169,240	172,302	174,284	171,469	164,821	163,560	-1,261	505,041	499,850	-5,191
3	Services (3)	258,268	62,685	64,776	65,628	65,175	65,070	65,762	63,757	-2,005	193,089	194,589	1,500
4	Income receipts on U.S. assets abroad (11)	241,787	57,581	61,271	62,551	60,384	62,522	61,900	60,434	-1,466	181,403	184,856	3,453
5	Imports of goods, services, and income (15)	-1,294,904	-311,881	-321,342	-329,130	-332,549	-336,316	-339,731	-338,966	765	-962,353	-1,015,013	-52,660
6	Goods, adjusted, excluding military (16)	-877,279	-213,222	-218,336	-221,598	-224,123	-227,167	-229,264	-227,920	1,344	-653,156	-684,351	-31,195
7	Services (17)	-170,520	-41,092	-42,195	-43,437	-43,795	-44,379	-45,190	-45,152	38	-126,724	-134,721	-7,997
8	Income payments on foreign assets in the United States (25)	-247,105	-57,567	-60,811	-64,095	-64,631	-64,770	-65,277	-65,894	-617	-182,473	-195,941	-13,468
9	Unilateral transfers, net (29)	-39,691	-8,874	-9,035	-9,445	-12,337	-9,480	-9,442	-10,084	-642	-27,354	-29,006	-1,652
10	U.S. assets abroad, net (increase/capital outflow (-)) (33)	-478,502	-145,139	-86,606	-123,317	-123,441	-45,648	-109,787	-48,052	61,735	-355,062	-203,487	151,575
11	U.S. official reserve assets, net (34)	-1,010	4,480	-236	-730	-4,524	-444	-1,945	-2,026	-81	3,514	-4,415	-7,929
12	U.S. Government assets, other than official reserve assets, net (39)	174	-22	-269	436	29	-388	-433	194	627	145	-627	-772
13	U.S. private assets, net (43)	-477,666	-149,597	-86,101	-123,023	-118,946	-44,816	-107,409	-46,220	61,189	-358,721	-198,445	160,276
14	Foreign assets in the United States, net (increase/ capital inflow (+)) (48)	733,441	181,735	149,773	181,438	220,491	95,529	164,859	112,862	-51,997	512,946	373,250	-139,696
15	Foreign official assets in the United States, net (49)	15,817	26,949	-5,411	21,258	-26,979	11,324	-10,274	-46,370	-36,096	42,796	-45,320	-88,116
16	Other foreign assets in the United States, net (56)	717,624	154,786	155,184	160,180	247,470	84,205	175,133	159,232	-15,901	470,150	418,570	-51,580
17	Allocations of special drawing rights (63)												
18	Statistical discrepancy (64)	-99,724	394	-28,077	-20,027	-52,007	-3,146	1,618	-3,511	-5,129	-47,710	-5,039	42,671
Memoranda:													
19	Balance on goods (65)	-197,954	-49,723	-49,096	-49,296	-49,839	-55,698	-64,443	-64,360	83	-148,115	-184,501	-36,386
20	Balance on goods and services (67)	-110,206	-28,130	-26,515	-27,105	-28,459	-35,007	-43,871	-45,755	-1,884	-81,750	-124,633	-42,883
21	Balance on investment income (68)	-5,318	14	460	-1,544	-4,247	-2,248	-3,377	-5,460	-2,083	-1,070	-11,085	-10,015
22	Balance on current account (71)	-155,215	-36,990	-35,090	-38,094	-45,043	-46,735	-56,690	-61,299	-4,609	-110,174	-164,724	-54,550
23	Net capital flows (33 and 48)	254,939	36,596	63,167	58,121	97,050	49,881	55,072	64,810	9,738	157,884	169,763	11,879

^r Revised.
^p Preliminary.

CHART 1

U.S. Current-Account Balance and Its Components



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

\$3.5 billion in the third quarter, compared with a positive \$1.6 billion in the second.

The following are highlights for the third quarter of 1998:

- The deficit on goods was virtually unchanged, as both exports and imports declined.
- The surplus on services continued to decrease.
- The deficit on investment income continued to rise.
- U.S. transactions in foreign securities shifted to substantial net sales from large net purchases, reflecting heightened uncertainty in global financial markets.
- Net foreign purchases of U.S. Treasury and other U.S. securities slowed sharply in response to the rising uncertainty in the U.S. bond and stock markets.
- U.S. banks' liabilities increased substantially, partly in response to investors' intensified aversion to risk in securities markets and to their increased desire for liquidity.

U.S. dollar in exchange markets

The developments described above both influenced, and in turn were influenced by, movements of the U.S. dollar in foreign exchange markets. Economic fundamentals—relative rates of economic growth, inflation, and interest—were important in the markets' valuation of currencies, but other factors also played a significant role. These factors included market participants' changing perceptions of the seriousness of the financial difficulties in Russia and in Asian countries and the course of Europe's movement to monetary union and a single currency.

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

[March 1973=100]

	1997		1998			1997				1998								
	III	IV	I	II	III	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
Trade-weighted average against 10 currencies ¹	98.6	97.4	100.3	100.3	100.1	98.3	97.1	96.4	98.8	100.5	99.9	100.5	100.3	99.6	100.9	101.4	101.8	97.2
Selected currencies: ²																		
Canada	139.0	141.3	143.5	145.2	152.0	139.2	139.1	141.7	143.2	144.6	143.8	142.1	143.5	145.0	147.0	149.2	154.0	152.7
European currencies:																		
Belgium	94.7	92.0	95.3	93.9	92.2	93.6	92.0	90.7	93.3	95.3	94.9	95.7	95.0	92.9	93.8	94.1	93.5	89.0
France	134.7	130.3	135.0	133.2	130.8	132.9	130.6	128.4	131.9	134.7	134.5	135.7	134.6	131.8	133.1	133.5	132.7	126.2
Germany	64.2	62.4	64.7	63.8	62.6	63.5	62.5	61.6	63.2	64.6	64.4	65.0	64.5	63.1	63.7	63.9	63.5	60.4
Italy	310.1	302.8	315.3	311.4	305.9	306.8	302.9	298.7	306.9	314.7	314.7	316.6	315.3	308.1	310.9	311.9	310.3	295.5
Netherlands	70.9	68.9	71.4	70.4	69.2	70.1	69.0	68.0	69.8	71.3	71.2	71.7	71.1	69.8	70.4	70.6	70.2	66.8
Switzerland	46.3	44.5	45.9	46.4	45.6	45.7	45.1	43.7	44.7	45.8	45.5	46.3	46.8	46.0	46.5	47.0	46.4	43.5
United Kingdom	152.2	148.9	150.2	149.5	149.6	154.4	151.4	146.4	149.0	151.2	150.7	148.8	147.8	150.9	149.8	150.4	151.3	147.0
Japan	45.1	47.9	48.9	51.8	53.4	46.2	46.2	47.9	49.5	49.5	48.0	49.3	50.3	51.5	53.6	53.8	55.2	51.3

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

In the third quarter, the value of the U.S. dollar was unchanged on a trade-weighted quarterly average basis against the currencies of 10 industrial countries (table B, chart 2). However, during the quarter, the dollar was buffeted by considerable turmoil in world financial markets—including sharp declines in stock prices worldwide and an acceleration in the decline in interest yields in the first half of the quarter and instability of exchange rates in the developing countries in the second half. In this environment, investors sought liquidity and high-quality assets in order to counter the increased volatility and uncertainty in the markets. These events contributed to a sharp depreciation of the dollar against the European currencies, particularly late in the quarter, that was nearly offset by appreciation against the Japanese yen.

Against the German mark, the dollar depreciated 2 percent on a quarterly average basis. The depreciation reflected rising expectations that the economic slowdown in Asia and the turmoil in global financial markets might lead to an easing of U.S. monetary policy and that Germany might raise interest rates before the beginning of the European Economic and Monetary Union in January 1999. Prospects appeared promising that preparations for the European Monetary Union would proceed on schedule amid signs of further convergence in interest rates. The sharp decline in U.S. stock prices may also have contributed to sales of U.S. dollars against the German mark.

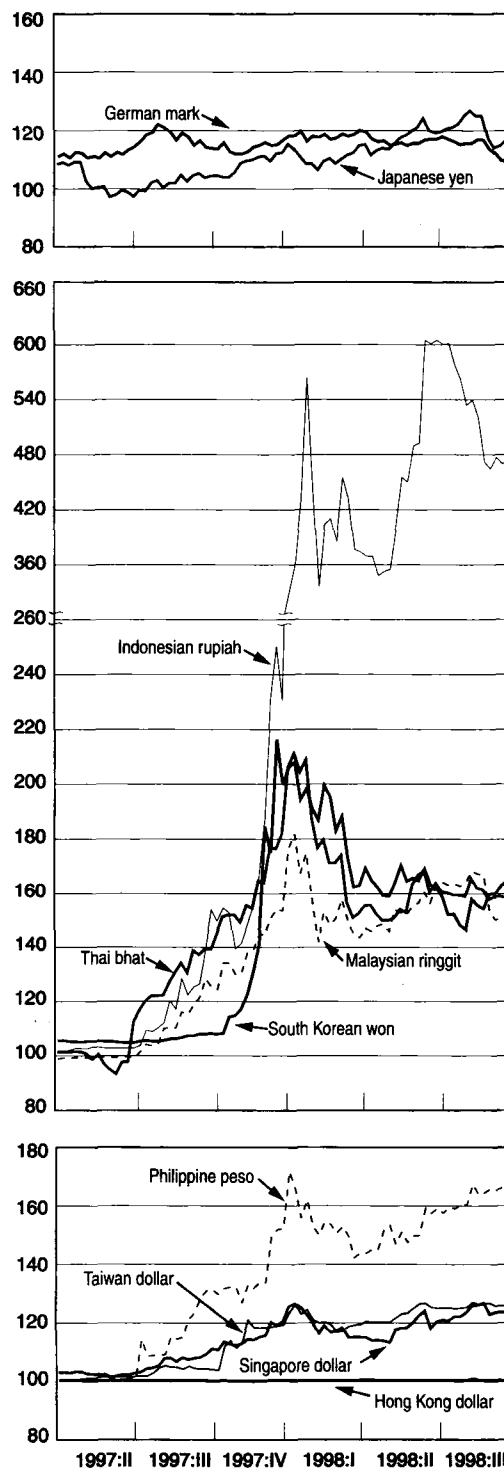
The U.S. dollar appreciated 3 percent against the Japanese yen, but it fluctuated sharply within the quarter. Early in the quarter, the dollar rose to an 8-year high against the yen, reflecting pessimism over the political situation and the difficulties in the financial sector in Japan. The dollar declined later in the quarter, as the financial turmoil appeared to affect markets in the United States as well as in Japan.

Against the currencies of the emerging-market countries in Asia, the U.S. dollar appreciated 18 percent against the Indonesian rupiah, 10 percent against the Philippine peso, 5 percent against the Singapore dollar, 3 percent against the Taiwan dollar, and 2 percent against the Thai baht. These appreciations occurred mostly following Russia's declaration of a debt moratorium and the devaluation of the ruble in mid-August. In other markets, measures were taken to control the instability of the currencies: In Malaysia, currency controls were imposed and floating exchange rates were replaced by fixed rates; in Hong Kong, intervention in its equity markets

CHART 2

Indexes of Foreign Currency Price of the U.S. Dollar

December 31, 1996=100



Indexes prepared by BEA from weekly data.

Data: Federal Reserve Board and The Wall Street Journal

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

was undertaken to stem capital outflows. Large capital outflows from Brazil and currency devaluations in Colombia and Ecuador evidenced strains in Latin America as well as in Asia.

Current Account

Goods and services

The deficit on goods and services increased to \$45.8 billion in the third quarter from \$43.9 billion in the second. The deficit on goods was virtually unchanged at \$64.4 billion, and the surplus on services decreased to \$18.6 billion from \$20.6 billion.

Goods.—The deficit on goods was virtually unchanged at \$64.4 billion. Both exports and imports decreased nearly equally.

Exports.—Exports decreased \$1.3 billion, or nearly 1 percent, to \$163.6 billion in the third quarter. Quantities increased less than 1 percent, and prices decreased 1 percent (table C).³

Nonagricultural exports decreased \$0.5 billion, or less than 1 percent, to \$151.3 billion. Quantities increased 1 percent, and prices decreased 1 percent. In current dollars, automotive vehicles, engines, and parts decreased \$1.7 billion and more than accounted for the decrease in non-agricultural exports. A strike in the automotive industry in North America, which ended on July 29, slowed shipments of automotive engines and parts to Canada, where U.S. manufactured parts are generally assembled and then reexported to the United States. Nonagricultural industrial supplies and materials decreased \$1.2 billion; the widespread decrease included chemicals, energy

products, metals and nonmetallic products, paper and paper base stocks, and textile supplies and related materials. Nearly one-half of the decrease was to Canada; exports to Japan and other Asian countries continued to decline. Partly offsetting these decreases was a \$2.7 billion increase in capital goods. This increase was more than accounted for by a \$3.3 billion surge in civilian aircraft, engines, and parts that reflected record deliveries of completed aircraft to Japan and other Asian countries and stronger sales of engines and parts to Western Europe. Among other capital goods, semiconductors increased substantially; computers, peripherals, and parts increased slightly; and “other industrial, agricultural, and service industry machinery” fell for the fourth consecutive quarter.

Agricultural exports decreased \$0.8 billion, or 6 percent, to \$12.3 billion. Quantities decreased 4 percent, and prices decreased 2 percent. In current dollars, meat products and poultry decreased \$0.2 billion, mainly to Russia and Japan. Wheat declined \$0.1 billion, also to Japan, as wheat prices were depressed by large supplies and weak demand. Rice declined \$0.1 billion, mainly to Latin America, and other feed grains also declined \$0.1 billion, mainly to Mexico, China, and the Netherlands. Vegetables, fruits, nuts, and preparations also decreased.

Imports.—Imports decreased \$1.3 billion, or less than 1 percent, to \$227.9 billion in the third quarter. Quantities increased 1 percent, and prices decreased nearly 2 percent (table C). In current dollars, all of the decrease was accounted for by petroleum and products.

Imports of petroleum and products decreased \$1.3 billion, or 10 percent, to \$12.2 billion, the lowest level since the first quarter of 1994. Prices dropped to \$11.60 per barrel—the lowest level since the third quarter of 1986—from \$12.51 per barrel. The drop was attributable to a large

3. Quantity (real) estimates are calculated using a chain-type Fisher formula with annual weights for all years and quarters except for the most recent year, which is calculated using quarterly weights. Real estimates are expressed as chained (1992) dollars. Price indexes (1992=100) are also calculated using a chain-type Fisher formula.

Table C.—U.S. Trade in Goods, Current and Chained (1992) Dollars

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

	Current dollars									Chained (1992) dollars ¹									
	1996	1997	1997				1998				1996	1997	1997				1998		
			I	II	III	IV	I	II ^r	III ^p	I			II	III	IV	I	II ^r	III ^p	
Exports	611,983	679,325	163,499	169,240	172,302	174,284	171,469	164,821	163,560	622,868	716,928	170,845	178,147	182,330	185,606	184,773	178,959	179,342	
Agricultural products	61,487	58,425	14,669	14,319	14,317	15,120	14,094	13,005	12,253	48,482	49,256	12,153	11,903	12,154	13,046	12,720	11,898	11,451	
Nonagricultural products	550,496	620,900	148,830	154,921	157,985	159,164	157,375	151,816	151,307	575,806	671,365	159,518	167,301	171,165	173,381	172,940	168,124	169,058	
Imports	803,320	877,279	213,222	218,336	221,598	224,123	227,167	229,264	227,920	818,700	933,847	222,570	232,768	237,257	241,252	251,848	258,180	260,480	
Petroleum and products	72,743	71,771	19,357	17,681	17,577	17,156	13,728	13,486	12,173	63,815	66,729	15,725	17,017	17,266	16,721	17,075	18,627	18,142	
Nonpetroleum products	730,577	805,508	193,865	200,655	204,021	206,967	213,439	215,778	215,747	753,586	866,288	206,679	215,526	219,850	224,233	234,806	239,487	242,140	

^r Revised.
^p Preliminary.

1. Because chain indexes use weights of more than one period, the corresponding chained dollar estimates are usually not additive.

global inventory that was mostly due to output above OPEC quotas and to reduced demand in Asia. The average number of barrels imported daily decreased to 11.5 million from 11.8 million. Both production and inventories decreased, and consumption increased.

Nonpetroleum imports were virtually unchanged at \$215.7 billion. Quantities increased 1 percent, and prices decreased 1 percent. In current dollars, capital goods, except automotive, decreased \$0.9 billion—the first decrease since the third quarter of 1996. Semiconductors accounted for \$0.5 billion of the decrease; imports, mostly from Asia, were restrained by low import prices and weak demand. Among other high-technology commodities, computers, peripherals, and parts from Japan and Canada and telecommunications equipment, mostly from Canada, also declined. Automotive vehicles, engines, and parts decreased \$0.7 billion. Most of the decrease was in imports of passenger vehicles from Canada (reflecting limited production as a result of a North American auto strike), Germany, Mexico, and the Republic of Korea. Foods, feeds, and beverages and consumer goods each decreased slightly. Partly offsetting these decreases was a \$0.5 billion increase in nonpetroleum industrial supplies and materials that was attributable to an increase in nonmonetary gold.

Balances by area.—The deficit on goods remained unchanged at \$64.4 billion in the third quarter.⁴ Increases in the deficits with developing countries were offset by decreases in the deficits with industrial countries.

Among the developing countries, the deficit with Asia increased \$6.5 billion, \$2.9 billion of which was accounted for by China, \$0.7 billion by Hong Kong, and \$0.6 billion by Taiwan. The deficit with Latin America decreased \$1.7 billion, all of which was accounted for by Mexico. The deficit with Africa decreased \$0.9 billion, \$0.6 billion of which was accounted for by the African members of OPEC.

Among the industrial countries, the deficit with Japan decreased \$1.8 billion, the deficit with Western Europe decreased \$1.0 billion, and the deficit with Canada, \$1.0 billion.

4. Seasonally adjusted estimates for areas and countries are derived by applying seasonal factors for total U.S. agricultural and nonagricultural exports to the unadjusted agricultural and nonagricultural exports for areas and countries and by applying seasonal factors for total U.S. petroleum and nonpetroleum imports to the unadjusted petroleum and nonpetroleum imports for areas and countries. (The seasonal factors are derived from the seasonal adjustment of U.S. exports and U.S. imports by five-digit end-use commodity category.) The components are then summed to derive seasonally adjusted exports and imports for areas and countries.

Services.—The surplus on services decreased to \$18.6 billion in the third quarter from \$20.6 billion in the second, as exports (receipts) decreased while imports (payments) remained virtually unchanged. A drop in travel receipts accounted for most of the decrease in services exports.

Foreign visitors to the United States spent \$16.7 billion, down from \$18.1 billion; receipts from overseas visitors (excluding visitors from Canada and Mexico) decreased \$1.0 billion as a result of weakness in spending by visitors from Asia and from Western Europe. U.S. residents spent \$13.0 billion abroad, down from \$13.5 billion; reduced expenditures by travelers overseas (excluding Canada and Mexico) accounted for most of the drop.

Passenger fare receipts decreased substantially to \$4.7 billion, and passenger fare payments decreased slightly to \$4.6 billion.

“Other” transportation receipts increased slightly to \$6.4 billion, as an increase in port expenditure receipts more than offset a decrease in freight receipts. “Other” transportation payments increased to \$7.6 billion, reflecting increased freight payments and reduced port expenditures.

“Other” private service receipts increased to \$23.1 billion; affiliated services (U.S. cross-border transactions between affiliated companies) were virtually unchanged, and nearly all categories of unaffiliated services increased by small amounts. “Other” private service payments increased to \$13.5 billion, mostly as a result of an increase in affiliated services.

Transfers under U.S. military sales contracts were slightly higher at \$4.2 billion. Direct defense expenditures were virtually unchanged at \$3.1 billion.

Investment income

The deficit on investment income increased to \$5.5 billion in the third quarter from \$3.4 billion in the second.

Direct investment income.—Receipts of income on U.S. direct investment abroad decreased to \$24.7 billion in the third quarter from \$25.8 billion in the second. Decreases in earnings were largest in Western Europe, the Caribbean, and Canada. A strike in the automotive industry in North America decreased earnings of affiliates in Canada, and falling oil prices contributed to the decline in petroleum earnings. Earnings of Asian affiliates remained depressed.

Payments of income on foreign direct investment in the United States increased to \$11.1 billion

from \$10.7 billion. Earnings of affiliates of Western European and Japanese parents increased the most. Much of the increase was in "other" industries (mainly depository institutions) and in petroleum.

Other investment income.—"Other" private income receipts decreased to \$34.8 billion in the third quarter from \$35.1 billion in the second. The decrease was more than accounted for by reduced interest and dividend receipts on securities holdings, as both holdings and yields declined. Interest receipts on bank claims increased.

"Other" private income payments increased to \$32.1 billion from \$31.6 billion. The increase was accounted for by increased interest payments on bank liabilities, mostly as a result of increased liabilities. In contrast, interest and dividend payments on U.S. securities decreased, as holdings of stocks declined and bond yields fell.

Unilateral transfers

Net unilateral transfers were \$10.1 billion in the third quarter, up from \$9.4 billion in the second. The increase largely resulted from an increase in U.S. Government grants.

Capital Account

Net recorded capital inflows were \$64.8 billion in the third quarter, up from \$55.1 billion in the second (revised). Capital inflows for foreign assets in the United States decreased less rapidly than capital outflows for U.S. assets abroad.

U.S. assets abroad

U.S. assets abroad increased \$48.1 billion in the third quarter, following a \$109.8 billion increase

in the second. Transactions in foreign securities shifted to net U.S. sales, and the increase in U.S. direct investment abroad slowed.

U.S. official reserve assets.—U.S. official reserve assets increased \$2.0 billion in the third quarter, following a \$1.9 billion increase in the second (table D). The increase in the third quarter was mostly accounted for by an increase in the U.S. reserve position in the International Monetary Fund.

Claims reported by banks.—U.S. claims on foreigners reported by U.S. banks increased \$28.3 billion in the third quarter, following an increase of \$24.6 billion in the second. Most of the third-quarter increase was accounted for by an increase in banks' own claims; banks' customers' claims also rose.

Banks' own claims payable in dollars increased \$26.5 billion, following an increase of \$40.3 billion. The third-quarter increase consisted of large and partly offsetting movements. Foreign-owned banks in the United States sharply accelerated their lending, mostly to home offices, in August and September, when demand for bank credit abroad accelerated. After the Russian debt moratorium and devaluation of the ruble in mid-August and after other developments in several emerging-market countries, investors' increased aversion to risk led them to shift substantial amounts of borrowing from the securities markets to banks. The increase in claims was partly offset by a reduction in U.S.-owned banks' claims on their offices in the United Kingdom and by a cutback in U.S. securities dealers' loans to international bond mutual funds in the Caribbean late in the quarter, mainly in response to problems

Table D.—Selected Transactions with Official Agencies

[Millions of dollars]

	1997	1997				1998			Change: 1998 II-III	January-September		
		I	II	III	IV	I	II ^r	III ^p		1997	1998	Change: 1997-98
Changes in foreign official assets in the United States, net (decrease -) (table 1, line 49)	15,817	26,949	-5,411	21,258	-26,979	11,324	-10,274	-46,370	-36,096	42,796	-45,320	-88,116
Industrial countries ¹	11,888	17,872	6,642	4,751	-17,377	-254	-9,666	-6,257	3,409	29,265	-16,177	-45,442
Members of OPEC ²	10,822	7,103	1,970	3,031	-1,282	-968	-494	-12,013	-11,519	12,104	-13,475	-25,579
Other countries	-6,893	1,974	-14,023	13,476	-8,320	12,546	-114	-28,100	-27,986	1,427	-15,668	-17,095
Changes in U.S. official reserve assets, net (increase -) (table 1, line 34)	-1,010	4,480	-236	-730	-4,524	-444	-1,945	-2,026	-81	3,514	-4,415	-7,929
Activity under U.S. official reciprocal currency arrangements with foreign monetary authorities: ³												
Foreign drawings, or repayments (-), net	-3,500	-3,500								-3,500		3,500
Drawings												
Repayments	-3,500	-3,500								-3,500		3,500

^r Revised.

^p Preliminary.

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

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

Ecuador beginning January 1993 and Gabon beginning in January 1995.

3. Consists of transactions of the Federal Reserve System and the U.S. Treasury Department's Exchange Stabilization Fund.

associated with a large U.S.-based leveraged-bond mutual fund.

Banks' domestic customers' claims payable in dollars increased \$3.2 billion, following a decrease of \$1.3 billion. Turbulence in overseas financial markets heightened these investors' desire for liquidity and quality in the third quarter, prompting increased dollar-denominated deposits, mostly in the United Kingdom and Canada, and continued avoidance of investments in foreign commercial paper.

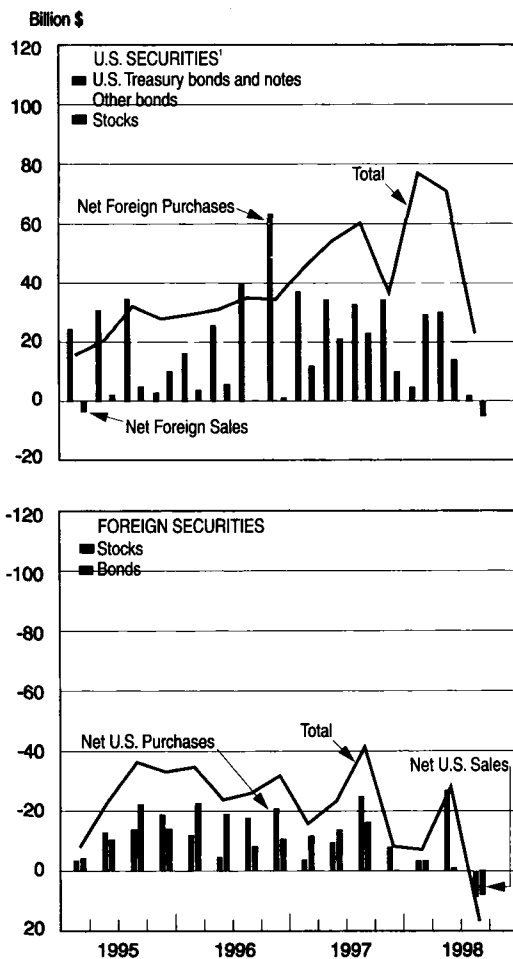
Foreign securities.—Transactions in foreign securities shifted to net U.S. sales of \$17.0 billion in the third quarter from net U.S. purchases of \$27.9 billion in the second (chart 3). U.S. transactions in foreign bonds shifted to net sales of \$8.7 billion from net purchases of \$26.9 billion, and U.S. transactions in foreign stocks shifted to net sales of \$8.3 billion from net purchases of \$1.0 billion.

Net U.S. sales of foreign bonds resulted from a sharp reduction in new issues placed in the United States, following near-record second-quarter placements, and from a shift to net sales of outstanding foreign bonds. Most new issues were placed early in the quarter before the Russian debt moratorium and devaluation of the ruble were announced and before risk premiums in emerging-country debt markets moved sharply higher; thereafter, new issue placements from Latin American and Asian issuers declined substantially. In contrast, new issues from high-quality borrowers from Western Europe and Canada remained strong. When the risk premiums on foreign bonds rose substantially, U.S. investors shifted to large net sales of outstanding bonds for all areas of the world except the United Kingdom (chart 4).

Transactions in foreign stocks shifted to net U.S. sales, as stock prices abroad declined in response to the financial difficulties in Russia and in several emerging-country markets in Asia. The decline abroad coincided with the decline in U.S. stock prices, but it was considerably sharper (chart 5). The slowdown in economic growth abroad adversely affected potential earnings, and financial uncertainty further reduced the demand for foreign stocks. Net sales to Western Europe were \$11.7 billion, as European financial markets, already reacting to developments in Asia, were especially hard hit by developments in Russia.

CHART 3

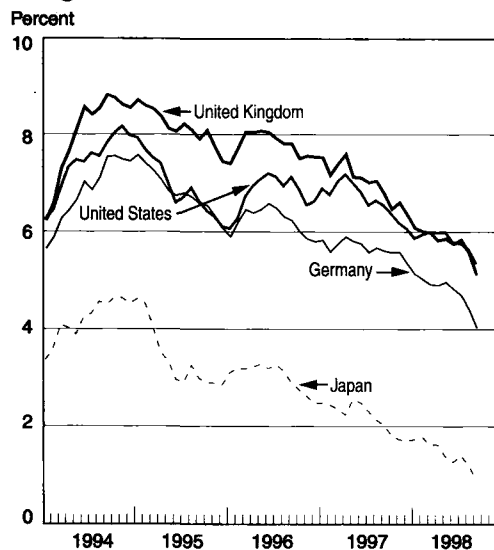
Securities Transactions



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

CHART 4

Long-Term Government Bond Yields



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

Net sales to most European countries increased, particularly to the United Kingdom, Switzerland, the Netherlands, Germany, Spain, and Sweden. Net sales to Japan slowed: The Japanese economy remained depressed; the financial sector remained weak; and stock prices hit a 12-year low. Net sales of emerging-market stocks continued, except for net purchases from Singapore and from Caribbean finance centers.

Direct investment.—Net capital outflows for U.S. direct investment abroad were \$21.2 billion in the third quarter, down from \$40.6 billion in the second. Net equity outflows dropped substantially, partly reflecting fewer large acquisitions than in the second quarter. Despite the decline in equity flows, major acquisitions occurred in Canada and Latin America. Net intercompany debt shifted to net inflows, largely from Australia, Europe, and Latin America and mostly in the form of repayments of loans to overseas affiliates. Reinvested earnings decreased, partly reflecting reduced earnings of affiliates in Europe, the Caribbean, and Canada.

Foreign assets in the United States

Foreign assets in the United States increased \$112.9 billion in the third quarter, following a \$164.9 billion increase in the second. Capital inflows for net foreign purchases of U.S. securities other than U.S. Treasury securities slowed

sharply, transactions in U.S. Treasury securities shifted to small net outflows, and capital outflows of foreign official assets accelerated. Partly offsetting were larger inflows for foreign direct investment in the United States and sharply higher inflows into U.S. banks.

Foreign official assets.—Foreign official assets in the United States decreased \$46.4 billion in the third quarter, following a \$10.3 billion decrease in the second (table D). Most of the third-quarter decrease was accounted for by a few nonindustrial countries.

Liabilities reported by banks.—U.S. liabilities reported by U.S. banks, excluding U.S. Treasury securities, increased \$82.7 billion in the third quarter, following an increase of \$37.7 billion in the second. Banks' own liabilities increased as a result of receiving large amounts of funds through own foreign offices, as foreigners faced escalating uncertainty in financial markets and U.S. banks borrowed heavily from abroad to finance large-scale overseas lending. In addition, banks reported an exceptionally large increase in banks' custody liabilities.

Banks' own liabilities payable in dollars increased \$47.6 billion, following a \$42.6 billion increase. Foreign-owned banks in the United States funded their large overseas lending by borrowing from overseas offices, mostly in the Caribbean and Japan. U.S.-owned banks borrowed from their overseas offices, mostly in the United Kingdom and the Caribbean.

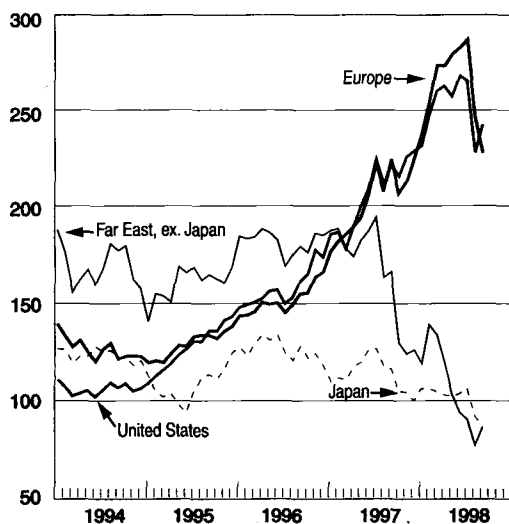
Banks' custody liabilities payable in dollars increased \$34.2 billion, following an increase of \$5.1 billion; the pickup was mostly due to uncertainty in financial markets abroad. The large buildup of custody liabilities reflected inflows from overseas placements of short-term paper by U.S. nonbanks as long-term debt became riskier during a period of financial market uncertainty.

U.S. Treasury securities.—Foreign private transactions in U.S. Treasury securities shifted to net sales of \$0.3 billion in the third quarter from net purchases of \$26.9 billion in the second (chart 3). Even though gross trading volume increased substantially, net foreign purchases of U.S. Treasury bonds dropped to \$2.2 billion from \$30.3 billion. The drop reflected the following factors: A narrowing of the yield differential favoring U.S. Treasury bonds, as interest rates on these bonds fell faster than the rates on most government bonds in industrialized countries (chart 4); a flattening of the yield curve on U.S. Treasury securities and a widening of the spread favoring

CHART 5

Selected World Stock Price Indexes in Local Currencies

December 1992=100



Source: Morgan Stanley Capital International.
Indexes rebased by BEA.

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

U.S. nongovernment bonds; sales by overseas hedge funds, primarily in the Caribbean, of U.S. Treasury bonds to meet their margin calls; and late in the quarter, a weakening in the U.S. dollar's exchange value against the yen and most European currencies. These negative factors were partly offset by a steep rise in U.S. Treasury bond prices and the resulting opportunity to secure large capital gains, especially late in the quarter, and by a surge to higher quality debt instruments in reaction to uncertainty in world financial markets. Small net purchases from Western Europe, Japan, and other Asian countries were offset by large net sales from the Caribbean.

Other U.S. securities.—Net foreign purchases of U.S. securities other than U.S. Treasury securities were \$22.9 billion in the third quarter, down from \$71.0 billion in the second (chart 3).

Net foreign purchases of U.S. corporate and other bonds were \$28.3 billion, about half the second-quarter record of \$56.9 billion. The U.S. corporate bond market faltered as the interest-rate spread over U.S. Treasury issues widened to the largest differential in a decade; risk premiums rose significantly as international investors became more averse to corporate risk, especially after the Russian debt moratorium in August. Additionally, large losses from highly leveraged bond hedge funds had increased the intensity of concern about U.S. corporate risk. Consequently, the U.S. bond market became more segmented, as higher graded and more liquid issues per-

formed better than riskier and less liquid issues. New issues abroad by U.S. corporations, including federally sponsored agencies, declined to \$18.2 billion from \$21.6 billion. The riskier segment of the market declined 24 percent because lower quality borrowers postponed borrowing. Net foreign purchases of outstanding bonds dropped to \$12.2 billion from \$24.3 billion.

Foreign transactions in U.S. stocks shifted to net sales of \$5.4 billion from net purchases of \$14.1 billion. Fears that the broadening economic slowdown in Asia, in Russia, and perhaps in the United States would weaken corporate profits and heightened international aversion to risky assets contributed to a 10-percent decline in U.S. stock prices and to the shift to net foreign sales. Net sales of \$18.6 billion were mostly from international mutual funds based in the Caribbean. In contrast, European countries continued as net purchasers, though their net purchases of \$13.7 billion were down substantially from the second quarter.

U.S. currency.—Net U.S. currency shipments were \$7.3 billion in the third quarter, up from \$2.3 billion in the second.

Direct investment.—Net capital inflows for foreign direct investment in the United States were \$27.1 billion in the third quarter, compared with \$19.1 billion in the second. The step-up was more than accounted for by a doubling of net equity inflows, including especially large acquisitions by Canadian parents. The largest increases were from Canada and continental Europe. Reinvested earnings increased, largely from continental Europe. Net intercompany debt inflows decreased sharply.

Data Availability

The current and historical estimates of the U.S. international transactions accounts are available as downloadable files on BEA's Web site at <www.bea.doc.gov>; click on Catalog of Products, and look under International Accounts Products, Balance of Payments.

The estimates are also available on diskette from BEA as follows:

- **U.S. International Transactions.** The most recently released annual and quarterly estimates are available as an annual subscription (four installments) that also includes a diskette of the historical estimates (see below)—product number IDS-0001, price \$80.00.

- **U.S. International Transactions, Third Quarter 1998.** The annual estimates for 1997 and the quarterly estimates for 1997:1–1998:III are available on a single diskette—product number IDN-0212, price \$20.00.

- **U.S. International Transactions, Historical Series.** The historical annual and quarterly estimates are available on a single diskette—product number IDN-0204, price \$20.00.

To order using MasterCard or Visa, call the BEA Order Desk at 1-800-704-0415 (outside the United States, call 202-606-9666). To order by mail, send a check made payable to "Bureau of Economic Analysis, BE-53" to BEA Order Desk (BE-53), Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

Revisions

The second-quarter current-account balance and its components were revised to reflect the incorporation of newly available and revised source data. The current-account deficit was revised up to \$56.7 billion from \$56.5 billion. The goods deficit was revised down to \$64.4 billion from \$64.8 billion; the services surplus was revised down to \$20.6 billion from \$20.9 billion; the deficit on investment income was revised up to \$3.4 billion from \$3.2 billion; and net unilateral transfers were revised up to \$9.4 billion from \$9.3 billion.

The second-quarter net capital inflows and their components were revised down to \$55.1 billion from \$65.9 billion.


Tables 1 through 10 follow. 

Table 4.—Selected U.S. Government Transactions
[Millions of dollars]

Line		1997	Not seasonally adjusted						
			1997				1998		
			I	II	III	IV	I	II ^r	III ^r
A1	U.S. Government grants and transactions increasing Government assets, total	17,419	3,433	3,901	3,804	6,280	3,831	3,218	3,731
	By category								
2	Grants, net (table 1, line 30, with sign reversed)	12,090	2,241	2,274	2,362	5,213	2,266	2,063	2,582
3	Financing military purchases ¹	3,822	606	394	514	2,308	626	360	612
4a	Other grants	8,268	1,635	1,880	1,848	2,905	1,640	1,702	1,970
4b	Cash contributions received from coalition partners for Persian Gulf operations								
5	Credits and other long-term assets (table 1, line 40, with sign reversed)	5,302	1,168	1,616	1,421	1,097	1,189	1,159	1,266
6	Capital subscriptions and contributions to international financial institutions, excluding IMF	1,588	427	411	415	336	385	444	413
7	Credits repayable in U.S. dollars	3,047	586	1,033	839	589	644	613	610
8	Credits repayable in other than U.S. dollars	-4	1		1	-6	(^r)	-7	
9	Other long-term assets	670	154	173	166	178	159	109	243
10	Foreign currency holdings and short-term assets, net (table 1, line 42 with sign reversed)	28	25	11	21	-29	376	-4	-116
11	Foreign currency holdings (excluding administrative cash holdings), net	71	12	21	26	11	5	-5	1
	Receipts from:								
12	Sales of agricultural commodities	(^r)	(^r)						
13	Interest	18	7	1	9	2	4	4	1
14	Repayments of principal	27	10	5	10	2	11	3	5
15	Reverse grants								
16	Other sources	8	(^r)	(^r)	1	7			1
	Less currencies disbursed for:								
17	Grants and credits in the recipient's currency						(^r)	(^r)	
18	Other grants and credits								
19	Other U.S. Government expenditures	-17	5	-15	-6	-1	10	12	5
20	Assets acquired in performance of U.S. Government guarantee and insurance obligations, net	-18	-5	-7	(^r)	-6	399	11	(^r)
21	Other assets held under Commodity Credit Corporation Charter Act, net	(^r)	(^r)	(^r)	(^r)	(^r)	(^r)	(^r)	(^r)
22	Assets financing military sales contracts, net ²								
23	Other short-term assets (including changes in administrative cash holdings), net	-25	18	-3	-5	-34	-28	-10	-117
	By program								
24	Capital subscriptions and contributions to international financial institutions, excluding IMF	1,588	427	411	415	336	385	444	413
25	Under Agricultural Trade Development and Assistance Act and related programs	905	195	217	279	214	122	105	122
26	Under Foreign Assistance Act and related programs	11,004	2,032	2,140	2,040	4,792	2,053	1,851	2,336
27	Under Export-Import Bank Act	1,620	396	405	418	400	385	516	244
28	Under Commodity Credit Corporation Charter Act	505	29	346	118	13	540	6	147
29	Under other grant and credit programs	1,080	171	192	347	371	209	202	343
30	Other foreign currency assets acquired (lines A13, A14, and A16)	53	17	6	20	10	16	7	6
31	Less foreign currencies used by U.S. Government other than for grants or credits (line A19)	-17	5	-15	-6	-1	10	12	5
32	Other (including changes in administrative cash holdings), net	646	172	169	161	144	131	99	125
	By disposition³								
33	Estimated transactions involving no direct dollar outflow from the United States	11,012	2,174	2,557	2,495	3,786	2,600	1,932	2,391
34	Expenditures on U.S. goods	5,157	794	765	979	2,630	750	884	833
35	Expenditures on U.S. services ⁴	2,617	635	752	661	570	588	640	739
36	Financing of military sales contracts by U.S. Government ⁵ (line C6)	2,172	660	476	536	501	666	369	653
37	By long-term credits	259	77	102	65	16	66	37	68
38	By short-term credits ¹								
39	By grants ¹	1,913	583	375	472	485	599	332	585
40	U.S. Government grants and credits to repay prior U.S. Government credits ^{1,4}	1,005	97	523	309	76	205	36	172
41	U.S. Government long- and short-term credits to repay prior U.S. private credits ⁵ and other assets	60	4	34	5	17	404	25	3
42	Increase in liabilities associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) ⁷ (line C11)	(^r)	(^r)	(^r)	(^r)	(^r)	(^r)	(^r)	(^r)
43	Less receipts on short-term U.S. Government assets (a) financing military sales contracts ¹ (b) financing repayment of private credits and other assets, and (c) financing expenditures on U.S. goods	17	1	8	1	7	2	9	2
44	Less foreign currencies used by U.S. Government other than for grants or credits (line A19)	-17	5	-15	-6	-1	10	12	5
45	Estimated dollar payments to foreign countries and international financial institutions	6,406	1,259	1,344	1,309	2,494	1,231	1,285	1,340
B1	Repayments on U.S. Government long-term assets, total (table 1, line 41)	5,504	1,171	1,358	1,878	1,097	1,177	722	1,344
2	Receipts of principal on U.S. Government credits	4,817	998	1,191	1,715	913	992	602	1,098
3	Under Agricultural Trade Development and Assistance Act and related programs	499	39	96	181	182	32	30	105
4	Under Foreign Assistance Act and related programs	1,753	529	340	578	306	534	276	483
5	Under Export-Import Bank Act	1,819	398	421	730	271	267	261	243
6	Under Commodity Credit Corporation Charter Act	501	33	331	113	24	159	32	153
7	Under other credit programs	246	(^r)	3	113	130	(^r)	3	113
8	Receipts on other long-term assets	687	173	167	163	184	186	121	246
C1	U.S. Government liabilities other than securities, total, net increase (+) (table 1, line 53)	-2,521	-587	-523	-1,167	-244	-1,059	-422	-414
2	Associated with military sales contracts ²	-2,450	-562	-511	-1,172	-205	-1,117	-367	-396
3	U.S. Government cash receipts from foreign governments (including principal repayments on credits financing military sales contracts), net of refunds ¹	11,872	2,803	3,645	3,085	2,340	3,038	3,129	2,454
4	Less U.S. Government receipts from principal repayments	868	333	83	342	111	342	105	274
5	Less U.S. Treasury securities issued in connection with prepayments for military purchases in the United States	-2,643	-648	-341	-432	-1,222	-195	-327	-922
6	Plus financing of military sales contracts by U.S. Government ⁵ (line A36)	2,173	660	476	536	501	666	369	653
7	By long-term credits	259	77	102	65	16	66	37	68
8	By short-term credits ¹								
9	By grants ¹	1,913	583	375	472	485	599	332	585
10	Less transfers of goods and services (including transfers financed by grants for military purchases, and by credits) ^{1,2} (table 1, line 4)	18,269	4,338	4,890	4,883	4,158	4,672	4,088	4,151
11	Associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) ⁷ (line A42)	(^r)	(^r)	(^r)	(^r)	(^r)	(^r)	(^r)	(^r)
12	Associated with other liabilities	-72	-26	-13	5	-39	58	-55	-18
13	Sales of nuclear material by Department of Energy/U.S. Enrichment Corporation ⁸	-61	-34	-3	18	-41	62	-53	-20
14	Sales of space launch and other services by National Aeronautics and Space Administration	-18	3	-3	-19	(^r)	-4	-1	2
15	Other sales and miscellaneous operations	7	5	-7	6	2	(^r)	-1	(^r)

See footnotes on page 33.

Table 6.—Securities Transactions
(Millions of dollars)

Line	(Credits +; debits -)	1997	Not seasonally adjusted						
			1997				1998		
			I	II	III	IV	I*	II*	III*
A1	Foreign securities, net U.S. purchases (-), (table 1, line 45 or lines 2 + 13 below)	-87,981	-15,521	-23,263	-41,167	-8,030	-6,973	-27,878	16,970
2	Stocks, net U.S. purchases	-41,258	-11,653	-13,595	-16,086	76	-3,392	-996	8,270
3	New issues in the United States	-15,239	-2,255	-2,724	-3,366	-6,894	-1,091	-2,917	-968
4	Of which Western Europe	-4,888	-709	-1,104	-831	-2,244	-90	-1,963	-339
5	Canada	(b)	(b)	-56	-182	-1,172	(b)	(b)	(b)
6	Latin America	(b)	(b)	-917	-1,555	-138	(b)	(b)	(b)
7	Transactions in outstanding stocks, net	-26,019	-9,398	-10,871	-12,720	6,970	-2,301	1,921	9,238
8	Western Europe	-10,092	-4,674	688	-7,136	1,030	2,045	8,508	12,077
9	Of which United Kingdom	-15,979	-3,025	-2,500	-8,063	-2,391	2,164	8,055	4,061
10	Canada	257	1,480	-806	-1,580	1,163	-29	378	2,665
11	Japan	-9,445	-1,930	-8,684	-3,057	4,226	-2,515	2,740	370
12	Other	-6,739	-4,274	-2,069	-947	551	-1,802	-9,705	-5,874
13	Bonds, net U.S. purchases	-46,723	-3,868	-9,668	-25,081	-8,106	-3,581	-26,882	8,700
14	New issues in the United States	-70,948	-16,257	-15,956	-24,389	-14,346	-9,513	-22,850	-10,236
	By issuer:								
15	Central governments and their agencies and corporations	-9,988	-3,990	-2,861	-2,237	-900	-300	-5,931	-984
16	Other governments and their agencies and corporations ¹	-5,232	-1,100	-111	-3,899	-122		-1,971	-250
17	Private corporations	-55,141	-11,167	-12,984	-17,666	-13,324	-9,213	-14,948	-9,062
18	International financial institutions ²	-587			-587				
	By area:								
19	Western Europe	-20,353	-4,857	-2,614	-6,860	-7,022	-3,185	-4,834	-3,751
20	Canada	-6,323	-1,220	-1,668	-2,157	-1,278	-775	-2,335	-3,141
21	Japan	-135			-135	-2,271			
22	Latin America	-19,962	-5,925	-5,625	-6,876	-1,536	-1,865	-7,127	-2,466
23	Other countries	-23,588	-4,255	-6,049	-8,909	-4,375	-1,417	-8,554	-938
24	International financial institutions ²	-587			-587				
25	Redemptions of U.S.-held foreign bonds ³	15,912	3,633	1,566	3,947	6,766	3,102	5,580	4,607
26	Western Europe	4,852	888	273	988	2,704	1,065	886	1,057
27	Canada	3,019	678	493	1,042	806	819	1,018	591
28	Other countries	4,684	517	701	1,403	2,062	1,147	3,676	2,959
29	International financial institutions ²	3,357	1,550	99	515	1,193			
30	Other transactions in outstanding bonds, net ³	8,313	8,756	4,722	-4,639	-526	2,830	-9,612	14,389
31	Western Europe	2,875	5,023	7,258	-7,464	-1,942	-984	-13,011	-37
32	Of which United Kingdom	-1,769	2,705	5,738	-8,959	-1,253	-1,641	-10,461	-2,508
33	Canada	812	1,501	-398	-1,629	1,338	3	-543	3,915
34	Japan	-1,171	-1,492	-1,590	513	1,398	814	-2,824	3,015
35	Other	5,797	3,724	-548	3,941	-1,320	2,997	6,766	7,496
B1	U.S. securities, excluding Treasury securities and transactions of foreign official agencies, net foreign purchases (+), (table 1, line 60 or lines 2 + 10 below)	196,845	45,477	54,258	60,327	36,783	77,019	71,017	22,938
2	Stocks, net foreign purchases	65,966	11,815	21,077	23,198	9,876	29,302	14,085	-5,409
	By area:								
3	Western Europe	57,345	11,066	14,504	15,080	16,695	26,278	22,066	13,722
4	Of which Germany	9,008	2,778	2,045	2,021	2,164	1,888	4,224	4,083
5	Switzerland	7,683	1,334	2,003	1,030	3,317	3,712	4,623	469
6	United Kingdom	21,649	3,423	6,141	6,610	5,475	10,609	4,050	3,338
7	Canada	-1,165	1,155	148	-1,284	-1,184	-174	-2,037	-892
8	Japan	4,689	-2,333	4,156	1,403	1,463	-3,247	-253	323
9	Other	5,097	1,927	2,269	7,999	-7,098	6,445	-5,691	-18,562
10	Corporate and other bonds, net foreign purchases	130,879	33,662	33,181	37,129	26,907	47,717	56,932	28,347
	By type:								
11	New issues sold abroad by U.S. corporations	84,778	18,400	25,579	28,953	11,846	15,120	15,664	11,948
12	U.S. federally sponsored agency bonds, net	45,228	12,557	10,188	12,471	10,012	20,752	16,988	4,215
13	Other outstanding bonds, net	873	2,705	-2,586	-4,295	5,049	11,845	24,280	12,184
	By area:								
14	Western Europe	73,528	20,274	19,563	23,617	10,074	25,398	34,810	27,181
15	Of which Germany	2,587	466	192	2,123	-213	956	1,819	1,127
16	Switzerland	-29	-339	369	-1,193	1,134	364	1,802	1,292
17	United Kingdom	58,310	17,835	15,322	18,428	6,125	20,337	27,501	19,928
18	Canada	6,292	1,803	879	1,513	2,097	1,878	1,498	1,518
19	Japan	9,324	3,160	3,366	4,243	-1,445	664	3,689	-1,262
20	Other countries	41,667	8,426	9,370	7,756	16,115	19,752	16,483	1,015
21	International financial institutions ²	64	-1	3	-4	66	26	252	-105
	Memoranda:								
	Other foreign transactions in marketable, long-term U.S. securities included elsewhere in international transactions accounts:								
	Foreign official assets in the United States (lines in table 9):								
1	U.S. Treasury marketable bonds (line A4)	43,379	24,897	20,953	8,913	-11,384	6,186	-1,426	-26,755
2	Other U.S. Government securities (line A6)	4,334	754	827	2,667	86	2,610	254	1,906
3	U.S. corporate and other bonds (part of line A14)	1,121	365	16	642	98	97	802	-608
4	U.S. stocks (part of line A14)	-1,775	-3,590	915	-9	909	-1,053	30	-1,836
5	Other foreign transactions in U.S. Treasury bonds and notes (table 9, line B4)	139,639	37,461	34,627	32,938	34,613	5,001	30,251	2,192

See footnotes on page 33.

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.)	1997	Not seasonally adjusted						Amounts outstand- ing Sept. 30, 1998	
			1997				1998			
			I	II	III	IV	I	II ^r		III ¹
A1	Claims, total (table 1, line 46)	-120,403	-37,880	-9,825	-24,791	-47,907	-6,596	-14,327	-13,612	600,354
2	Financial claims	-117,698	-38,701	-9,833	-23,641	-45,523	-6,417	-14,194	-13,612	569,475
3	Denominated in U.S. dollars	-104,542	-33,907	-2,182	-19,771	-48,682	-1,798	-12,927	-13,612	475,736
4	Denominated in foreign currencies	-13,156	-4,794	-7,651	-3,870	3,159	-4,619	-1,267		93,739
5	By type: Deposits ²	-101,026	-30,350	-5,012	-20,079	-45,585	18,264	-18,995	-15,000	453,532
6	Financial intermediaries' accounts	-16,360	-8,837	-4,571	-3,198	246	-23,491	4,664	1,388	109,670
7	Other claims ^{2,3}	-312	466	-250	-364	-184	-1,190	137		6,273
8	By area: Industrial countries ⁴	-65,352	-23,898	-6,768	-10,014	-24,672	-6,444	-13,437		300,484
9	Of which United Kingdom	-43,292	-16,704	-6,867	-4,223	-15,498	-2,496	-1,807		178,064
10	Canada	256	894	2,757	-1,143	-2,252	-288	-1,696		12,782
11	Caribbean banking centers ⁵	-51,178	-14,245	-3,269	-12,003	-21,661	2,123	-2,552	-15,000	254,807
12	Other	-1,168	-558	204	-1,624	810	-2,096	1,795	1,388	14,184
13	Commercial claims	-2,705	821	8	-1,150	-2,384	-179	-133		30,879
14	Denominated in U.S. dollars	-43,292	-314	135	-842	-2,266	-565	-427		29,694
15	Denominated in foreign currencies	582	1,135	-127	-308	-118	386	294		1,185
16	By type: Trade receivables	-1,703	950	-57	-252	-2,344	1	134		26,754
17	Advance payments and other claims	-1,002	-129	65	-898	-40	-180	-267		4,125
18	By area: Industrial countries ⁴	-2,004	455	144	-1,001	-1,602	-792	105		18,177
19	Members of OPEC ⁶	-355	78	-87	-122	-224	282	-236		2,136
20	Other	-346	288	-49	-27	-558	331	-2		10,566
B1	Liabilities, total (table 1, line 61)	107,779	28,840	5,274	26,275	47,390	32,707	18,040	19,529	529,146
2	Financial liabilities	102,493	27,549	5,029	24,900	45,015	33,126	17,046	19,529	493,424
3	Denominated in U.S. dollars	97,454	25,699	9,581	24,805	37,369	33,348	9,383	19,529	440,951
4	Denominated in foreign currencies	5,039	1,850	-4,552	95	7,646	-222	7,663		52,473
5	By type: Financial intermediaries' accounts	45,865	13,682	8,512	948	22,723	14,713	4,907	3,029	143,173
6	Other liabilities	56,628	13,867	-3,483	23,952	22,292	18,413	12,139	16,500	350,251
7	By area: Industrial countries ⁴	78,823	27,831	4,242	12,066	34,684	21,903	15,615		267,027
8	Of which United Kingdom	36,831	21,553	-4,411	11,605	8,084	24,802	19,221		179,709
9	Caribbean banking centers ⁵	22,375	-787	783	11,326	11,553	9,554	756	16,500	202,181
10	Other	795	505	4	1,508	-1,222	1,669	675	3,029	24,216
11	Commercial liabilities	5,286	1,291	245	1,375	2,375	-419	994		35,722
12	Denominated in U.S. dollars	4,798	1,375	236	1,233	1,954	-131	1,221		34,649
13	Denominated in foreign currencies	488	-84	9	142	421	-288	-227		1,073
14	By type: Trade payables	-1,822	-1,200	-393	-168	-61	-700	-280		9,842
15	Advance receipts and other liabilities	7,108	2,491	638	1,543	2,436	281	1,274		25,880
16	By area: Industrial countries ⁴	3,792	604	120	847	2,221	-624	1,011		21,766
17	Members of OPEC ⁶	848	308	-111	661	-10	-74	46		3,916
18	Other	646	379	236	-133	164	279	-63		10,040

See footnotes on page 33.

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.)	1997	Not seasonally adjusted						Amounts outstanding Sept. 30, 1998	
			1997							
			I	II	III	IV	I	II ^r		III ^r
1	Total (table 1, line 47)	-147,439	-63,698	-26,625	-29,577	-27,539	3,074	-24,615	-28,335	1,034,090
2	By type:									
3	Banks' own claims	-129,080	-44,859	-26,678	-11,313	-46,230	20,472	-26,534	-24,050	822,261
3	Payable in dollars	-108,308	-36,639	-14,904	-3,951	-52,814	20,583	-40,294	-26,525	754,467
	By borrower:									
	Claims on:									
4	own foreign offices	-90,111	-18,767	-19,085	4,974	-57,233	29,298	-32,814	-36,881	472,082
5	unaffiliated foreign banks	4,458	-4,766	-1,097	14,801	-4,480	1,422	289	-1,319	108,844
6	foreign public borrowers ¹	1,556	-6,622	-562	525	8,215	-7,566	452	1,363	26,397
7	other private foreigners	-24,211	-6,484	5,840	-24,251	684	-2,571	-8,201	10,292	147,144
	By bank ownership: ²									
	U.S.-owned banks' claims on:									
8	own foreign offices	-27,616	6,127	3,428	2,424	-39,595	23,216	-8,977	14,575	142,162
9	unaffiliated foreign banks	11,771	1,716	586	7,681	1,788	-6,583	-1,731	2,946	53,086
10	other foreigners	-15,236	-1,494	3,059	-12,691	-4,110	-9,038	-5,466	12,473	131,039
	Foreign-owned banks' claims on:									
11	own foreign offices	-62,495	-24,894	-22,513	2,550	-17,638	6,082	-23,837	-51,456	329,920
12	unaffiliated foreign banks	-7,313	-6,482	-1,683	7,120	-6,268	8,005	2,000	-4,265	55,758
13	other foreigners	-7,419	-11,612	2,219	-11,035	13,009	-1,099	-2,283	-798	42,502
14	Payable in foreign currencies	-20,772	-8,220	-11,774	-7,362	6,584	-111	13,760	2,475	67,794
15	Banks' domestic customers' claims	-18,360	-18,839	53	-18,264	18,691	-17,398	1,919	-4,285	211,829
16	Payable in dollars	-20,861	-19,621	122	-18,319	16,957	-17,663	1,347	-3,186	203,376
17	Deposits	-7,923	-17,490	556	-5,869	14,880	-12,296	-1,002	-3,194	89,602
18	Foreign commercial paper ³	-6,933	-1,107	1,131	-8,717	1,760	-10,451	1,460	1,317	80,610
19	Other negotiable and readily transferable instruments ⁴	1,521	1,153	-1,508	-3,079	4,955	5,347	-2,227	-1,069	18,227
20	Outstanding collections and other	-7,527	-2,177	-58	-654	-4,638	-263	3,116	-240	14,937
21	Payable in foreign currencies	2,502	782	-69	55	1,734	265	572	-1,099	8,453
	By area:									
22	Industrial countries ⁵	-63,400	-62,299	-3,019	3,619	-1,701	6,880	-6,947	-36,112	548,467
23	Western Europe	-65,715	-51,373	1,848	-19,999	3,809	-14,075	-25,662	-14,032	402,616
24	Of which United Kingdom	-25,136	-21,116	3,634	-192	-7,462	6,428	-23,428	11,631	167,288
25	Canada	-3,688	-12,763	-2,487	14,387	-2,825	-609	952	-14,744	72,337
26	Japan	5,806	1,451	-1,190	7,829	-2,284	20,938	19,290	-7,024	60,009
27	Other	197	386	-1,190	1,402	-401	626	-1,527	-312	13,505
28	Caribbean banking centers ⁶	-65,721	9,355	-15,666	-33,352	-26,058	-8,664	-22,181	4,350	314,892
29	Other areas	-18,319	-10,754	-7,940	155	220	4,858	4,513	3,427	170,731
30	Of which Members of OPEC, included below ⁷	-2,645	120	-155	1,217	-3,827	2,539	2,128	-4,533	18,812
31	Latin America	-16,700	-1,798	-4,104	-2,639	-8,159	-5,740	13	3,358	98,388
32	Asia	-1,550	-6,655	-5,743	4,087	6,761	13,865	2,901	1,900	60,917
33	Africa	-519	-61	-571	82	31	-220	1,511	-588	2,540
34	Other ⁸	450	-2,240	2,478	-1,375	1,587	-3,047	88	-1,243	8,886
	Memoranda:									
1	International banking facilities' (IBF's) own claims, payable in dollars (lines 1-13 above)	-37,068	-10,361	-2,405	2,724	-27,026	24,545	-7,618	7,933	231,808
	By borrower:									
	Claims on:									
2	own foreign offices	-23,167	-4,188	1,574	-634	-19,919	17,636	-9,559	11,197	134,832
3	unaffiliated foreign banks	-3,893	-3,853	-4,704	5,534	-870	7,644	2,707	-3,146	52,387
4	foreign public borrowers	15	339	670	-86	-908	-78	-589	968	6,263
5	all other foreigners	-10,023	-2,659	55	-2,090	-5,329	-657	-177	-1,086	38,326
	By bank ownership: ²									
6	U.S.-owned IBF's	-10,084	-1,963	2,497	1,513	-12,131	107	-2,368	-3,422	73,706
7	Foreign-owned IBF's	-26,984	-8,398	-4,902	1,211	-14,895	24,438	-5,250	11,355	158,102
8	Banks' dollar acceptances payable by foreigners	765	-614	-235	556	1,258	2,128	892	536	6,068

See footnotes on page 33.

FOOTNOTES TO U.S. INTERNATIONAL TRANSACTIONS TABLES 1-10

General notes for all tables: ^P Preliminary. ^R Revised. *Less than \$500,000 (±)

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

Table 1:

1. Credits, +: Exports of goods, services, and income; 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, services, and income; 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 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 2.
3. Includes some goods: Mainly military equipment in line 4; major equipment, other materials, supplies, and petroleum products purchased abroad by U.S. military agencies in line 18; and fuels purchased by airline and steamship operators in lines 7 and 21.
4. Includes transfers of goods and services under U.S. military grant programs.
5. Beginning in 1992, these lines are presented on a gross basis. The definition of exports is revised to exclude U.S. parents' payments to foreign affiliates and to include U.S. affiliates' receipts from foreign parents. The definition of imports is revised to include U.S. parents' payments to foreign affiliates and to exclude U.S. affiliates' receipts from foreign parents.
6. Beginning in 1982, the "other transfers" component includes taxes paid by U.S. private residents to foreign governments and taxes paid by private nonresidents to the U.S. Government.
7. For all areas, amounts outstanding September 30, 1998, were as follows in millions of dollars: Line 34, 75,675; line 35, 11,044; line 36, 10,106; line 37, 21,644; line 38, 32,882. Data are preliminary.
8. Includes sales of foreign obligations to foreigners.
9. Consists of bills, certificates, marketable bonds and notes, and nonmarketable convertible and nonconvertible bonds and notes.
10. Consists of U.S. Treasury and Export-Import Bank obligations, not included elsewhere, and of debt securities of U.S. Government corporations and agencies.
11. 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.
12. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and State and local governments.
13. Conceptually, the sum of lines 71 and 63 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) includes adjustments for the different geographical treatment of transactions with U.S. territories and Puerto Rico, and (c) includes services furnished without payment by financial pension plans except life insurance carriers and private noninsured pension plans. A reconciliation of the balance on goods and services from the international accounts and the NIPA net exports appears in the "Reconciliation and Other Special Tables" section in this issue of the Survey of Current Business. A reconciliation of the other foreign transactions in the two sets of accounts appears in table 4.5 of the full set of NIPA tables (published annually in the August issue of the Survey).

Additional footnotes for historical data in July issues of the Survey:

14. For 1974, includes extraordinary U.S. Government transactions with India. See "Special U.S. Government Transactions," June 1974 Survey, p. 27.
15. For 1978-83, includes foreign currency-denominated notes sold to private residents abroad.
16. Break in series. See Technical Notes in the June 1989, June 1990, June 1992, June 1993, June 1995, and July 1996-98 issues of the Survey.

Table 2:

1. Exports, Census basis, represent transactions values, f.a.s. U.S. port of exportation, for all years; imports, Census basis, represent Customs values (see Technical Notes in the June 1982 Survey), except for 1974-81, when they represent transactions values, f.a.s. foreign port of exportation (see June issues of the Survey for historical data).
From 1983 forward, 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 in the December 1988 Survey).
Seasonally adjusted data reflect the application of seasonal factors developed jointly by Census and BEA. The seasonally adjusted data are the sum of seasonally adjusted five-digit end-use categories (see Technical Notes in the June 1980 Survey, in the June 1988 Survey, and in the June 1991 Survey). Prior to 1983, annual data are as published by the Census Bureau, except that for 1975-80 published Census data are adjusted to include trade between the U.S. Virgin Islands and foreign countries.
2. Beginning in 1990, the Census Bureau replaced its compiled export statistics with counterpart Canadian import statistics. Similarly, Statistics Canada replaced its compiled export statistics with counterpart U.S. import statistics. This exchange of data has eliminated the need for the inland freight adjustment on U.S. exports, but not on U.S. imports.
3. Adjustments in lines A5 and A13, B12, B47, and B82 reflect the Census Bureau's reconciliation of discrepancies between the goods statistics published by the United States and the counterpart statistics published in Canada. These adjustments are distributed to the affected end-use categories in section C. Beginning in 1986, estimates for undocumented exports to Canada, the largest item in the U.S.-Canadian reconciliation, are included in Census basis data shown in line A1.
4. 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. The exports are included in tables 1 and 10, line 4 (transfers under U.S. military agency sales contracts); the imports are included in tables 1 and 10, line 18 (direct defense expenditures).
5. 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; coverage adjustments for special situations in which shipments were omitted from Census data; deduction of the value of repairs and alterations to foreign-owned equipment shipped to the United States for repair; and the inclusion of fish exported outside of U.S. customs area. Also includes deduction of exports to the Panama Canal Zone before October 1, 1979, and for 1975-82, net timing adjustments for goods recorded in Census data in one period but found to have been shipped in another (see June issues of the Survey for historical data).
6. Coverage adjustments for special situations in which shipments were omitted from Census data; the deduction of the value of repairs and alterations to U.S.-owned equipment shipped abroad for repair; and the adjustment of software imports to market value. Also includes addition of understatement of inland freight in f.a.s. values of U.S. imports of goods from Canada in 1974-81; deduction of imports from the Panama Canal Zone before October 1, 1979; and for 1975-82, net timing adjustments for goods recorded in Census data in one period but found to have been shipped in another (see June issues of the Survey for historical data).
7. For 1988-89, correction for the understatement of crude petroleum imports from Canada.
8. Annual and unadjusted quarterly data shown in this table correspond to country and area data in table 10, lines 2 and 16. Trade with international organizations includes purchases of nonmonetary gold from the International Monetary Fund, 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, Australia, New Zealand, and South Africa; *Members of OPEC*: Venezuela, Ecuador, Iraq, Iran, Kuwait, Saudi Arabia, Qatar, United Arab Emirates, Indonesia, Algeria, Libya, Nigeria, and Gabon (Excludes Ecuador beginning in January 1993 and Gabon beginning in January 1995); *Other countries*: Eastern Europe, Latin America and Other Western Hemisphere, and other countries in Asia and Africa, less OPEC. Before 1984, complete geographic area detail was not available for some balance of payments adjustments. Therefore, the detail shown does not always sum to the values shown for the area aggregates. For all years, "Asia" and "Africa" exclude certain Pacific Islands and unidentified countries included in "Other countries in Asia and Africa."
9. Includes the former German Democratic Republic (East Germany) beginning in fourth quarter of 1990. In earlier periods, the German Democratic Republic was included in Eastern Europe.
10. Beginning in 1986, New Zealand and South Africa are included in "Other countries in Asia and Africa," with New Zealand included as part of "Asia" and South Africa as part of "Africa."
11. Includes nuclear fuel materials and fuels.

Table 3:

1. Patented techniques, processes, and formulas and other intangible property rights that are used in goods production.
2. Copyrights, trademarks, franchises, rights to broadcast live events, and other intangible property rights.
3. Other unaffiliated services receipts (exports) include mainly expenditures of foreign governments and international organizations in the United States. Payments (imports) include mainly wages of foreign residents temporarily employed in the United States and Canadian and Mexican commuters in U.S. border areas.

Table 4:

1. Expenditures to release foreign governments from their contractual liabilities to pay for military goods 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 line C10 that was delivered without prepayment by the foreign purchaser. Also includes expenditures of appropriations available to release foreign purchasers from liability to make repayment.
6. Includes purchases of loans from U.S. banks and exporters and payments by the U.S. Government under commercial export credit and investment guarantee programs.
7. Excludes liabilities associated with military sales contracts financed by U.S. Government grants and credits and included in line C2.
8. Excludes transactions of the U.S. Enrichment Corporation, which became a non-Government entity in July 1996.

Table 5:

1. Beginning with 1991, payments and receipts of interest related to interest rate and foreign currency swaps between affiliates and parents are netted and are shown as either net payments or net receipts. Receipts and payments of other types of interest are shown on a gross basis.
2. Petroleum includes, and manufacturing and "other" industries exclude, the exploration, development, and production of crude oil and gas, and the transportation, refining, and marketing of petroleum products, exclusive of petrochemicals. "Other" industries includes wholesale trade; banking; finance (except banking), insurance, and real estate; services; and other industries—agriculture, forestry, and fishing; mining; construction; transportation, communication, and public utilities; and retail trade.
3. Acquisition of equity holdings in existing and newly established companies, capital contributions, capitalization of intercompany debt, and other equity contributions.
4. Sales (total and partial), liquidations, returns of capital contributions, and other dispositions of equity holdings.

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 A30.

Table 7:

1. Estimates of transactions other than those with U.S. banks' Caribbean branches and with financial intermediaries (F.I.s) are not available. Preliminary estimates of transactions with F.I.s, by area, are commingled in "other" to avoid disclosure of individual companies' area data.
2. Deposits (line A5) include other financial claims (line A7) for some countries due to the commingling of these categories in foreign source data.
3. Primarily mortgages, loans, and bills and notes drawn on foreigners.
4. Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.
5. Bahamas, British West Indies (Cayman Islands), Netherlands Antilles, and Panama.
6. Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Excludes Ecuador beginning in January 1993.

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. Commercial paper issued in the U.S. market by foreign incorporated entities; excludes commercial paper issued through foreign direct investment affiliates in the United States.
4. Negotiable and readily transferable instruments other than commercial paper, payable in dollars; consists largely of negotiable certificates of deposit.
5. Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.
6. Bahamas, British West Indies (Cayman Islands), Netherlands Antilles, and Panama.
7. Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Excludes Ecuador beginning in January 1993.
8. 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. 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.
5. 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.
6. Western Europe, Canada, Japan, Australia, New Zealand, and South Africa.
7. Bahamas, British West Indies (Cayman Islands), Netherlands Antilles, and Panama.
8. Ecuador, Venezuela, Indonesia, and other Asian and African oil-exporting countries. Excludes Ecuador beginning in January 1993.
9. Includes Eastern Europe and international and regional organizations.

Table 10:

1. For footnotes 1-13, see table 1.
2. The "European Union" includes the "European Union (6)," United Kingdom, Denmark, Ireland, Greece, Spain, and Portugal. Beginning with the first quarter of 1995, the "European Union" also includes Austria, Finland, and Sweden.
3. The "European Union (6)" includes Belgium, France, Germany (includes the former German Democratic Republic (East Germany) beginning in the fourth quarter of 1990), Italy, Luxembourg, Netherlands, European Atomic Energy Community, European Coal and Steel Community, and European Investment Bank.
4. 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 internationally, and in petroleum trading. Also includes taxes withheld; current-cost adjustments associated with U.S. and foreign direct investment; before 1996, small transactions in business services that are not reported by country; and net U.S. currency flows, for which geographic source data are not available.
5. Details not shown separately; see totals in lines 49 and 56.
6. Details not shown separately are included in line 62.

Table 10.—U.S. International
[Millions]

Line	(Credits +; debits -) ¹	Australia						
		1997	1997			1998		
			II	III	IV	I	II ^r	III ^p
1	Exports of goods, services, and income	23,320	6,138	6,073	5,734	5,698	5,618	5,681
2	Goods, adjusted, excluding military ²	11,913	3,100	3,091	2,899	3,109	2,858	2,931
3	Services ³	5,390	1,248	1,469	1,523	1,306	1,358	1,470
4	Transfers under U.S. military agency sales contracts ⁴	377	45	76	221	212	219	220
5	Travel	1,839	433	567	443	337	356	448
6	Passenger fares	621	144	179	161	117	120	132
7	Other transportation	324	79	85	87	76	77	82
8	Royalties and license fees ⁵	697	173	179	182	158	180	175
9	Other private services ⁵	1,520	371	381	425	402	400	407
10	U.S. Government miscellaneous services	12	3	2	4	4	6	6
11	Income receipts on U.S. assets abroad	6,017	1,790	1,513	1,312	1,283	1,402	1,280
12	Direct investment receipts	3,287	1,117	811	604	508	631	530
13	Other private receipts	2,730	673	702	708	775	771	750
14	U.S. Government receipts							
15	Imports of goods, services, and income	-8,624	-1,609	-2,493	-2,455	-2,441	-2,438	-2,500
16	Goods, adjusted, excluding military ²	-4,881	-1,125	-1,294	-1,261	-1,262	-1,434	-1,313
17	Services ³	-2,762	-571	-782	-719	-722	-555	-731
18	Direct defense expenditures	-73	-15	-25	-12	-11	-9	-9
19	Travel	-965	-154	-295	-251	-260	-159	-294
20	Passenger fares	-546	-110	-136	-148	-150	-112	-131
21	Other transportation	-229	-57	-52	-63	-67	-40	-51
22	Royalties and license fees ⁵	-85	-10	-56	-9	-17	-9	-9
23	Other private services ⁵	-810	-214	-204	-224	-205	-214	-225
24	U.S. Government miscellaneous services	-54	-11	-14	-12	-12	-12	-12
25	Income payments on foreign assets in the United States	-981	87	-417	-475	-457	-449	-456
26	Direct investment payments	-62	310	-181	-215	-190	-213	-237
27	Other private payments	-546	-135	-148	-148	-172	-160	-158
28	U.S. Government payments	-373	-88	-88	-112	-95	-76	-61
29	Unilateral transfers, net	-117	-27	-31	-24	-40	-39	-36
30	U.S. Government grants ⁴							
31	U.S. Government pensions and other transfers	-36	-9	-9	-9	-9	-9	-9
32	Private remittances and other transfers ⁶	-81	-18	-22	-15	-31	-30	-27
33	U.S. assets abroad, net (increase/capital outflow (-))	-3,819	-1,577	139	-1,966	-1,431	-7,496	-1,003
34	U.S. official reserve assets, net ⁷							
35	Gold							
36	Special drawing rights							
37	Reserve position in the International Monetary Fund							
38	Foreign currencies							
39	U.S. Government assets, other than official reserve assets, net	1	-1	2	1	-1	-1	
40	U.S. credits and other long-term assets							
41	Repayments on U.S. credits and other long-term assets ⁸							
42	U.S. foreign currency holdings and U.S. short-term assets, net	1	-1	2	1	-1	-1	
43	U.S. private assets, net	-3,820	-1,578	137	-1,967	-1,430	-7,495	-1,003
44	Direct investment	-1,100	-128	259	-542	-1,316	-4,743	-244
45	Foreign securities	-3,032	-185	-1,245	-566	-15	-1,348	-401
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-10	-46	563	-687	128	129	
47	U.S. claims reported by U.S. banks, not included elsewhere	322	-1,217	560	-172	-227	-1,533	-358
48	Foreign assets in the United States, net (increase/capital inflow (+))	3,881	3,008	1,299	1,275	-674	2,738	-3,025
49	Foreign official assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	(18)
50	U.S. Government securities	(18)	(18)	(18)	(18)	(18)	(18)	(18)
51	U.S. Treasury securities ⁹	(18)	(18)	(18)	(18)	(18)	(18)	(18)
52	Other ¹⁰	(18)	(18)	(18)	(18)	(18)	(18)	(18)
53	Other U.S. Government liabilities ¹¹	-150	2	-16	-160	-178	-179	-179
54	U.S. liabilities reported by U.S. banks, not included elsewhere	(18)	(18)	(18)	(18)	(18)	(18)	(18)
55	Other foreign official assets ¹²	(18)	(18)	(18)	(18)	(18)	(18)	(18)
56	Other foreign assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	(18)
57	Direct investment	2,557	668	1,778	304	1,475	487	182
58	U.S. Treasury securities	(18)	(18)	(18)	(18)	(18)	(18)	(18)
59	U.S. currency							
60	U.S. securities other than U.S. Treasury securities	681	325	249	-173	175	-325	6
61	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-93	-161	7	-88	-159	1,623	
62	U.S. liabilities reported by U.S. banks, not included elsewhere	18 886	18 2,174	18 -719	18 1,392	18 -1,987	18 1,132	18 -3,034
63	Allocations of special drawing rights							
64	Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed)	-14,641	-5,933	-4,987	-2,564	-1,112	1,617	883
Memoranda:								
65	Balance on goods (lines 2 and 16)	7,032	1,975	1,797	1,638	1,847	1,424	1,618
66	Balance on services (lines 3 and 17)	2,628	677	687	804	584	803	739
67	Balance on goods and services (lines 65 and 66)	9,660	2,652	2,484	2,442	2,431	2,227	2,357
68	Balance on investment income (lines 11 and 25)	5,036	1,877	1,096	837	826	953	824
69	Balance on goods, services, and income (lines 1 and 15 or lines 67 and 68) ¹³	14,696	4,529	3,580	3,279	3,257	3,180	3,181
70	Unilateral transfers, net (line 29)	-117	-27	-31	-24	-40	-39	-36
71	Balance on current account (lines 1, 15, and 29 or lines 69 and 70) ¹³	14,579	4,502	3,549	3,255	3,217	3,141	3,145

See footnotes on page 33.

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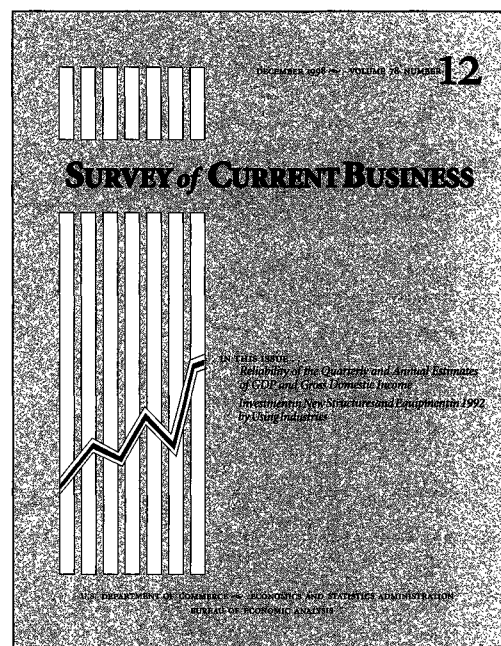
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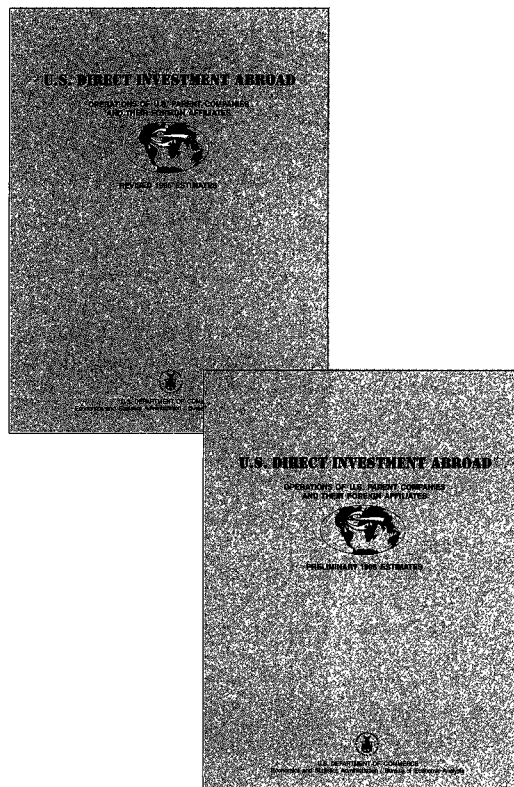
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1999 Release Dates for BEA Estimates

<i>Subject</i>	<i>Release Date*</i>	<i>Subject</i>	<i>Release Date*</i>
U.S. International Trade in Goods and Services, November 1998.....	Jan. 21 †	Personal Income and Outlays, May 1999.....	June 28
State Personal Income, 3rd quarter 1998.....	Jan. 26	International Investment Position of the United States, 1998.....	June 30
Gross Domestic Product, 4th quarter 1998 (advance)....	Jan. 29	U.S. International Trade in Goods and Services, May 1999.....	July 20 †
Personal Income and Outlays, December 1998.....	Feb. 1	State Personal Income, 1st quarter 1999.....	July 27
U.S. International Trade in Goods and Services, December 1998.....	Feb. 19 †	Gross Domestic Product, 2nd quarter 1999 (advance)...	July 29
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* These are target dates and are subject to revision.

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BEA CURRENT AND HISTORICAL DATA

National, International, and Regional Estimates

This section presents an extensive selection of economic statistics prepared by the Bureau of Economic Analysis and a much briefer selection of collateral statistics prepared by other Government agencies and private organizations. 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.

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The tables listed below present annual, quarterly, and monthly estimates, indicated as follows: [A] Annual estimates only; [Q] quarterly estimates only; [QA] quarterly and annual estimates; [MA] monthly and annual estimates.

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A. Selected NIPA Tables

The tables in this section include the most recent estimates of gross domestic product and its components; these estimates were released on December 23, 1998 and include the "final" estimates for the third quarter of 1998.

The selected set of NIPA tables shown in this section presents quarterly estimates, which are updated monthly. In most tables, the annual estimates are also shown. Most of the "annual only" NIPA tables were presented in the August 1998 SURVEY OF CURRENT BUSINESS; table 8.26 was presented in the September 1998 SURVEY; and the remaining "annual only" tables—tables 3.15–3.20 and 9.1–9.6—were presented in the October 1998 SURVEY.

The news release on gross domestic product (GDP) is available at the time of release, and the "Selected NIPA Tables" are available later that day, on STAT-USA's Economic Bulletin Board and Internet services; for information, call STAT-USA on 202-482-1986. In addition, the GDP news release is available the afternoon of the day of the release, and the "Selected NIPA Tables" a day or two later, on BEA's Web site <www.bea.doc.gov>.

The "Selected NIPA Tables" are also available on printouts or diskettes from BEA. To order NIPA subscription products using Visa or MasterCard, call the BEA Order Desk at 1-800-704-0415 (outside the United States, 202-606-9666).

1. National Product and Income

Table 1.1.—Gross Domestic Product

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Gross domestic product	7,661.6	8,110.9	8,063.4	8,170.8	8,254.5	8,384.2	8,440.6	8,537.9
Personal consumption expenditures	5,215.7	5,493.7	5,438.8	5,540.3	5,593.2	5,676.5	5,773.7	5,846.7
Durable goods	643.3	673.0	659.9	681.2	682.2	705.1	720.1	718.9
Nondurable goods	1,539.2	1,600.6	1,588.2	1,611.3	1,613.2	1,633.1	1,655.2	1,670.0
Services	3,033.2	3,220.1	3,190.7	3,247.9	3,297.8	3,338.2	3,398.4	3,457.7
Gross private domestic investment	1,131.9	1,256.0	1,259.9	1,265.7	1,292.0	1,366.6	1,345.0	1,364.4
Fixed investment	1,099.8	1,188.6	1,176.4	1,211.1	1,220.1	1,271.1	1,305.8	1,307.5
Nonresidential	787.9	860.7	850.5	882.3	882.8	921.3	941.9	931.6
Structures	216.9	240.2	234.3	243.8	246.4	245.0	245.4	246.2
Producers' durable equipment	571.0	620.5	616.2	638.5	636.4	676.3	696.6	685.4
Residential	311.8	327.9	325.9	328.8	337.4	349.8	363.8	375.8
Change in business inventories	32.1	67.4	83.5	54.6	71.9	95.5	39.2	57.0
Net exports of goods and services	-91.2	-93.4	-86.8	-94.7	-98.8	-123.7	-159.3	-165.5
Exports	873.8	965.4	961.1	981.7	988.6	973.3	949.6	936.2
Goods	618.3	688.3	682.9	700.2	708.9	694.5	668.8	663.3
Services	255.5	277.1	278.2	281.5	279.7	278.8	280.8	272.9
Imports	965.0	1,058.8	1,047.9	1,076.4	1,087.4	1,097.1	1,108.9	1,101.7
Goods	809.0	888.3	879.2	902.7	912.4	920.9	931.8	924.7
Services	156.0	170.4	168.7	173.6	174.9	176.2	177.1	177.0
Government consumption expenditures and gross investment	1,405.2	1,454.6	1,451.5	1,459.5	1,468.1	1,464.9	1,481.2	1,492.3
Federal	518.4	520.2	522.9	521.0	520.1	511.6	520.7	519.4
National defense	351.0	346.0	349.1	347.1	346.5	331.6	339.8	343.7
Nondefense	167.4	174.3	173.8	173.9	173.6	180.0	180.9	175.7
State and local	886.8	934.4	928.6	938.5	947.9	953.3	960.4	972.9

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

Table 1.2.—Real Gross Domestic Product

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Gross domestic product	6,994.8	7,269.8	7,236.5	7,311.2	7,364.6	7,464.7	7,498.6	7,566.5
Personal consumption expenditures	4,752.4	4,913.5	4,872.7	4,947.0	4,981.0	5,055.1	5,130.2	5,181.8
Durable goods	626.1	668.6	653.8	679.6	684.8	710.3	729.4	733.7
Nondurable goods	1,450.9	1,486.3	1,477.1	1,495.7	1,494.3	1,521.2	1,540.9	1,549.1
Services	2,676.7	2,761.5	2,743.6	2,775.4	2,804.8	2,829.3	2,866.8	2,904.8
Gross private domestic investment	1,084.1	1,206.4	1,211.3	1,215.8	1,241.9	1,321.8	1,306.5	1,331.6
Fixed investment	1,050.6	1,138.0	1,127.0	1,159.3	1,169.5	1,224.9	1,264.1	1,270.9
Nonresidential	776.6	859.4	848.2	882.2	886.2	931.9	960.4	958.7
Structures	189.7	203.2	199.3	205.2	205.7	203.1	201.9	202.0
Producers' durable equipment	589.8	660.9	653.8	682.6	686.4	738.8	771.3	769.3
Residential	275.9	282.8	282.5	282.3	287.9	298.5	309.1	316.5
Change in business inventories	30.0	63.2	79.0	51.0	66.5	91.4	38.2	55.7
Net exports of goods and services	-111.2	-136.1	-131.6	-142.4	-149.0	-198.5	-245.2	-259.0
Exports	860.0	970.0	963.6	998.1	998.8	991.9	972.1	965.3
Goods	629.4	726.5	719.1	740.6	754.9	748.5	726.3	727.3
Services	231.8	247.0	247.5	251.1	248.6	247.8	248.8	242.1
Imports	971.2	1,106.1	1,095.2	1,130.5	1,147.8	1,190.4	1,217.3	1,224.3
Goods	824.7	945.7	937.4	966.7	981.8	1,021.0	1,048.8	1,056.3
Services	147.3	161.8	159.2	165.2	167.5	171.3	171.0	170.8
Government consumption expenditures and gross investment	1,268.2	1,285.0	1,284.4	1,288.9	1,289.2	1,283.0	1,294.8	1,299.6
Federal	465.6	458.0	460.4	458.9	456.5	446.1	454.1	452.5
National defense	319.1	308.9	311.7	310.2	308.7	293.3	300.3	303.5
Nondefense	146.2	148.6	148.2	148.2	147.3	151.9	152.9	148.4
State and local	802.7	827.1	824.2	830.1	832.9	837.1	840.9	847.3
Residual	-1.5	-7.3	-6.7	-8.9	-8.9	-14.2	-8.4	-6.1

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Percent changes from preceding period for selected items in this table are shown in table 8.1; contributions to the percent change in real gross domestic product are shown in table 8.2.

Chain-type quantity indexes for the series in this table appear in table 7.1.

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

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Gross domestic product	7,661.6	8,110.9	8,063.4	8,170.8	8,254.5	8,384.2	8,440.6	8,537.9
Plus: Receipts of factor income from the rest of the world	235.5	265.5	268.3	274.3	266.3	270.3	270.6	265.0
Less: Payments of factor income to the rest of the world	223.1	273.5	269.4	283.0	285.9	285.1	289.3	292.1
Equals: Gross national product	7,674.0	8,102.9	8,062.3	8,162.0	8,234.9	8,369.4	8,421.8	8,510.9
Less: Consumption of fixed capital	832.0	871.8	866.5	877.0	887.6	894.5	902.3	912.3
Private	684.3	720.2	714.9	725.2	734.7	741.1	748.5	757.3
Capital consumption allowances	719.7	760.5	754.3	765.8	778.2	790.5	803.2	816.8
Less: Capital consumption adjustment	35.4	40.4	39.4	40.6	43.5	49.4	54.7	59.5
Government	147.7	151.6	151.6	151.8	152.9	153.4	153.7	155.0
General government	125.3	128.3	128.3	128.3	129.1	129.4	129.6	130.6
Government enterprises	22.4	23.4	23.3	23.5	23.7	24.0	24.2	24.4
Equals: Net national product	6,842.0	7,231.1	7,195.8	7,285.1	7,347.3	7,474.9	7,519.6	7,598.5
Less: Indirect business tax and nontax liability	606.4	627.2	625.0	632.0	634.5	641.9	647.7	656.5
Business transfer payments	33.8	35.1	35.0	35.4	35.6	35.6	36.0	36.3
Statistical discrepancy	-32.2	-55.8	-47.7	-65.1	-67.3	-54.1	-85.7	-102.0
Plus: Subsidies less current surplus of government enterprises	22.0	21.9	21.0	22.0	23.4	23.5	23.9	24.6
Equals: National income	6,256.0	6,646.5	6,604.5	6,704.8	6,767.9	6,875.0	6,945.5	7,032.3
Less: Corporate profits with inventory valuation and capital consumption adjustments	750.4	817.9	815.5	840.9	820.8	829.2	820.6	827.0
Net interest	418.6	432.0	431.8	433.3	432.4	440.5	447.1	454.0
Contributions for social insurance	688.0	727.0	722.1	730.8	740.9	755.0	762.9	771.6
Wage accruals less disbursements	9.3	3.7	3.7	3.7	3.7	4.0	4.0	4.0
Plus: Personal interest income	719.4	747.3	745.7	750.5	753.0	757.0	763.0	769.2
Personal dividend income	248.2	260.3	259.9	260.4	261.3	261.6	262.1	263.0
Government transfer payments to persons	1,041.5	1,083.3	1,079.7	1,086.7	1,093.1	1,111.2	1,117.7	1,124.6
Business transfer payments to persons	26.4	27.2	27.1	27.3	27.5	27.8	28.1	28.3
Equals: Personal income	6,425.2	6,784.0	6,743.6	6,820.9	6,904.9	7,003.9	7,081.9	7,160.8
Addenda:								
Gross domestic income	7,693.8	8,166.7	8,111.1	8,235.9	8,321.8	8,438.4	8,526.3	8,639.9
Gross national income	7,706.2	8,158.7	8,110.0	8,227.1	8,302.2	8,423.6	8,507.6	8,612.8
Net domestic product	6,829.6	7,239.1	7,196.9	7,293.8	7,366.9	7,489.8	7,538.3	7,625.6

Table 1.10.—Relation of Real Gross Domestic Product, Real Gross National Product, and Real Net National Product

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Gross domestic product	6,994.8	7,269.8	7,236.5	7,311.2	7,364.6	7,464.7	7,498.6	7,566.5
Plus: Receipts of factor income from the rest of the world	214.8	238.0	241.0	245.6	237.6	241.0	241.0	235.7
Less: Payments of factor income to the rest of the world	200.9	240.7	237.5	248.9	250.5	249.6	252.8	254.6
Equals: Gross national product	7,008.4	7,266.2	7,239.3	7,307.0	7,350.7	7,455.2	7,485.9	7,546.7
Less: Consumption of fixed capital	777.2	808.8	799.2	814.0	829.3	841.1	854.4	867.8
Private	642.4	672.2	668.7	676.0	683.1	694.4	707.2	719.8
Government	135.5	137.4	137.2	137.7	138.1	138.6	139.0	139.8
General government	114.8	116.1	116.0	116.3	116.6	116.9	117.2	117.8
Government enterprises	20.1	20.6	20.6	20.7	20.9	21.0	21.1	21.3
Equals: Net national product	6,230.9	6,457.3	6,437.3	6,493.3	6,525.1	6,617.8	6,635.8	6,683.8
Addenda:								
Gross domestic income ¹	7,024.1	7,319.7	7,279.3	7,369.5	7,424.7	7,512.9	7,574.8	7,656.8
Gross national income ²	7,037.7	7,316.2	7,282.1	7,365.2	7,410.8	7,503.4	7,562.1	7,637.0
Net domestic product	6,217.4	6,460.8	6,434.3	6,497.6	6,539.4	6,627.8	6,649.0	6,704.0

1. Gross domestic income deflated by the implicit price deflator for gross domestic product.
2. Gross national income deflated by the implicit price deflator for gross national product.
NOTE.—Except as noted in footnotes 1 and 2, chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.
Chain-type quantity indexes for the series in this table appear in table 7.3.

Table 1.11.—Command-Basis Real Gross National Product

[Billions of chained (1992) dollars]

Gross national product	7,008.4	7,266.2	7,239.3	7,307.0	7,350.7	7,455.2	7,485.9	7,546.7
Less: Exports of goods and services and receipts of factor income from the rest of the world	1,075.2	1,208.2	1,205.2	1,234.2	1,235.8	1,232.8	1,213.7	1,201.1
Plus: Command-basis exports of goods and services and receipts of factor income ¹	1,095.2	1,246.7	1,246.0	1,277.2	1,280.2	1,296.5	1,283.4	1,275.1
Equals: Command-basis gross national product	7,028.3	7,304.7	7,280.1	7,350.1	7,395.1	7,518.9	7,555.6	7,620.7
Addendum:								
Terms of trade ²	101.9	103.2	103.4	103.5	103.6	105.2	105.7	106.2

1. Exports of goods and services and receipts of factor income deflated by the implicit price deflator for imports of goods and services and payments of factor income.
2. Ratio of the implicit price deflator for exports of goods and services and receipts of factor income to the corresponding implicit price deflator for imports with the decimal point shifted two places to the right.
NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.
Percent changes from preceding period for selected items in this table are shown in table 8.1.
Chain-type quantity indexes for the series in this table appear in table 7.3.

3. Government Receipts, Current Expenditures, and Gross Investment

Table 3.1.—Government Receipts and Current Expenditures

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Receipts	2,411.0	2,589.2	2,564.9	2,616.0	2,650.3	2,703.6	2,745.2	2,779.7
Personal tax and nontax receipts	890.5	989.0	975.8	999.0	1,025.5	1,066.8	1,092.9	1,108.4
Corporate profits tax accruals	226.1	246.1	241.9	254.2	249.3	239.9	241.6	243.2
Indirect business tax and nontax accruals	606.4	627.2	625.0	632.0	634.5	641.9	647.7	656.5
Contributions for social insurance	688.0	727.0	722.1	730.8	740.9	755.0	762.9	771.6
Current expenditures	2,398.7	2,476.1	2,469.6	2,479.8	2,506.7	2,504.6	2,529.5	2,538.9
Consumption expenditures	1,175.5	1,219.2	1,218.8	1,222.3	1,231.6	1,227.5	1,248.7	1,252.6
Transfer payments (net)	1,057.7	1,096.0	1,089.6	1,096.6	1,114.6	1,121.1	1,126.7	1,135.8
To persons	1,041.5	1,083.3	1,079.7	1,086.7	1,093.1	1,111.2	1,117.7	1,124.6
To the rest of the world (net)	16.2	12.7	9.9	9.9	21.5	9.9	9.0	11.2
Net interest paid	157.1	153.8	154.9	153.7	152.3	148.2	146.2	141.9
Interest paid	315.7	316.9	317.7	317.7	317.2	314.3	314.5	312.0
To persons and business	248.3	229.4	230.1	226.9	226.5	224.4	223.4	221.7
To the rest of the world	67.4	87.5	87.6	90.8	90.7	89.9	91.0	90.3
Less: Interest received by government	158.6	163.1	162.8	164.0	164.9	166.1	168.3	170.1
Less: Dividends received by government	13.7	14.8	14.7	14.8	15.2	15.7	16.0	16.0
Subsidies less current surplus of government enterprises	22.0	21.9	21.0	22.0	23.4	23.5	23.9	24.6
Subsidies	34.0	33.4	33.6	33.3	32.7	31.8	31.4	31.0
Less: Current surplus of government enterprises	12.0	11.5	12.6	11.3	9.3	8.4	7.5	6.4
Less: Wage accruals less disbursements	0	0	0	0	0	0	0	0
Current surplus or deficit (-), national income and product accounts	12.3	113.1	95.3	136.2	143.6	199.0	215.7	240.7
Social insurance funds	125.0	138.5	135.2	140.8	148.5	152.0	158.3	163.8
Other	-112.7	-25.4	-39.9	-4.6	-4.9	47.0	57.4	76.9

Table 3.2.—Federal Government Receipts and Current Expenditures

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Receipts	1,584.7	1,719.9	1,703.6	1,739.6	1,765.5	1,809.1	1,838.3	1,858.8
Personal tax and nontax receipts	687.0	769.1	759.1	776.9	798.6	836.5	855.7	863.8
Income taxes	666.9	745.8	735.8	753.7	774.2	810.0	826.3	836.5
Estate and gift taxes	17.5	20.6	20.6	20.5	21.6	23.5	26.2	23.8
Nontaxes	2.6	2.7	2.6	2.7	2.8	3.0	3.2	3.5
Corporate profits tax accruals	193.0	210.0	206.5	217.0	212.8	204.8	206.2	207.5
Federal Reserve banks	20.1	20.6	20.2	20.8	21.2	21.6	21.5	21.8
Other	172.9	189.5	186.3	196.2	191.6	183.2	184.7	185.7
Indirect business tax and nontax accruals	94.5	93.8	95.5	95.1	93.8	93.9	95.2	98.3
Excise taxes	55.9	59.5	60.5	59.7	60.8	60.7	61.9	63.8
Customs duties	19.2	19.6	20.4	20.5	18.9	19.1	19.3	20.7
Nontaxes	19.4	14.6	14.6	14.9	14.2	14.1	13.9	13.7
Contributions for social insurance	610.2	647.0	642.4	650.6	660.3	673.9	681.2	689.2
Current expenditures	1,695.0	1,741.0	1,738.4	1,739.9	1,763.4	1,750.3	1,763.9	1,766.7
Consumption expenditures	450.9	460.4	464.8	460.0	460.1	450.9	464.0	458.7
Transfer payments (net)	764.2	791.9	787.1	791.2	805.9	808.5	811.1	817.0
To persons	748.0	779.2	777.3	781.2	784.4	798.6	802.1	805.8
To the rest of the world (net)	16.2	12.7	9.9	9.9	21.5	9.9	9.0	11.2
Grants-in-aid to State and local governments	218.9	225.0	223.2	224.4	231.8	228.7	226.9	231.4
Net interest paid	228.4	231.2	231.6	231.9	231.8	228.8	228.3	225.7
Interest paid	252.4	253.6	254.5	254.4	253.8	250.7	250.6	248.0
To persons and business	185.0	166.1	166.9	163.6	163.1	160.7	159.6	157.7
To the rest of the world	67.4	87.5	87.6	90.8	90.7	89.9	91.0	90.3
Less: Interest received by government	24.0	22.4	22.8	22.5	22.0	21.8	22.3	22.3
Subsidies less current surplus of government enterprises	32.7	32.5	31.6	32.5	33.7	33.4	33.5	34.0
Subsidies	33.7	33.0	33.3	32.9	32.4	31.5	31.0	30.6
Less: Current surplus of government enterprises	1.0	.5	1.7	.4	-1.4	-1.9	-2.5	-3.4
Less: Wage accruals less disbursements	0	0	0	0	0	0	0	0
Current surplus or deficit (-), national income and product accounts	-110.3	-21.1	-34.8	-3	2.2	58.8	74.4	92.0
Social insurance funds	54.6	70.3	66.7	72.9	80.9	84.5	90.6	96.4
Other	-164.9	-91.4	-101.5	-73.3	-78.7	-25.7	-16.2	-4.4

Table 3.3.—State and Local Government Receipts and Current Expenditures

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Receipts	1,045.2	1,094.3	1,084.5	1,100.8	1,116.5	1,123.3	1,133.8	1,152.3
Personal tax and nontax receipts	203.5	219.9	216.7	222.1	226.9	230.4	237.2	244.6
Income taxes	151.9	164.3	161.6	166.1	169.9	172.3	178.3	184.5
Nontaxes	29.5	32.0	31.7	32.3	32.9	33.6	34.2	34.9
Other	22.1	23.6	23.4	23.8	24.1	24.5	24.7	25.3
Corporate profits tax accruals	33.1	36.0	35.4	37.3	36.5	35.1	35.4	35.7
Indirect business tax and nontax accruals	511.9	533.4	529.5	536.9	540.7	548.0	552.5	558.2
Sales taxes	252.0	261.5	259.1	261.9	265.7	268.4	270.4	271.1
Property taxes	202.7	209.1	208.3	209.9	211.5	213.9	216.3	218.5
Other	57.2	62.8	62.1	65.1	63.5	65.7	65.9	68.6
Contributions for social insurance	77.8	79.9	79.7	80.2	80.6	81.1	81.7	82.4
Federal grants-in-aid	218.9	225.0	223.2	224.4	231.8	228.7	226.9	231.4
Current expenditures	922.6	960.1	954.4	964.3	975.1	983.0	992.5	1,003.6
Consumption expenditures	724.7	758.8	754.0	762.2	771.5	776.7	784.7	793.9
Transfer payments to persons ...	293.5	304.1	302.5	305.5	308.6	312.6	315.6	318.8
Net interest paid	-71.3	-77.4	-76.7	-78.2	-79.5	-80.7	-82.2	-83.7
Interest paid	63.3	63.3	63.2	63.3	63.4	63.6	63.8	64.0
Less: Interest received by government	134.5	140.6	140.0	141.5	142.9	144.3	146.0	147.7
Less: Dividends received by government	13.7	14.8	14.7	14.8	15.2	15.7	16.0	16.0
Subsidies less current surplus of government enterprises	-10.7	-10.6	-10.6	-10.5	-10.3	-9.9	-9.6	-9.4
Subsidies .....	.4	.4	.4	.4	.4	.4	.4	.4
Less: Current surplus of government enterprises	11.0	10.9	11.0	10.9	10.7	10.3	10.0	9.8
Less: Wage accruals less disbursements	0	0	0	0	0	0	0	0
Current surplus or deficit (-), national income and product accounts	122.6	134.1	130.1	136.6	141.4	140.2	141.3	148.7
Social insurance funds	70.4	68.1	68.5	67.9	67.6	67.5	67.7	67.4
Other	52.2	66.0	61.6	68.7	73.8	72.7	73.6	81.3

Table 3.10.—National Defense Consumption Expenditures and Gross Investment

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
National defense consumption expenditures and gross investment¹	351.0	346.0	349.1	347.1	346.5	331.6	339.8	343.7
Consumption expenditures	304.1	306.3	310.4	306.0	304.8	293.3	303.0	302.9
Durable goods²	21.1	20.7	21.7	19.6	20.8	20.4	20.8	21.8
Aircraft	9.0	9.6	10.3	8.7	9.7	9.3	10.1	9.9
Missiles	3.0	2.6	2.6	2.5	2.7	2.4	2.2	2.7
Ships .....	.9	.7	.7	.7	.7	.6	.6	.6
Vehicles .....	.8	.9	.9	.9	1.0	1.0	.9	1.0
Electronics	2.5	2.6	2.7	2.7	2.4	2.6	2.5	2.5
Other durable goods	4.9	4.3	4.5	4.1	4.4	4.4	4.6	5.1
Nondurable goods	7.6	7.4	7.2	7.4	7.2	6.5	6.4	7.3
Petroleum products	3.4	2.9	3.1	3.1	2.5	2.0	2.0	2.0
Ammunition	1.3	1.5	1.5	1.2	1.7	1.4	1.2	2.3
Other nondurable goods	2.9	3.0	2.7	3.2	3.1	3.1	3.1	3.0
Services	275.3	278.2	281.4	279.1	276.7	266.4	275.8	273.8
Compensation of general government employees, except force-account construction ³	133.8	133.3	133.5	133.1	131.9	133.4	132.2	132.3
Military	84.3	84.2	84.1	84.1	83.7	85.0	84.4	84.5
Civilian	49.5	49.1	49.4	48.9	48.2	48.4	47.8	47.8
Consumption of general government fixed capital ⁴	56.8	56.3	56.7	56.0	55.7	55.3	54.8	54.5
Other services	84.7	88.6	91.2	90.0	89.1	77.7	88.9	87.0
Research and development	25.9	28.9	31.3	29.3	28.6	22.0	27.5	28.4
Installation support	27.2	26.3	26.8	26.9	25.7	25.1	25.8	25.2
Weapons support	5.7	6.4	6.3	6.9	7.0	5.6	6.4	5.8
Personnel support	18.8	20.1	19.7	20.4	21.0	18.6	21.5	20.3
Transportation of material	4.9	4.6	4.5	4.5	4.7	4.6	4.7	4.7
Travel of persons	4.0	3.6	3.6	3.6	3.6	3.5	3.5	3.5
Other	-1.9	-1.3	-1.0	-1.5	-1.4	-1.8	-6	-8
Gross investment	46.9	39.7	38.7	41.1	41.7	38.3	36.8	40.9
Structures	6.7	5.7	5.6	5.7	5.7	5.4	4.9	5.5
Equipment	40.2	34.0	33.2	35.4	36.1	32.9	31.9	35.4
Aircraft	9.2	6.0	3.7	7.1	8.3	5.1	4.3	6.1
Missiles	4.3	3.0	2.9	3.1	3.1	3.2	2.7	2.9
Ships	6.8	6.1	6.7	6.4	5.8	6.3	6.0	6.5
Vehicles	1.1	1.5	1.5	1.5	1.4	1.3	1.8	1.5
Electronics	3.5	3.6	3.8	3.6	3.2	3.4	3.6	3.3
Other equipment	15.3	13.9	14.7	13.6	14.3	13.6	13.5	15.1
Addendum:								
Compensation of general government employees ³	133.8	133.3	133.5	133.1	131.9	133.5	132.2	132.3

1. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.

2. Consumption expenditures for durable goods excludes expenditures classified as investment, except for goods transferred to foreign countries.

3. Compensation of government employees engaged in new force-account construction and related expenditures for goods and services are classified as investment in structures. The compensation of all general government employees is shown in the addendum.

4. Consumption of fixed capital, or depreciation, is included in government consumption expenditures as a partial measure of the value of the services of general government fixed assets; use of depreciation assumes a zero net return on these assets.

Table 3.11.—Real National Defense Consumption Expenditures and Real Gross Investment

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
National defense consumption expenditures and gross investment¹	319.1	308.9	311.7	310.2	308.7	293.3	300.3	303.5
Consumption expenditures	276.6	272.4	276.2	272.3	270.0	257.9	266.1	265.1
Durable goods²	20.8	20.4	21.4	19.2	20.6	20.1	20.7	21.7
Aircraft	8.7	9.4	10.0	8.5	9.6	9.1	9.9	9.7
Missiles	3.2	2.7	2.8	2.6	2.8	2.5	2.3	2.9
Ships .....	.8	.7	.7	.7	.6	.7	.6	.6
Vehicles .....	.7	.8	.8	.8	.8	.8	.7	.8
Electronics	2.6	2.8	2.9	2.9	2.6	2.8	2.7	2.8
Other durable goods	4.7	4.1	4.2	3.8	4.2	4.2	4.4	4.8
Nondurable goods	7.0	7.0	6.8	7.1	6.9	6.7	6.7	7.8
Petroleum products	3.1	2.8	3.0	3.2	2.5	2.5	2.7	2.8
Ammunition	1.2	1.4	1.4	1.1	1.6	1.3	1.2	2.2
Other nondurable goods	2.8	2.8	2.6	3.0	2.9	2.9	2.9	2.8
Services	248.6	244.9	247.8	245.7	242.4	231.1	238.7	235.9
Compensation of general government employees, except force-account construction ³	117.2	112.9	113.2	112.9	111.4	110.6	109.5	109.4
Military	76.9	74.8	74.7	74.9	74.3	73.8	73.1	73.2
Civilian	40.4	38.3	38.6	38.2	37.3	37.0	36.7	36.5
Consumption of general government fixed capital ⁴	51.5	50.5	50.6	50.3	50.0	49.6	49.3	49.0
Other services	80.1	81.8	84.6	82.9	81.5	70.8	80.3	77.8
Research and development	26.2	28.5	31.0	28.7	27.9	21.4	26.6	27.4
Installation support	24.9	23.8	24.4	24.3	23.1	22.6	23.1	22.2
Weapons support	5.2	5.6	5.5	6.1	6.1	4.9	5.6	5.0
Personnel support	17.0	17.5	17.2	17.8	18.0	15.8	18.1	16.8
Transportation of material	4.9	4.5	4.4	4.3	4.6	4.5	4.5	4.5
Travel of persons	3.8	3.4	3.4	3.3	3.3	3.1	3.1	3.1
Other	-1.7	-1.1	-9	-1.3	-1.2	-1.5	-5	-7
Gross investment	42.6	36.5	35.4	37.9	38.7	35.4	34.1	38.5
Structures	5.5	4.5	4.4	4.5	4.5	4.3	3.8	4.3
Equipment	37.0	31.9	30.9	33.3	34.2	31.0	30.3	34.2
Aircraft	6.9	4.9	2.9	5.9	7.0	4.2	3.5	5.4
Missiles	4.6	3.1	2.9	3.3	3.2	3.2	2.8	2.9
Ships	6.1	5.4	5.9	5.6	5.1	5.6	5.4	5.8
Vehicles	1.0	1.3	1.4	1.4	1.3	1.2	1.6	1.4
Electronics	4.4	4.9	5.2	5.1	4.6	5.0	5.4	5.3
Other equipment	14.4	13.0	13.7	12.7	13.4	12.7	12.6	14.1
Residual	-7	-1.5	-2.0	-1.5	-1.4	-9	-1.8	-2.1
Addendum:								
Compensation of general government employees ³	117.2	112.9	113.2	112.9	111.4	110.6	109.5	109.5

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines, excluding the line in the addendum.

Chain-type indexes for the series in the table appear in table 7.12.
See footnotes to table 3.10.

4. Foreign Transactions

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

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Receipts from the rest of the world	1,109.3	1,230.9	1,229.4	1,256.0	1,254.9	1,243.6	1,220.2	1,201.2
Exports of goods and services ...	873.8	965.4	961.1	981.7	988.6	973.3	949.6	936.2
Goods ¹	618.3	688.3	682.9	700.2	708.9	694.5	668.8	663.3
Durable	421.6	483.0	478.7	495.3	498.7	495.4	474.3	476.6
Nondurable	196.7	205.3	204.2	204.9	210.2	199.2	194.5	186.6
Services ¹	255.5	277.1	278.2	281.5	279.7	278.8	280.8	272.9
Receipts of factor income	235.5	265.5	268.3	274.3	266.3	270.3	270.6	265.0
Capital grants received by the United States (net)	0	0	0	0	0	0	0	0
Payments to the rest of the world	1,109.3	1,230.9	1,229.4	1,256.0	1,254.9	1,243.6	1,220.2	1,201.2
Imports of goods and services ...	965.0	1,058.8	1,047.9	1,076.4	1,087.4	1,097.1	1,108.9	1,101.7
Goods ¹	809.0	888.3	879.2	902.7	912.4	920.9	931.8	924.7
Durable	533.6	589.5	583.7	600.5	608.7	625.6	634.1	630.1
Nondurable	275.4	298.8	295.5	302.3	303.7	295.2	297.7	294.6
Services ¹	156.0	170.4	168.7	173.6	174.9	176.2	177.1	177.0
Payments of factor income	223.1	273.5	269.4	283.0	285.9	285.1	289.3	292.1
Transfer payments (net)	40.4	39.5	36.0	37.6	49.4	37.0	36.8	39.1
From persons (net)	16.9	18.9	18.2	19.5	19.8	19.2	19.9	20.0
From government (net)	16.2	12.7	9.9	9.9	21.5	9.9	9.0	11.2
From business	7.3	8.0	8.0	8.1	8.1	7.9	7.9	8.0
Net foreign investment	-119.2	-140.9	-123.9	-141.0	-167.8	-175.6	-214.8	-231.6

1. Exports and imports of certain goods, primarily military equipment purchased and sold by the Federal Government, are included in services. Beginning with 1986, repairs and alterations of equipment are reclassified from goods to services.

Table 4.2.—Real Exports and Imports of Goods and Services and Receipts and Payments of Factor Income

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Exports of goods and services	860.0	970.0	963.6	988.1	998.8	991.9	972.1	965.3
Goods ¹	629.4	726.5	719.1	740.6	754.9	748.5	726.3	727.3
Durable	464.1	554.5	548.6	570.4	578.1	577.9	556.2	562.9
Nondurable	169.3	180.8	179.2	180.4	186.3	181.1	179.3	174.9
Services ¹	231.8	247.0	247.5	251.1	248.6	247.8	248.8	242.1
Receipts of factor income	214.8	238.0	241.0	245.6	237.6	241.0	241.0	235.7
Imports of goods and services	971.2	1,106.1	1,095.2	1,130.5	1,147.8	1,190.4	1,217.3	1,224.3
Goods ¹	824.7	945.7	937.4	966.7	981.8	1,021.0	1,048.8	1,056.3
Durable	571.7	667.7	659.2	681.2	696.6	726.9	745.5	749.8
Nondurable	253.4	280.3	280.0	287.7	288.1	297.6	306.7	309.9
Services ¹	147.3	161.8	159.2	165.2	167.5	171.3	171.0	170.8
Payments of factor income	200.9	240.7	237.5	248.9	250.5	249.6	252.8	254.6

1. Exports and imports of certain goods, primarily military equipment purchased and sold by the Federal Government, are included in services. Beginning with 1986, repairs and alterations of equipment are reclassified from goods to services.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. Chain-type quantity indexes for the series in this table appear in table 7.9.

5. Saving and Investment

Table 5.1.—Gross Saving and Investment
[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Gross saving	1,274.5	1,406.3	1,416.3	1,427.0	1,428.0	1,482.5	1,448.5	1,474.5
Gross private saving	1,114.5	1,141.6	1,169.5	1,139.0	1,131.6	1,130.1	1,079.0	1,078.7
Personal saving	158.5	121.0	151.9	98.5	98.2	73.0	25.6	12.6
Undistributed corporate profits with inventory valuation and capital consumption adjustments	262.4	296.7	299.0	311.5	295.0	312.0	300.9	304.8
Undistributed profits	192.3	213.2	213.2	229.5	210.6	201.8	203.7	198.3
Inventory valuation adjustment	-1.2	6.9	10.3	4.8	4.3	25.3	7.8	11.7
Capital consumption adjustment	71.4	76.6	75.5	77.2	80.1	84.9	89.4	94.8
Corporate consumption of fixed capital	452.0	477.3	473.7	480.8	487.7	492.5	497.8	503.1
Noncorporate consumption of fixed capital	232.3	242.8	241.3	244.4	247.0	248.6	250.7	254.2
Wage accruals less disbursements	9.3	3.7	3.7	3.7	3.7	4.0	4.0	4.0
Gross government saving	160.0	264.7	246.9	288.0	296.4	352.4	369.4	395.7
Federal	-39.6	49.5	36.1	70.0	72.3	128.7	143.9	161.6
Consumption of fixed capital	70.6	70.6	70.9	70.3	70.2	69.9	69.5	69.6
Current surplus or deficit (-), national income and product accounts	-110.3	-21.1	-34.8	-3	2.2	58.8	74.4	92.0
State and local	199.6	215.2	210.7	218.0	224.1	223.7	225.6	234.2
Consumption of fixed capital	77.1	81.1	80.6	81.4	82.7	83.5	84.3	85.4
Current surplus or deficit (-), national income and product accounts	122.6	134.1	130.1	136.6	141.4	140.2	141.3	148.7
Capital grants received by the United States (net)	0	0	0	0	0	0	0	0
Gross investment	1,242.3	1,350.5	1,368.6	1,361.9	1,360.7	1,428.4	1,362.7	1,372.5
Gross private domestic investment	1,131.9	1,256.0	1,259.9	1,265.7	1,292.0	1,366.6	1,345.0	1,364.4
Gross government investment	229.7	235.4	232.6	237.3	236.5	237.4	232.5	239.7
Net foreign investment	-119.2	-140.9	-123.9	-141.0	-167.8	-175.6	-214.8	-231.6
Statistical discrepancy	-32.2	-55.8	-47.7	-65.1	-67.3	-54.1	-85.7	-102.0
Addendum:								
Gross saving as a percentage of gross national product	16.6	17.4	17.6	17.5	17.3	17.7	17.2	17.3

Table 5.4.—Private Fixed Investment by Type
[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Private fixed investment	1,099.8	1,188.6	1,176.4	1,211.1	1,220.1	1,271.1	1,305.8	1,307.5
Nonresidential	787.9	860.7	850.5	882.3	882.8	921.3	941.9	931.6
Structures	216.9	240.2	234.3	243.8	246.4	245.0	245.4	246.2
Nonresidential buildings, including farm	160.9	177.3	172.9	180.0	178.9	180.6	181.8	183.7
Utilities	31.7	33.5	33.4	34.1	34.1	34.2	34.7	35.0
Mining exploration, shafts, and wells	18.1	22.7	22.2	23.8	24.3	23.5	22.4	20.7
Other structures	6.2	6.7	5.8	6.1	9.2	6.6	6.5	6.8
Producers' durable equipment	571.0	620.5	616.2	638.5	636.4	676.3	696.6	685.4
Information processing and related equipment	189.4	206.6	202.6	213.0	213.6	226.5	231.6	235.2
Computers and peripheral equipment ¹	74.4	81.1	79.9	84.0	83.7	91.8	94.8	95.6
Other	114.9	125.5	122.7	129.0	129.9	134.7	136.8	139.5
Industrial equipment	131.7	138.6	138.9	140.7	142.1	145.4	146.8	147.4
Transportation and related equipment	137.2	152.0	151.9	158.8	155.9	172.4	181.2	164.0
Other	112.7	123.3	122.8	126.0	124.8	132.0	137.0	138.8
Residential	311.8	327.9	325.9	328.8	337.4	349.8	363.8	375.8
Structures	304.3	319.9	317.9	320.8	329.4	341.5	355.4	367.3
Single family	159.1	164.4	163.5	164.0	168.7	175.8	183.8	190.9
Multifamily	20.3	22.6	22.7	22.0	23.8	25.1	23.5	23.9
Other structures	124.8	132.8	131.8	134.7	136.8	140.6	148.1	152.6
Producers' durable equipment	7.6	8.0	8.0	8.0	8.0	8.3	8.5	8.5

1. Includes new computers and peripheral equipment only.

Table 5.5.—Real Private Fixed Investment by Type
[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Private fixed investment	1,050.6	1,138.0	1,127.0	1,159.3	1,169.5	1,224.9	1,264.1	1,270.9
Nonresidential	776.6	859.4	848.2	882.2	886.2	931.9	960.4	958.7
Structures	189.7	203.2	199.3	205.2	205.7	203.1	201.9	202.0
Nonresidential buildings, including farm	141.0	150.5	147.8	152.0	149.5	150.1	149.8	150.1
Utilities	27.8	28.7	28.6	29.1	29.2	29.2	29.5	29.7
Mining exploration, shafts, and wells	15.3	17.9	17.6	18.6	18.9	17.9	17.0	16.4
Other structures	5.5	5.8	5.1	5.2	7.8	5.6	5.5	5.8
Producers' durable equipment	589.8	660.9	653.8	682.6	686.4	738.8	771.3	769.3
Information processing and related equipment	245.4	298.0	288.1	311.5	320.7	353.4	376.8	399.6
Computers and peripheral equipment ¹	151.3	214.8	203.9	229.9	242.9	292.2	331.5	370.5
Other	115.4	126.6	123.7	130.0	131.5	136.7	139.7	142.8
Industrial equipment	120.5	125.9	126.4	127.7	128.6	131.5	132.5	133.1
Transportation and related equipment	127.6	140.3	140.5	145.9	143.8	159.6	167.9	151.7
Other	104.2	113.0	112.4	115.6	114.1	120.2	124.6	125.8
Residential	275.9	282.8	282.5	282.3	287.9	298.5	309.1	316.5
Structures	268.6	275.1	274.9	274.5	280.1	290.5	300.9	308.3
Single family	136.6	137.2	137.2	136.1	139.0	145.2	151.3	155.6
Multifamily	18.7	20.2	20.3	19.5	21.0	22.1	20.7	20.8
Other structures	113.8	118.5	118.0	119.7	120.9	123.8	129.6	132.6
Producers' durable equipment	7.3	7.7	7.6	7.8	7.8	8.0	8.2	8.2
Residual	-34.4	-69.1	-62.1	-77.8	-85.5	-117.2	-143.7	-172.2

1. Includes new computers and peripheral equipment only.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines. Chain-type quantity indexes for the series in this table appear in table 7.6.

Table 5.10.—Change in Business Inventories by Industry Group

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Change in business inventories	32.1	67.4	83.5	54.6	71.9	95.5	39.2	57.0
Farm	7.6	4.3	6.2	7.3	4.9	5.0	7.7	7.7
Nonfarm	24.5	63.1	77.2	47.3	66.9	90.5	31.5	49.3
Change in book value ¹	28.7	52.1	63.2	41.8	61.1	56.3	21.2	32.0
Inventory valuation adjustment ²	-4.2	11.0	14.0	5.5	5.9	34.3	10.3	17.3
Manufacturing	12.8	21.4	28.4	16.9	18.7	31.8	25.1	20.1
Durable goods	9.9	12.5	19.2	8.8	8.4	21.9	19.9	12.3
Nondurable goods	2.9	8.9	9.2	8.0	10.4	9.9	5.3	7.7
Wholesale trade	3.7	23.3	29.9	17.5	21.5	28.1	7.9	30.5
Durable goods	4.3	13.8	25.7	4.6	8.9	25.8	1.6	15.5
Nondurable goods	-6	9.5	4.1	12.9	12.6	2.3	6.2	15.0
Merchant wholesalers	2.7	19.6	23.0	15.6	19.0	26.0	4.8	29.2
Durable goods	3.4	11.4	20.7	3.7	7.3	23.3	-1	13.8
Nondurable goods	-7	8.2	2.3	11.9	11.7	2.7	5.0	15.4
Nonmerchant wholesalers	1.1	3.8	6.9	1.9	2.5	2.0	3.0	1.3
Durable goods	1.0	2.4	5.1	.9	1.6	2.4	1.8	1.7
Nondurable goods .....	.1	1.4	1.8	1.0	.9	-4	1.2	-4
Retail trade	6.3	7.3	6.5	5.5	17.8	18.3	-12.7	-5.5
Durable goods	4.4	5.1	1.6	3.7	15.3	1.8	-17.8	-8.2
Motor vehicle dealers ³	2.2	1.3	-3.8	.8	11.7	-4.1	-15.3	-10.0
Other ³	2.2	3.9	5.5	2.9	3.5	5.9	-2.5	1.8
Nondurable goods	1.9	2.2	4.9	1.7	2.5	16.5	5.1	2.7
Other	1.6	11.0	12.4	7.4	8.9	12.3	11.2	4.3
Durable goods	2.1	2.2	2.2	2.7	1.4	.4	.8	-1
Nondurable goods	-5	8.8	10.2	4.7	7.5	11.9	10.4	4.4

1. Beginning with 1982, this series is derived from the Census Bureau series "current cost inventories." For earlier periods, it is derived from the Census Bureau "book value inventories" series. The series differ in the treatment of inventories reported on a last-in, first-out (LIFO) basis: The series prior to 1982 is a mix of LIFO and non-LIFO inventories; the series beginning with 1982 is entirely on a non-LIFO basis.

2. Beginning with 1973, 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 inventories derived primarily from Census Bureau statistics (see footnote 1). This mix differs from that underlying business income derived primarily from Internal Revenue Service statistics. Prior to 1973, the two IVAs are the same because information required for separate estimates is not available.

3. Prior to 1981, inventories of auto and home supply stores are included in motor vehicle dealers. Beginning with 1981, these inventories are included in "other durable goods."

Table 5.11.—Real Change in Business Inventories by Industry Group

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Change in business inventories	30.0	63.2	79.0	51.0	66.5	91.4	38.2	55.7
Farm	7.1	4.3	6.8	7.3	3.7	5.3	8.7	9.1
Nonfarm	23.2	58.8	72.1	44.0	62.7	85.9	29.9	47.0
Manufacturing	12.0	20.1	26.7	15.8	17.7	30.2	23.9	19.2
Durable goods	9.5	12.0	18.4	8.4	8.1	21.0	19.1	12.0
Nondurable goods	2.6	8.1	8.4	7.4	9.5	9.2	4.9	7.2
Wholesale trade	4.1	22.0	28.3	16.7	20.2	27.0	7.6	29.6
Durable goods	4.2	13.3	24.9	4.5	8.6	25.1	1.6	15.2
Nondurable goods .....	.1	8.7	3.9	11.8	11.4	2.3	5.9	14.3
Merchant wholesalers	3.1	18.5	21.8	14.9	17.8	24.8	4.7	28.3
Durable goods	3.2	11.0	20.0	3.6	7.0	22.6	-2	13.5
Nondurable goods	0	7.5	2.2	10.9	10.5	2.6	4.7	14.5
Nonmerchant wholesalers	1.0	3.6	6.6	1.8	2.4	2.1	3.0	1.3
Durable goods .....	.9	2.3	4.9	.9	1.5	2.4	1.8	1.7
Nondurable goods .....	.1	1.2	1.7	.9	.9	-3	1.2	-4
Retail trade	5.9	6.8	6.0	5.0	16.9	17.3	-11.9	-5.3
Durable goods	4.0	4.7	1.4	3.4	14.1	1.6	-16.3	-7.7
Motor vehicle dealers	1.9	1.1	-3.5	.7	10.5	-3.7	-13.8	-9.1
Other	2.1	3.6	5.1	2.7	3.3	5.5	-2.3	1.7
Nondurable goods	1.8	2.1	4.7	1.6	2.5	16.1	4.9	2.6
Other	1.3	9.9	11.1	6.5	8.1	11.5	10.4	4.0
Durable goods	1.8	1.9	1.9	2.3	1.2	.4	.7	-1
Nondurable goods	-6	8.1	9.3	4.2	6.9	11.5	10.0	4.3
Residual	-4	0	-9	.1	.9	-1.2	-1.5	-1.3

NOTE.—Chained (1992) dollar series for real change in business inventories are calculated as the period-to-period change in chained-dollar end-of-period inventories. Quarterly changes in end-of-period inventories are stated at annual rates. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Table 5.12.—Inventories and Domestic Final Sales of Business by Industry Group

[Billions of dollars]

	Seasonally adjusted quarterly totals					
	1997			1998		
	II	III	IV	I	II	III
Inventories ¹	1,323.3	1,339.9	1,348.4	1,363.6	1,366.5	1,369.1
Farm	109.2	110.5	109.1	110.8	108.9	103.9
Nonfarm	1,214.1	1,229.4	1,239.3	1,252.8	1,257.6	1,265.2
Durable goods	700.6	704.1	711.0	721.5	720.0	721.8
Nondurable goods	513.5	525.2	528.3	531.3	537.6	543.4
Manufacturing	454.1	458.6	462.0	466.1	469.1	471.1
Durable goods	284.2	286.0	287.9	292.1	295.4	296.1
Nondurable goods	169.9	172.7	174.1	174.0	173.7	175.0
Wholesale trade	311.9	317.8	321.0	324.8	326.0	332.0
Durable goods	198.3	199.1	200.5	206.2	205.6	208.4
Nondurable goods	113.6	118.8	120.5	118.6	120.4	123.6
Merchant wholesalers	267.7	272.9	276.0	280.2	280.7	286.7
Durable goods	171.8	172.4	173.6	178.7	177.9	180.4
Nondurable goods	95.8	100.4	102.5	101.4	102.8	106.3
Nonmerchant wholesalers	44.2	45.0	44.9	44.6	45.2	45.4
Durable goods	26.4	26.6	26.9	27.4	27.7	28.0
Nondurable goods	17.8	18.4	18.0	17.2	17.5	17.3
Retail trade	316.3	318.1	321.4	325.3	323.6	323.0
Durable goods	171.5	172.1	175.3	175.8	171.3	169.8
Motor vehicle dealers	85.4	85.6	88.0	86.9	83.2	81.2
Other	86.0	86.5	87.4	88.8	88.1	88.6
Nondurable goods	144.9	146.0	146.0	149.5	152.3	153.2
Other	131.9	134.8	135.0	136.6	138.9	139.1
Durable goods	46.7	47.1	47.3	47.4	47.6	47.5
Nondurable goods	85.2	87.8	87.7	89.2	91.3	91.6
Final sales of domestic business ²	559.1	569.7	574.6	582.3	590.6	596.0
Final sales of goods and structures of domestic business ²	299.4	305.7	306.8	312.5	315.2	316.9
Ratio of inventories to final sales of domestic business						
Inventories to final sales	2.37	2.35	2.35	2.34	2.31	2.30
Nonfarm inventories to final sales	2.17	2.16	2.16	2.15	2.13	2.12
Nonfarm inventories to final sales of goods and structures	4.05	4.02	4.04	4.01	3.99	3.99

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 GDP. 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. Final sales of domestic business equals final sales of domestic product less gross product of households and institutions and of general government and includes a small amount of final sales by farm.

Table 5.13.—Real Inventories and Real Domestic Final Sales of Business by Industry Group

[Billions of chained (1992) dollars]

	Seasonally adjusted quarterly totals					
	1997			1998		
	II	III	IV	I	II	III
Inventories ¹	1,248.1	1,260.8	1,277.5	1,300.3	1,309.9	1,323.8
Farm	106.8	108.6	109.6	110.9	113.1	115.3
Nonfarm	1,140.7	1,151.7	1,167.4	1,188.9	1,196.4	1,208.1
Durable goods	659.7	664.4	672.4	684.2	685.3	689.9
Nondurable goods	481.0	487.3	494.9	504.6	511.0	518.1
Manufacturing	426.8	430.8	435.2	442.8	448.7	453.5
Durable goods	271.7	273.8	275.8	281.1	285.9	288.9
Nondurable goods	155.3	157.1	159.5	161.8	163.0	164.8
Wholesale trade	295.6	299.8	304.9	311.6	313.5	320.9
Durable goods	191.2	192.4	194.5	200.8	201.2	205.0
Nondurable goods	104.8	107.7	110.6	111.2	112.6	116.2
Merchant wholesalers	253.1	256.8	261.3	267.5	268.7	275.7
Durable goods	165.3	166.2	168.0	173.6	173.6	177.0
Nondurable goods	88.2	90.9	93.5	94.1	95.3	99.0
Nonmerchant wholesalers	42.5	43.0	43.6	44.1	44.8	45.2
Durable goods	25.9	26.2	26.5	27.1	27.6	28.0
Nondurable goods	16.6	16.9	17.1	17.0	17.3	17.2
Retail trade	297.5	298.7	302.9	307.3	304.3	302.9
Durable goods	156.8	157.6	161.2	161.8	157.5	155.6
Motor vehicle dealers	76.8	77.0	79.6	78.7	75.3	73.0
Other	80.0	80.7	81.5	82.9	82.3	82.8
Nondurable goods	140.3	140.7	141.3	145.3	146.6	147.2
Other	120.8	122.4	124.4	127.3	129.9	130.9
Durable goods	40.1	40.7	41.0	41.0	41.2	41.2
Nondurable goods	80.7	81.8	83.5	86.4	88.9	90.0
Residual .....	.4	.2	.6	.4	-.2	-.6
Final sales of domestic business ²	504.3	512.3	515.5	521.6	528.4	532.2
Final sales of goods and structures of domestic business ²	281.3	287.3	288.4	294.0	296.5	298.0
Ratio of inventories to final sales of domestic business						
Inventories to final sales	2.47	2.46	2.48	2.49	2.48	2.49
Nonfarm inventories to final sales	2.26	2.25	2.26	2.28	2.26	2.27
Nonfarm inventories to final sales of goods and structures	4.05	4.01	4.05	4.04	4.03	4.05

1. Inventories are as of the end of the quarter. Quarter-to-quarter changes calculated from this table are at quarterly rates, whereas, the change in the business inventories component of GDP is stated at annual rates.

2. Quarterly totals at monthly rates. Final sales of domestic business equals final sales of domestic product less gross product of households and institutions and of general government and includes a small amount of final sales by farm.

NOTE.—Chained (1992) dollar inventory series are calculated as the product of the chain-type quantity index and the average of the end-of-year fixed-weighted inventories for 1991 and 1992, divided by 100. Chained (1992) dollar final sales series are calculated as the product of the chain-type index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines for inventories.

6. Income and Employment by Industry

Table 6.1C.—National Income Without Capital Consumption Adjustment by Industry Group

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
National income without capital consumption adjustment	6,212.7	6,598.0	6,557.0	6,655.8	6,716.0	6,817.1	6,882.3	6,963.3
Domestic industries	6,200.3	6,606.0	6,558.1	6,664.5	6,735.4	6,832.2	6,901.3	6,990.6
Private industries	5,351.8	5,728.5	5,683.5	5,783.9	5,849.7	5,937.2	5,999.1	6,080.4
Agriculture, forestry, and fishing	106.4	106.0	108.0	107.5	103.0	99.9	102.0	100.9
Mining	47.9	52.5	52.3	52.8	53.8	54.9	51.2	49.0
Construction	289.2	305.1	302.4	306.0	312.5	320.1	326.7	334.3
Manufacturing	1,085.9	1,151.0	1,142.8	1,168.8	1,175.1	1,170.9	1,169.3	1,170.3
Durable goods	617.9	659.4	650.7	674.1	680.0	678.8	680.2	682.7
Nondurable goods	468.0	491.6	492.2	494.6	495.1	492.1	489.1	487.6
Transportation and public utilities	464.7	480.9	476.3	484.4	489.4	497.3	495.1	503.9
Transportation	195.0	208.0	205.3	210.6	213.6	213.7	214.9	217.2
Communications	137.0	139.3	136.5	141.4	142.0	148.5	147.3	150.8
Electric, gas, and sanitary services	132.7	133.6	134.4	132.4	133.8	135.0	132.9	136.0
Wholesale trade	350.9	384.2	382.4	389.4	390.3	400.9	408.5	414.0
Retail trade	509.6	543.2	537.5	546.6	552.8	567.0	576.5	584.4
Finance, insurance, and real estate	1,089.2	1,192.0	1,181.3	1,201.9	1,223.0	1,245.4	1,264.4	1,281.8
Services	1,407.9	1,513.6	1,500.6	1,526.5	1,549.8	1,580.6	1,605.4	1,641.6
Government	848.5	877.5	874.6	880.6	885.7	895.0	902.2	910.2
Rest of the world	12.4	-8.0	-1.1	-8.7	-19.6	-14.8	-18.8	-27.0

NOTE.—Estimates in this table are based on the 1987 Standard Industrial Classification (SIC).

Table 6.16C.—Corporate Profits by Industry Group

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Corporate profits with inventory valuation and capital consumption adjustments	750.4	817.9	815.5	840.9	820.8	829.2	820.6	827.0
Domestic industries	654.0	718.9	710.2	738.6	728.8	730.6	723.3	737.0
Financial	105.5	124.7	123.5	123.3	129.5	131.3	130.1	129.5
Nonfinancial	548.5	594.2	586.7	615.2	599.3	599.3	593.2	607.5
Rest of the world	96.4	99.0	105.4	102.3	92.0	98.6	97.3	89.9
Receipts from the rest of the world	134.5	149.5	153.3	157.2	142.5	146.1	146.0	140.5
Less: Payments to the rest of the world	38.1	50.4	47.9	54.8	50.6	47.5	48.7	50.5
Corporate profits with inventory valuation adjustment	679.0	741.2	740.1	763.7	740.7	744.3	731.3	732.1
Domestic industries	582.6	642.2	634.7	661.4	648.7	645.8	633.9	642.2
Financial	110.7	130.0	128.7	128.6	134.7	136.3	134.4	133.2
Federal Reserve banks	21.8	23.3	23.0	23.6	24.1	24.5	24.4	24.7
Other	88.9	106.6	105.8	105.0	110.6	111.8	110.0	108.5
Nonfinancial	471.8	512.3	506.0	532.8	514.0	509.4	499.5	509.0
Manufacturing	195.6	214.4	215.5	228.9	212.3	197.1	194.6	195.0
Durable goods	97.2	107.3	105.7	120.0	107.5	100.8	104.5	109.4
Primary metal industries	5.4	5.6	5.5	6.6	5.8	6.3	5.7	4.9
Fabricated metal products	14.2	15.5	14.9	17.3	15.7	12.6	15.5	17.5
Industrial machinery and equipment	26.1	27.6	26.6	31.5	30.1	23.2	28.5	30.4
Electronic and other electric equipment	20.1	24.8	24.4	27.6	24.0	21.9	19.8	20.5
Motor vehicles and equipment	2.4	3.8	2.6	6.0	2.1	6.2	4.9	4.6
Other	29.0	30.0	31.7	31.0	29.8	30.7	30.1	31.5
Nondurable goods	98.5	107.1	109.8	109.0	104.8	96.2	90.2	85.6
Food and kindred products	22.0	22.7	21.4	22.2	25.9	20.6	21.4	22.0
Chemicals and allied products	28.8	28.1	27.2	28.9	28.4	27.0	18.9	18.4
Petroleum and coal products	10.9	18.0	20.7	18.2	14.9	10.9	10.0	7.2
Other	36.7	38.3	40.5	39.7	35.7	37.8	39.8	38.0
Transportation and public utilities	92.7	88.4	87.0	88.3	88.6	91.7	87.5	92.7
Transportation	14.8	17.6	18.3	18.0	17.0	17.3	17.5	18.5
Communications	35.8	31.2	28.9	32.3	31.3	34.1	32.5	34.8
Electric, gas, and sanitary services	42.1	39.7	39.8	38.0	40.3	40.3	37.5	39.5
Wholesale trade	37.9	49.8	50.5	52.7	47.6	51.5	53.5	53.9
Retail trade	51.8	61.2	59.1	62.7	62.2	67.4	67.4	67.1
Other	93.8	98.5	93.8	100.1	103.4	101.8	96.5	100.2
Rest of the world	96.4	99.0	105.4	102.3	92.0	98.6	97.3	89.9

NOTE.—Estimates in this table are based on the 1987 Standard Industrial Classification.

Table 7.6.—Chain-Type Quantity and Price Indexes for Private Fixed Investment by Type
[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted					
			1997			1998		
			II	III	IV	I	II	III
Chain-type quantity indexes								
Private fixed investment	134.10	145.25	143.85	147.98	149.28	156.36	161.36	162.23
Nonresidential	139.21	154.04	152.04	158.13	158.86	167.04	172.15	171.84
Structures	112.16	120.09	117.81	121.29	121.56	120.06	119.36	119.42
Nonresidential buildings, including farm	124.58	132.99	130.56	134.27	132.12	132.62	132.32	132.58
Utilities	80.67	83.31	82.91	84.35	84.59	84.77	85.64	86.08
Mining exploration, shafts, and wells	114.88	134.77	132.50	139.96	141.90	134.72	127.70	123.57
Other structures	67.12	70.12	61.85	63.73	95.34	68.64	67.01	70.27
Producers' durable equipment	151.75	170.04	168.20	175.62	176.58	190.08	198.43	197.91
Information processing and related equipment	182.88	222.13	214.73	232.17	239.04	263.41	280.84	297.80
Computers and peripheral equipment ¹	344.37	488.82	463.97	523.22	552.78	664.79	754.21	843.02
Other	127.94	140.28	137.09	144.09	145.72	151.52	154.79	158.26
Industrial equipment	134.93	140.93	141.48	143.00	144.03	147.28	148.36	148.98
Transportation and related equipment	148.11	162.83	163.01	169.27	166.94	185.27	194.89	176.07
Other	131.86	142.95	142.26	146.25	144.39	152.09	157.63	159.20
Residential	122.32	125.36	125.26	125.14	127.64	132.34	137.05	140.31
Structures	122.37	125.33	125.24	125.07	127.62	132.34	137.10	140.43
Single family	117.24	117.72	117.77	116.78	119.34	124.67	129.88	133.54
Multifamily	142.79	154.04	155.40	149.30	160.01	169.09	158.07	158.70
Other structures	126.61	131.79	131.29	133.12	134.47	137.71	144.15	147.42
Producers' durable equipment	120.47	126.88	126.48	128.14	128.56	132.40	135.23	135.42
Chain-type price indexes								
Private fixed investment	104.68	104.45	104.40	104.50	104.37	103.81	103.33	102.91
Nonresidential	101.46	100.15	100.28	100.04	99.64	98.90	98.12	97.21
Structures	114.33	118.22	117.59	118.83	119.79	120.58	121.49	121.85
Nonresidential buildings, including farm	114.14	117.79	117.02	118.41	119.57	120.29	121.38	122.38
Utilities	114.03	116.62	116.72	117.05	116.73	117.13	117.36	117.91
Mining exploration, shafts, and wells	118.62	126.85	126.26	127.82	128.91	131.00	131.83	126.05
Other structures	111.73	115.51	115.11	115.87	117.39	117.66	117.60	118.43
Producers' durable equipment	96.80	93.88	94.23	93.54	92.75	91.57	90.35	89.13
Information processing and related equipment	77.17	69.31	70.19	68.31	66.63	64.12	61.49	58.89
Computers and peripheral equipment ¹	49.18	37.75	38.86	36.25	34.25	31.23	28.40	25.65
Other	99.56	99.14	99.19	99.24	98.84	98.58	98.04	97.79
Industrial equipment	109.26	110.12	109.95	110.17	110.46	110.52	110.77	110.80
Transportation and related equipment	107.53	108.35	108.15	108.87	108.37	107.99	107.91	108.06
Other	108.17	109.15	109.19	109.01	109.34	109.84	109.97	110.33
Residential	113.03	115.96	115.35	116.50	117.20	117.21	117.71	118.77
Structures	113.27	116.29	115.66	116.85	117.58	117.58	118.10	119.17
Single family	116.50	119.90	119.14	120.52	121.36	121.04	121.45	122.68
Multifamily	108.70	112.20	111.53	112.79	113.49	113.25	113.62	114.78
Other structures	109.64	112.11	111.63	112.59	113.19	113.59	114.27	115.14
Producers' durable equipment	103.97	104.03	104.12	103.54	103.18	103.92	103.41	103.92

1. Includes new computers and peripheral equipment only.

Table 7.9.—Chain-Type Quantity and Price Indexes for Exports and Imports of Goods and Services and for Receipts and Payments of Factor Income
[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted					
			1997			1998		
			II	III	IV	I	II	III
Chain-type quantity indexes								
Exports of goods and services	134.50	151.70	150.70	154.53	156.21	155.12	152.03	150.96
Goods ¹	140.28	161.92	160.28	165.07	168.25	166.82	161.87	162.10
Durable	154.24	184.30	182.32	189.57	192.15	192.06	184.87	187.09
Nondurable	114.58	122.31	121.24	122.04	126.07	122.56	121.32	118.34
Services ¹	121.50	129.48	129.77	131.64	130.32	129.91	130.46	126.93
Receipts of factor income	155.75	172.59	174.78	178.10	172.29	174.77	174.79	170.96
Imports of goods and services	145.19	165.35	163.72	169.00	171.59	177.95	181.97	183.02
Goods ¹	151.36	173.56	172.05	177.43	180.19	187.38	192.49	193.87
Durable	165.01	192.73	190.29	196.63	201.07	209.81	215.18	216.42
Nondurable	127.72	141.26	141.14	144.99	145.23	149.97	154.59	156.18
Services ¹	118.65	130.39	128.32	133.11	135.01	138.03	137.82	137.60
Payments of factor income	158.39	189.82	187.25	196.25	197.50	196.82	199.34	200.76
Chain-type price indexes								
Exports of goods and services	101.60	99.53	99.76	99.36	98.97	98.13	97.68	96.98
Goods ¹	98.23	94.75	94.98	94.54	93.89	92.78	92.07	91.18
Durable	90.86	87.10	87.30	86.84	86.23	85.69	85.23	84.64
Nondurable	116.14	113.58	113.90	113.58	112.85	109.99	108.54	106.75
Services ¹	110.24	112.18	112.41	112.11	112.53	112.52	112.84	112.73
Receipts of factor income	109.65	111.56	111.34	111.70	112.09	112.16	112.27	112.42
Imports of goods and services	99.36	95.72	95.66	95.16	94.62	92.05	90.98	89.87
Goods ¹	98.10	93.94	93.76	93.32	92.81	90.07	88.72	87.42
Durable	93.34	88.29	88.55	88.14	87.33	86.02	85.01	83.98
Nondurable	108.67	106.63	105.41	104.91	105.15	98.99	96.82	94.86
Services ¹	105.93	105.33	105.95	105.10	104.40	102.85	103.52	103.63
Payments of factor income	111.06	113.61	113.47	113.74	114.15	114.23	114.46	114.71

1. Exports and imports of certain goods, primarily military equipment purchased and sold by the Federal Government, are included in services. Beginning with 1986, repairs and alterations of equipment are reclassified from goods to services.

Table 7.14.—Chain-Type Quantity and Price Indexes for Gross Domestic Product by Sector
[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted					
			1997			1998		
			II	III	IV	I	II	III
Chain-type quantity indexes								
Gross domestic product	112.02	116.42	115.89	117.08	117.94	119.54	120.09	121.17
Business¹	113.87	118.91	118.30	119.65	120.66	122.53	123.11	124.33
Nonfarm ¹	114.12	119.02	118.39	119.70	120.81	122.66	123.25	124.45
Nonfarm less housing	114.81	119.95	119.26	120.70	121.90	124.02	124.56	125.77
Housing	108.38	111.29	111.20	111.50	111.81	111.60	112.58	113.64
Farm	97.50	112.04	112.60	116.25	110.25	113.12	113.40	116.17
Households and institutions	111.72	115.20	114.74	115.79	116.49	117.06	117.43	118.04
Private households	104.40	101.12	101.81	100.63	99.38	97.46	98.19	98.78
Nonprofit institutions	112.00	115.74	115.23	116.38	117.15	117.82	118.17	118.78
General government²	100.02	100.66	100.60	100.91	100.81	101.10	101.44	101.84
Federal	87.71	85.80	86.11	85.82	84.75	84.71	84.51	84.55
State and local	106.75	108.83	108.55	109.20	109.64	110.12	110.76	111.37
Chain-type price indexes								
Gross domestic product	109.54	111.57	111.45	111.77	112.09	112.33	112.57	112.85
Business¹	108.98	110.89	110.78	111.11	111.38	111.52	111.66	111.86
Nonfarm ¹	108.89	111.06	110.91	111.32	111.60	111.83	111.96	112.21
Nonfarm less housing	108.48	110.54	110.42	110.78	111.01	111.16	111.19	111.37
Housing	112.46	115.66	115.26	116.07	116.81	117.76	118.79	119.75
Farm	116.63	99.93	102.08	97.13	96.93	91.17	92.03	88.09
Households and institutions	110.67	112.42	112.37	112.50	112.88	113.59	115.33	116.54
Private households	113.41	117.56	116.77	118.17	119.63	120.13	121.10	122.21
Nonprofit institutions	110.57	112.24	112.22	112.30	112.64	113.36	115.13	116.34
General government²	113.12	116.12	115.92	116.28	116.92	117.80	118.19	118.75
Federal	116.04	119.48	119.51	119.33	119.89	121.38	121.25	121.47
State and local	111.76	114.57	114.26	114.85	115.53	116.16	116.77	117.46

1. Gross domestic business product equals gross domestic product less gross product of households and institutions and of general government. Gross nonfarm product equals gross domestic business product less gross farm product.

2. Equals compensation of general government employees plus general government consumption of fixed capital.

Table 7.15.—Current-Dollar Cost and Profit Per Unit of Real Gross Domestic Product of Nonfinancial Corporate Business

[Dollars]

Current-dollar cost and profit per unit of real gross domestic product ¹	1.056	1.063	1.063	1.063	1.063	1.061	1.061	1.062
Consumption of fixed capital	.100	.100	.100	.100	.100	.099	.100	.099
Net domestic product	.956	.963	.963	.963	.963	.962	.962	.962
Indirect business tax and nontax liability plus business transfer payments less subsidies	.105	.105	.106	.105	.105	.105	.104	.104
Domestic income	.850	.857	.857	.858	.858	.858	.857	.858
Compensation of employees	.685	.691	.691	.688	.695	.697	.699	.699
Corporate profits with inventory valuation and capital consumption adjustments	.140	.143	.143	.147	.141	.139	.136	.138
Profits tax liability	.039	.041	.040	.042	.040	.037	.037	.037
Profits after tax with inventory valuation and capital consumption adjustments	.101	.102	.102	.104	.101	.102	.099	.100
Net interest	.026	.023	.024	.023	.022	.022	.022	.022

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

Table 7.16.—Implicit Price Deflators for Inventories of Business by Industry Group
[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted					
			1997			1998		
			II	III	IV	I	II	III
Inventories¹	106.02	106.27	105.55	104.86	104.33	103.42		
Farm	102.21	101.73	99.58	99.90	96.34	90.08		
Nonfarm	106.43	106.74	106.16	105.37	105.12	104.72		
Durable goods	106.20	105.99	105.74	105.45	105.06	104.63		
Nondurable goods	106.75	107.78	106.74	105.29	105.21	104.87		
Manufacturing	106.37	106.46	106.15	105.28	104.54	103.88		
Durable goods	104.57	104.43	104.38	103.93	103.34	102.51		
Nondurable goods	109.40	109.89	109.13	107.53	106.53	106.17		
Wholesale	105.49	106.02	105.29	104.23	103.98	103.46		
Durable goods	103.68	103.48	103.07	102.68	102.21	101.68		
Nondurable goods	108.41	110.25	108.97	106.70	106.85	106.37		
Merchant wholesalers	105.74	106.24	105.65	104.74	104.49	103.97		
Durable goods	103.94	103.74	103.33	102.94	102.47	101.93		
Nondurable goods	108.69	110.49	109.57	107.74	107.88	107.39		
Nonmerchant wholesalers	103.99	104.68	103.15	101.12	100.89	100.44		
Durable goods	101.97	101.77	101.37	101.00	100.52	100.04		
Nondurable goods	106.93	109.03	105.72	101.08	101.26	100.86		
Retail trade	106.34	106.49	106.08	105.87	106.36	106.61		
Durable goods	109.36	109.15	108.80	108.79	108.78	109.14		
Motor vehicle dealers	111.20	111.11	110.44	110.42	110.62	111.32		
Other	107.50	107.18	107.16	107.14	106.95	107.00		
Nondurable goods	103.25	103.79	103.32	102.88	103.90	104.05		
Other	109.19	110.15	108.48	107.33	106.97	106.26		
Durable goods	116.50	115.75	115.40	115.55	115.50	115.25		
Nondurable goods	105.50	107.30	105.00	103.23	102.72	101.80		

1. Implicit price deflators are as of the end of the quarter and are consistent with the inventory stocks shown in tables 5.12 and 5.13.

Table 7.17.—Chain-Type Quantity Indexes for Gross Domestic Product by Major Type of Product
[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted					
			1997			1998		
			II	III	IV	I	II	III
Gross domestic product	112.02	116.42	115.89	117.08	117.94	119.54	120.09	121.17
Final sales of domestic product	111.61	115.49	114.72	116.33	116.95	118.20	119.54	120.36
Change in business inventories								
Goods	116.71	123.56	122.90	124.52	125.68	129.29	127.95	129.04
Final sales	115.63	120.99	119.65	122.47	122.94	125.51	126.52	126.83
Change in business inventories								
Durable goods	130.65	142.91	142.35	145.00	147.10	153.95	150.48	152.58
Final sales	127.09	137.89	135.75	141.40	141.97	147.05	148.46	148.90
Change in business inventories								
Nondurable goods	107.19	110.51	109.79	110.74	111.30	112.85	112.86	113.31
Final sales	107.67	109.42	108.60	109.57	109.97	110.92	111.67	111.89
Change in business inventories								
Services	108.52	111.36	110.96	111.88	112.61	113.01	114.55	115.51
Structures	114.88	119.55	118.65	119.96	120.47	122.03	123.37	125.25
Addenda:								
Motor vehicle output	120.00	127.05	121.62	129.15	133.81	130.82	126.99	123.27
Gross domestic product less motor vehicle output	111.74	116.06	115.69	116.67	117.40	119.15	119.85	121.09

Table 7.18.—Chain-Type Quantity Indexes for Auto Output
[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted					
			1997			1998		
			II	III	IV	I	II	III
Auto output	98.56	98.92	95.56	101.19	100.64	95.91	87.97	91.64
Final sales	101.86	98.12	95.09	100.34	96.83	95.55	97.46	93.58
Personal consumption expenditures	103.35	105.24	102.08	107.51	104.46	106.90	108.92	107.68
New autos	95.26	95.62	90.28	98.73	96.21	97.93	104.40	96.43
Net purchases of used autos	119.60	124.47	125.55	125.06	120.99	124.86	118.13	130.15
Producers' durable equipment	126.64	125.32	124.93	126.61	118.10	123.90	127.06	113.54
New autos	125.81	127.54	127.34	128.25	121.98	126.51	129.83	115.24
Net purchases of used autos	122.93	128.69	128.68	128.55	125.58	128.18	131.70	115.82
Net exports								
Exports	112.16	110.27	114.88	109.64	109.57	109.74	104.74	92.99
Imports	126.62	139.33	139.77	140.27	135.54	148.67	150.41	144.57
Gross government investment	103.21	89.31	80.80	92.71	91.78	79.51	96.67	100.29
Change in business inventories of new and used autos								
New								
Used								
Addenda:								
Domestic output of new autos ¹	110.84	110.36	108.04	113.34	110.46	105.39	97.38	105.25
Sales of imported new autos ²	98.05	106.63	103.37	108.62	106.69	115.47	121.68	108.48

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 gross government investment.

Table 7.19.—Chain-Type Quantity Indexes for Truck Output
[Index numbers, 1992=100]

Truck output¹	150.72	167.41	158.99	169.26	181.39	180.93	183.04	168.66
Final sales	153.94	166.62	159.20	171.77	176.79	180.63	198.82	178.98
Personal consumption expenditures	127.21	130.57	122.66	134.74	138.92	140.51	155.09	145.52
Producers' durable equipment	187.13	209.96	203.84	213.92	220.36	229.67	243.87	225.78
Net exports								
Exports	156.23	184.82	170.05	192.25	207.30	203.99	201.28	148.59
Imports	116.46	134.35	131.35	140.97	130.51	132.89	115.33	122.43
Gross government investment	102.20	122.69	124.99	141.46	112.14	106.46	130.04	98.50
Change in business inventories								

1. Includes new trucks only.

Table 8.2.—Contributions to Percent Change in Real Gross Domestic Product

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Percent change at annual rate:								
Gross domestic product	3.4	3.9	4.0	4.2	3.0	5.5	1.8	3.7
Percentage points at annual rates:								
Personal consumption expenditures	2.17	2.31	1.08	4.19	1.88	4.09	4.09	2.78
Durable goods .....	.52	.56	-.13	1.30	.26	1.23	.91	.20
Nondurable goods .....	.48	.49	-.04	1.00	-.08	1.41	1.01	.42
Services	1.18	1.26	1.26	1.85	1.70	1.40	2.14	2.15
Gross private domestic investment ...	1.26	1.65	2.92	.23	1.34	4.07	-.75	1.22
Fixed investment	1.21	1.18	1.63	1.66	.48	2.82	1.95	.33
Nonresidential .....	.92	1.08	1.39	1.67	.16	2.21	1.35	-.08
Structures .....	.14	.20	-.19	.35	.03	-.15	-.07	.01
Producers' durable equipment .....	.78	.88	1.58	1.32	.13	2.36	1.42	-.09
Residential .....	.29	.10	.24	-.02	.32	.60	.60	.41
Change in business inventories .....	.04	.47	1.27	-1.41	.85	1.22	-2.66	.89
Net exports of goods and services ...	-.19	-.27	-.45	-.47	-.30	-2.24	-2.08	-.62
Exports .....	.95	1.43	1.76	1.22	.53	-.33	-.92	-.32
Goods .....	.76	1.21	1.37	1.02	.67	-.29	-.98	.04
Services .....	.18	.22	.38	.20	-.14	-.04	.06	-.36
Imports	-1.13	-1.71	-2.21	-1.69	-.83	-1.94	-1.18	-.30
Goods	-1.02	-1.51	-1.99	-1.38	-.71	-1.75	-1.19	-.32
Services	-.11	-.20	-.21	-.31	-.12	-.19	.01	.01
Government consumption expenditures and gross investment .....	.20	.24	.38	.25	.02	-.34	.64	.27
Federal	-.08	-.11	.23	-.08	-.14	-.57	.44	-.09
National defense	-.06	-.15	.38	-.08	-.09	-.84	.38	.17
Nonddefense	-.01	.04	-.15	.00	-.05	.26	.06	-.26
State and local .....	.28	.35	.15	.33	.15	.24	.20	.35

Table 8.3.—Selected Per Capita Product and Income Series in Current and Chained Dollars

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Current dollars:								
Gross domestic product	28,849	30,278	30,138	30,468	30,707	31,132	31,277	31,561
Gross national product	28,895	30,248	30,134	30,436	30,634	31,077	31,207	31,461
Personal income	24,193	25,325	25,206	25,435	25,686	26,007	26,242	26,470
Disposable personal income	20,840	21,633	21,558	21,709	21,871	22,046	22,192	22,373
Personal consumption expenditures	19,639	20,508	20,329	20,660	20,807	21,078	21,394	21,612
Durable goods	2,422	2,512	2,467	2,540	2,538	2,618	2,668	2,657
Nondurable goods	5,795	5,975	5,936	6,008	6,001	6,064	6,134	6,173
Services	11,421	12,021	11,926	12,111	12,268	12,396	12,593	12,782
Chained (1992) dollars:								
Gross domestic product	26,338	27,138	27,048	27,263	27,397	27,718	27,786	27,970
Gross national product	26,389	27,125	27,058	27,248	27,345	27,683	27,739	27,897
Disposable personal income	18,989	19,349	19,315	19,385	19,478	19,632	19,719	19,829
Personal consumption expenditures	17,894	18,342	18,213	18,447	18,529	18,770	19,010	19,155
Durable goods	2,358	2,496	2,444	2,534	2,547	2,637	2,703	2,712
Nondurable goods	5,463	5,548	5,521	5,578	5,559	5,649	5,710	5,726
Services	10,079	10,309	10,255	10,349	10,434	10,506	10,623	10,738
Population (mid-period, thousands)	265,579	267,880	267,545	268,171	268,815	269,309	269,867	270,523

Table 8.4.—Auto Output

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Auto output	134.5	134.7	129.6	138.8	135.2	130.4	118.1	126.2
Final sales	139.8	134.8	131.4	137.5	131.8	130.1	132.5	127.8
Personal consumption expenditures	141.6	143.5	139.9	145.7	141.0	144.2	146.9	145.5
New autos	85.8	86.2	81.5	89.0	86.3	87.7	93.3	86.5
Net purchases of used autos	55.8	57.3	58.4	56.6	54.7	56.5	53.6	59.0
Producers' durable equipment	44.8	45.7	45.2	46.9	43.7	45.8	46.7	41.7
New autos	78.8	79.9	79.9	80.4	76.1	78.8	80.7	71.9
Net purchases of used autos	-34.0	-34.2	-34.7	-33.5	-32.4	-33.0	-34.0	-30.2
Net exports	-48.9	-56.4	-55.6	-57.2	-55.0	-61.7	-63.3	-61.7
Exports	17.0	16.8	17.5	16.7	16.7	16.7	16.0	14.2
Imports	65.9	73.1	73.1	73.9	71.7	78.5	79.3	75.9
Gross government investment	2.3	2.0	1.8	2.1	2.1	1.8	2.2	2.3
Change in business inventories of new and used autos	-5.2	-1	-1.8	1.3	3.4	.4	-14.4	-1.7
New	-5.5	.2	-9	1.4	3.0	1.8	-17.4	6.1
Used .....	.2	-3	-9	-1	.4	-1.4	3.0	-7.8
Addenda:								
Domestic output of new autos ¹	120.6	120.0	116.4	124.5	119.3	114.8	104.8	115.6
Sales of imported new autos ²	58.0	63.1	61.3	64.3	62.9	67.9	71.4	63.9

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 gross government investment.

Table 8.5.—Real Auto Output

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Auto output	119.8	120.2	116.1	123.0	122.3	116.6	106.9	111.4
Final sales	124.3	119.8	116.1	122.5	118.2	116.6	119.0	114.2
Personal consumption expenditures	121.5	123.7	120.0	126.4	122.8	125.7	128.1	126.6
New autos	78.2	78.5	74.1	81.1	79.0	80.4	85.7	79.2
Net purchases of used autos	42.4	44.1	44.5	44.3	42.9	44.3	41.9	46.1
Producers' durable equipment	44.7	44.2	44.0	44.6	41.6	43.7	44.8	40.0
New autos	71.8	72.8	72.7	73.2	69.7	72.2	74.1	65.8
Net purchases of used autos	-26.9	-28.1	-28.1	-28.1	-27.4	-28.0	-28.8	-25.3
Net exports	-43.6	-49.8	-49.3	-50.3	-48.1	-54.3	-55.8	-54.7
Exports	16.0	15.7	16.4	15.6	15.6	15.7	14.9	13.3
Imports	59.6	65.5	65.7	66.0	63.8	69.9	70.7	68.0
Gross government investment	2.1	1.8	1.6	1.9	1.9	1.6	2.0	2.0
Change in business inventories of new and used autos	-4.7	.4	0	.5	4.2	-1	-12.3	-3.0
New	-5.1	.7	.9	.6	4.0	1.3	-15.8	4.5
Used .....	.2	-2	-8	-1	.3	-1.2	2.6	-6.5
Residual .....	.7	.4	.5	.5	.1	.2	1.0	.3
Addenda:								
Domestic output of new autos ¹	110.8	110.3	108.0	113.3	110.4	105.3	97.3	105.2
Sales of imported new autos ²	52.9	57.5	55.7	58.6	57.5	62.3	65.6	58.5

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 gross government investment.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines, excluding the lines in the addenda.

Chain-type quantity indexes for the series in this table appear in table 7.18.

Table 8.6.—Truck Output

[Billions of dollars]

Truck output ¹	142.6	158.9	151.1	161.0	171.3	169.9	171.5	158.6
Final sales	143.3	155.6	148.8	160.6	164.3	166.9	183.3	165.6
Personal consumption expenditures	66.5	69.2	65.0	71.4	73.5	74.0	81.4	76.6
Producers' durable equipment	73.8	82.3	80.0	83.9	85.7	88.8	94.2	87.5
Net exports	-4.7	-4.9	-5.4	-5.2	-3.1	-3.6	-1.7	-5.8
Exports	9.0	10.9	10.0	11.3	12.3	12.2	12.0	8.9
Imports	13.7	15.8	15.4	16.6	15.5	15.8	13.8	14.7
Gross government investment	7.6	9.0	9.2	10.4	8.2	7.7	9.4	7.2
Change in business inventories	-.7	3.3	2.3	.4	7.0	3.0	-11.7	-6.9

1. Includes new trucks only.

Table 8.7.—Real Truck Output

[Billions of chained (1992) dollars]

Truck output ¹	126.2	140.2	133.1	141.7	151.9	151.5	153.3	141.2
Final sales	126.9	137.3	131.2	141.6	145.7	148.9	163.9	147.5
Personal consumption expenditures	58.3	59.8	56.2	61.7	63.6	64.4	71.1	66.7
Producers' durable equipment	65.7	73.7	71.5	75.1	77.4	80.6	85.6	79.2
Net exports	-3.7	-4.0	-4.5	-4.3	-2.4	-2.8	-1.1	-4.8
Exports	8.7	10.3	9.5	10.7	11.5	11.3	11.2	8.3
Imports	12.4	14.3	14.0	15.0	13.9	14.2	12.3	13.0
Gross government investment	6.7	8.1	8.2	9.3	7.4	7.0	8.6	6.5
Change in business inventories	-.6	2.8	1.9	.4	5.9	2.5	-10.2	-6.0
Residual	-2	-2	-2	-5	0	-1	-7	-5

1. Includes new trucks only.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Chain-type quantity indexes for the series in this table appear in table 7.19.

Annual Estimates:

Except as noted, these tables are derived from the NIPA tables published in the August 1998 SURVEY OF CURRENT BUSINESS; they are consistent with the most recent comprehensive and annual revisions.

Table B.3.—Gross Domestic Product by Industry, Current-Dollar and Real Estimates for 1995–97

	Billions of dollars			Billions of chained (1992) dollars				Billions of dollars			Billions of chained (1992) dollars		
	1995	1996	1997	1995	1996	1997		1995	1996	1997	1995	1996	1997
Gross domestic product	7,269.6	7,661.6	8,110.9	6,761.7	6,994.8	7,269.8	Transportation services	23.2	25.5	26.8	23.2	24.0	25.1
Private industries	6,306.9	6,667.9	7,083.3	5,896.5	6,119.9	6,395.3	Communications	193.3	207.5	211.6	180.7	191.5	196.4
Agriculture, forestry, and fishing	109.5	130.4	131.7	106.2	114.2	127.6	Telephone and telegraph	145.2	157.0	158.6	138.6	152.4	160.6
Farms	72.3	91.6	90.2	72.0	78.6	90.3	Radio and television	48.1	50.4	53.1	41.8	39.5	37.3
Agricultural services, forestry, and fishing	37.2	38.8	41.5	34.7	36.2	38.0	Electric, gas, and sanitary services	197.0	204.9	209.2	195.5	205.3	206.3
Mining	98.7	113.8	120.5	107.4	103.0	109.9	Wholesale trade	491.4	519.8	562.8	455.8	486.6	532.0
Metal mining	6.7	6.1	5.8	5.5	5.7	6.2	Retail trade	641.0	673.0	712.9	626.4	665.9	713.5
Coal mining	12.0	12.9	13.2	15.4	17.2	18.1	Finance, insurance, and real estate	1,362.3	1,448.6	1,570.3	1,206.2	1,246.0	1,286.0
Oil and gas extraction	70.5	84.3	90.1	77.4	70.6	75.4	Depository institutions	229.1	240.6	266.4	193.4	192.0	191.9
Nonmetallic minerals, except fuels	9.4	10.4	11.4	9.3	10.2	10.8	Nondepository institutions	39.7	44.3	56.3	32.6	35.4	39.3
Construction	286.4	311.9	328.8	254.2	268.5	274.4	Security and commodity brokers	73.4	96.5	106.6	78.4	104.1	120.5
Manufacturing	1,282.2	1,309.1	1,378.9	1,271.6	1,293.8	1,369.9	Insurance carriers	118.5	122.0	146.0	91.2	87.6	93.5
Durable goods	711.6	737.3	784.0	727.0	769.0	838.6	Insurance agents, brokers, and services	46.7	48.0	50.7	42.1	41.7	43.1
Lumber and wood products	40.9	39.1	42.8	31.7	31.4	33.1	Real estate	843.8	892.2	935.0	776.6	799.5	814.8
Furniture and fixtures	19.4	20.5	22.1	18.7	18.6	19.7	Nonfarm housing services	643.1	675.8	712.7	588.4	600.0	616.1
Stone, clay, and glass products	30.2	31.3	33.7	27.2	27.6	29.3	Other real estate	200.7	216.4	222.4	188.2	199.7	198.7
Primary metal industries	51.7	51.5	53.2	44.1	46.9	48.0	Holding and other investment offices	11.0	5.1	9.4	12.6	12.5	12.2
Fabricated metal products	87.6	93.1	99.3	87.8	88.6	93.0	Services	1,445.4	1,544.2	1,656.8	1,305.3	1,349.1	1,398.6
Industrial machinery and equipment	141.5	148.8	158.9	162.9	183.2	215.2	Hotels and other lodging places	61.3	65.6	69.0	56.2	57.5	56.8
Electronic and other electric equipment	136.7	141.6	157.3	178.7	213.2	261.2	Personal services	47.4	47.8	51.5	43.2	42.4	44.1
Motor vehicles and equipment	85.2	82.4	85.4	77.7	73.2	77.8	Business services	284.9	322.1	364.7	271.3	295.7	323.1
Other transportation equipment	46.1	49.0	50.7	43.3	43.9	44.1	Auto repair, services, and parking	63.6	68.3	73.3	56.5	60.2	64.4
Instruments and related products	49.1	55.5	55.9	42.0	40.2	36.3	Miscellaneous repair services	20.5	21.7	23.2	16.9	15.2	14.7
Miscellaneous manufacturing industries	23.3	24.6	24.8	22.8	23.3	23.1	Motion pictures	26.3	28.4	30.5	24.4	25.2	26.6
Nondurable goods	570.5	571.8	594.9	545.1	527.8	537.6	Amusement and recreation services	56.6	61.3	66.7	50.5	52.7	56.2
Food and kindred products	123.2	116.0	118.5	125.8	105.7	106.7	Health services	428.9	445.5	460.1	373.3	377.3	379.0
Tobacco products	17.3	17.0	18.4	23.8	22.5	21.3	Legal services	96.6	100.7	106.6	85.7	86.0	87.0
Textile mill products	24.5	24.7	25.5	26.4	25.6	25.7	Educational services	55.3	58.1	61.5	49.0	49.4	50.4
Apparel and other textile products	27.4	26.7	28.4	28.6	27.0	28.2	Social services	46.4	49.0	52.2	43.4	44.6	46.3
Paper and allied products	58.9	56.6	55.0	44.4	46.4	48.9	Membership organizations	47.0	49.2	50.8	42.6	43.3	44.1
Printing and publishing	84.7	92.4	98.4	77.1	76.1	76.7	Other services	198.8	214.6	234.6	183.7	192.8	201.3
Chemicals and allied products	155.1	155.8	158.8	139.6	140.3	141.2	Private households	11.8	11.9	12.0	10.8	10.5	10.2
Petroleum and coal products	28.3	29.6	35.2	30.4	32.3	32.4	Statistical discrepancy ¹	-26.5	-32.2	-55.8	-23.1	-27.1	-45.4
Rubber and miscellaneous plastics	44.9	48.6	52.0	47.1	49.5	53.7	Government	962.7	993.7	1,027.6	876.5	877.8	884.0
Leather and leather products	5.2	4.4	4.8	4.7	4.1	4.3	Federal	327.7	334.8	338.1	296.8	290.2	286.9
Transportation and public utilities	616.4	649.3	676.3	592.2	626.4	644.3	General government	275.4	279.2	281.3	248.2	240.7	235.4
Transportation	226.1	237.0	255.5	216.1	229.7	241.5	Government enterprises	52.3	55.5	56.8	48.8	49.8	51.9
Railroad transportation	22.9	23.4	24.1	26.1	28.2	28.2	State and local	635.0	658.9	689.6	579.7	587.6	597.4
Local and interurban passenger transit	12.2	13.0	13.8	11.4	11.3	11.3	General government	582.2	604.4	631.7	532.1	540.8	551.3
Trucking and warehousing	98.0	92.9	97.9	89.1	86.5	87.3	Government enterprises	52.8	54.5	57.9	47.5	46.8	46.2
Water transportation	10.9	11.7	12.8	11.0	10.7	11.0	Not allocated by industry ²				-53.7	-68.8	-114.3
Transportation by air	53.9	65.2	74.4	50.6	63.5	72.6							
Pipelines, except natural gas	4.9	5.2	5.6	4.9	6.3	6.8							

1. The current-dollar statistical discrepancy equals gross domestic product (GDP) measured as the sum of expenditures less gross domestic income—that is, GDP measured as the costs incurred and profits earned in domestic production. The chained (1992) dollar statistical discrepancy equals the current-dollar discrepancy deflated by the implicit price deflator for gross domestic business product.

2. Equals GDP in chained (1992) dollars less the statistical discrepancy and the sum of GPO of the detailed industries.

NOTE.—Estimates are based on the 1987 Standard Industrial Classification. The table is derived from tables 10 and 13 in "Gross Product by Industry, 1995–97" in the November 1998 Survey.

Table B.5.—Private Purchases of Structures by Type

	Billions of dollars			Billions of chained (1992) dollars		
	1995	1996	1997	1995	1996	1997
Private purchases of structures	478.8	521.2	560.1	430.5	458.4	478.4
Nonresidential	201.3	216.9	240.2	180.7	189.7	203.2
New	200.9	216.6	238.9	180.3	189.4	202.0
Nonresidential buildings, excluding farm	140.8	157.1	173.3	126.1	137.7	147.2
Industrial	32.5	32.7	31.4	29.1	28.6	26.7
Commercial	70.8	78.8	87.0	63.4	69.0	73.8
Office buildings ¹	29.8	32.4	38.2	26.7	28.4	32.4
Other ²	41.0	46.3	48.8	36.7	40.5	41.4
Religious	4.2	4.4	5.7	3.8	3.9	4.9
Educational	6.2	7.7	9.5	5.6	6.7	8.1
Hospital and institutional	12.5	13.1	15.3	11.2	11.5	13.0
Other ³	14.5	20.5	24.4	13.0	18.0	20.7
Utilities	33.9	31.7	33.5	30.6	27.8	28.7
Railroads	3.5	4.4	5.1	3.1	3.7	4.1
Telecommunications	11.0	11.7	11.5	10.1	10.2	9.9
Electric light and power	12.3	9.8	11.1	11.0	8.7	9.7
Gas	6.2	4.8	4.8	5.6	4.3	4.2
Petroleum pipelines .....	.9	1.0	1.0	.8	.9	.8
Farm	3.0	3.8	4.0	2.7	3.3	3.4
Mining exploration, shafts, and wells	16.3	18.1	22.7	14.4	15.3	17.9
Petroleum and natural gas	14.8	16.5	20.8	13.1	13.8	16.3
Other	1.5	1.6	1.9	1.3	1.4	1.6
Other ⁴	6.9	5.8	5.4	6.3	5.1	4.6
Brokers' commissions on sale of structures	1.6	1.8	2.0	1.5	1.7	1.8
Net purchases of used structures	-1.3	-1.5	-7	-1.1	-1.3	-6
Residential	277.5	304.3	319.9	249.8	268.6	275.1
New	246.7	269.7	282.7	220.6	236.0	240.4
New housing units	174.2	192.1	200.4	152.9	165.3	167.7
Permanent site	162.9	179.4	187.1	143.4	154.9	156.9
Single-family structures	145.0	159.1	164.4	126.8	136.6	137.2
Multifamily structures	17.9	20.3	22.6	16.9	18.7	20.2
Mobile homes	11.3	12.6	13.3	9.5	10.3	10.7
Improvements	72.0	77.0	81.5	67.3	70.2	72.0
Other ⁵ .....	.5	.6	.8	.4	.5	.7
Brokers' commissions on sale of structures	32.1	36.4	39.7	30.3	34.2	37.1
Net purchases of used structures	-1.3	-1.8	-2.5	-1.1	-1.5	-2.0
Residual				-1	0	-5

1. Consists of office buildings, except those constructed at industrial sites and those constructed by utilities for their own use.
2. Consists of stores, restaurants, garages, service stations, warehouses, mobile structures, and other buildings used for commercial purposes.
3. Consists of hotels and motels, buildings used primarily for social and recreational activities, and buildings not elsewhere classified, such as passenger terminals, greenhouses, and animal hospitals.
4. Consists primarily of streets, dams and reservoirs, sewer and water facilities, parks, and airfields.
5. Consists primarily of dormitories and fraternity and sorority houses.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Table B.6.—Private Purchases of Producers' Durable Equipment by Type

	Billions of dollars			Billions of chained (1992) dollars		
	1995	1996	1997	1995	1996	1997
Private purchases of producers' durable equipment	533.7	578.6	628.5	538.7	597.1	668.5
Nonresidential equipment	526.4	571.0	620.5	531.7	589.8	660.9
Information processing and related equipment	173.0	189.4	206.6	201.5	245.4	298.0
Office, computing, and accounting machinery	73.4	83.0	90.3	107.1	154.1	212.7
Computers and peripheral equipment ¹	64.9	74.4	81.1	100.8	151.3	214.8
Other	8.5	8.6	9.2	8.2	8.4	9.0
Communication equipment	59.1	64.1	71.1	61.9	68.5	76.5
Instruments	22.8	24.5	26.1	21.6	22.8	24.3
Photocopy and related equipment	17.7	17.7	19.1	16.8	16.4	17.6
Industrial equipment	123.8	131.7	138.6	115.4	120.5	125.9
Fabricated metal products	11.8	12.9	13.4	11.1	11.8	12.0
Engines and turbines	4.2	4.7	3.8	4.0	4.3	3.4
Metalworking machinery	28.3	29.7	32.7	26.0	26.8	29.3
Special industry machinery, n.e.c.	32.5	33.5	34.0	30.2	30.5	30.7
General industrial, including materials handling, equipment	26.0	28.6	30.3	24.2	26.2	27.4
Electrical transmission, distribution, and industrial apparatus	20.9	22.2	24.4	19.9	20.9	23.0
Transportation and related equipment	126.2	137.2	152.0	119.4	127.6	140.3
Trucks, buses, and truck trailers	63.6	71.3	79.9	56.9	63.4	71.5
Autos	41.6	44.8	45.7	42.7	44.7	44.2
Aircraft	13.4	13.0	17.9	12.2	11.5	15.6
Ships and boats	1.8	2.3	2.4	1.7	2.1	2.2
Railroad equipment	5.8	5.8	6.1	5.2	5.1	5.4
Other equipment	108.2	117.1	128.3	101.4	107.8	116.9
Furniture and fixtures	28.2	29.7	33.7	26.2	27.0	30.1
Tractors	10.4	10.8	11.7	9.8	10.1	10.8
Agricultural machinery, except tractors	10.8	11.5	12.3	10.0	10.4	11.0
Construction machinery, except tractors	13.4	15.8	17.6	12.4	14.2	15.6
Mining and oilfield machinery	1.9	1.9	2.3	1.7	1.8	2.0
Service industry machinery	14.0	14.9	15.1	13.1	13.7	13.7
Electrical equipment, n.e.c.	11.7	12.9	14.0	11.3	12.5	13.8
Other	17.7	19.6	21.7	16.7	18.1	19.9
Less: Sale of equipment scrap, excluding autos	4.7	4.4	5.0	3.5	3.6	4.0
Residential equipment	7.3	7.6	8.0	7.0	7.3	7.7
Residual				-9.4	-29.1	-59.0
Addenda:						
Private purchases of producers' durable equipment	533.7	578.6	628.5			
Less: Dealers' margin on used equipment	6.1	6.6	6.8			
Net purchases of used equipment from government	1.0	1.2	1.2			
Plus: Net sales of used equipment	37.8	39.5	39.9			
Net exports of used equipment .....	.5	.4	.6			
Sale of equipment scrap	4.8	4.5	5.1			
Equals: Private purchases of new equipment	569.8	615.2	666.0			

1. Includes new computers and peripheral equipment only.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines. n.e.c. Not elsewhere classified.

Table B.8.—Employment by Industry

[Thousands]

	Full-time and part-time employment			Persons engaged in production ¹				Full-time and part-time employment			Persons engaged in production ¹		
	1995	1996	1997	1995	1996	1997		1995	1996	1997	1995	1996	1997
Total	124,576	127,015	129,980	121,660	123,917	126,751							
Domestic industries	125,146	127,567	130,567	122,148	124,390	127,254	Pipelines, except natural gas	15	14	14	15	14	14
Private industries	103,188	105,606	108,498	103,795	106,057	108,851	Transportation services	423	431	453	419	434	455
Agriculture, forestry, and fishing	2,004	2,079	2,133	3,403	3,360	3,345	Communications	1,309	1,349	1,422	1,221	1,260	1,325
Farms	868	870	876	2,000	1,859	1,846	Telephone and telegraph	916	937	1,004	852	874	939
Agricultural services, forestry, and fishing	1,136	1,209	1,257	1,403	1,501	1,499	Radio and television	393	412	418	369	386	386
Mining	587	583	600	590	586	603	Electric, gas, and sanitary services	906	882	870	909	878	865
Metal mining	52	54	53	52	54	53	Wholesale trade	6,476	6,561	6,740	6,563	6,595	6,735
Coal mining	106	99	97	103	97	95	Retail trade	21,867	22,255	22,620	19,487	19,877	20,272
Oil and gas extraction	321	321	340	327	327	346	Finance, insurance, and real estate	6,929	7,052	7,243	7,218	7,316	7,420
Nonmetallic minerals, except fuels	108	109	110	108	108	109	Depository institutions	2,023	2,018	2,028	1,937	1,923	1,922
Construction	5,386	5,671	5,951	6,657	6,956	7,247	Nondepository institutions	463	513	573	466	506	562
Manufacturing	18,591	18,575	18,758	18,636	18,583	18,773	Security and commodity brokers	553	581	630	621	647	680
Durable goods	10,722	10,835	11,054	10,822	10,915	11,134	Insurance carriers	1,500	1,505	1,522	1,451	1,449	1,459
Lumber and wood products	790	801	819	866	859	865	Insurance agents, brokers, and service	732	746	767	856	873	877
Furniture and fixtures	512	506	513	525	521	530	Real estate	1,410	1,442	1,481	1,648	1,681	1,689
Stone, clay, and glass products	541	546	555	549	564	565	Holding and other investment offices	248	247	242	239	237	231
Primary metal industries	707	709	710	700	707	706	Services	35,172	36,536	37,991	35,063	36,464	37,987
Fabricated metal products	1,444	1,452	1,485	1,442	1,446	1,481	Hotels and other lodging places	1,757	1,794	1,828	1,594	1,631	1,673
Industrial machinery and equipment	2,070	2,116	2,173	2,084	2,095	2,171	Personal services	1,300	1,317	1,323	1,783	1,812	1,802
Electronic and other electric equipment	1,625	1,659	1,690	1,615	1,654	1,680	Business services	6,935	7,484	8,161	7,116	7,671	8,293
Motor vehicles and equipment	970	967	983	963	960	976	Auto repair, services, and parking	1,132	1,205	1,245	1,362	1,480	1,507
Other transportation equipment	817	821	858	816	820	855	Miscellaneous repair services	374	389	389	593	575	588
Instruments and related products	842	855	864	835	850	859	Motion pictures	507	539	563	544	572	594
Miscellaneous manufacturing industries	404	403	404	427	439	446	Amusement and recreation services	1,517	1,591	1,668	1,327	1,422	1,513
Nondurable goods	7,869	7,740	7,704	7,814	7,668	7,639	Health services	9,572	9,813	10,033	8,909	9,174	9,404
Food and kindred products	1,688	1,697	1,694	1,659	1,664	1,676	Legal services	1,056	1,063	1,083	1,173	1,147	1,203
Tobacco products	41	41	41	41	40	40	Educational services	2,073	2,134	2,196	1,913	1,980	2,017
Textile mill products	664	630	616	661	632	618	Social services and membership organizations	4,618	4,759	4,925	4,490	4,624	4,802
Apparel and other textile products	945	874	829	951	881	831	Social services	2,435	2,515	2,622	2,675	2,758	2,887
Paper and allied products	692	682	685	686	677	677	Membership organizations	2,183	2,244	2,303	1,815	1,866	1,915
Printing and publishing	1,570	1,565	1,577	1,560	1,536	1,560	Other services ²	3,050	3,202	3,344	3,440	3,580	3,803
Chemicals and allied products	1,039	1,032	1,036	1,036	1,027	1,026	Private households	1,281	1,246	1,233	819	796	788
Petroleum and coal products	143	139	137	142	138	135	Government	21,958	21,961	22,069	18,353	18,333	18,403
Rubber and miscellaneous plastics products	978	981	997	967	971	987	Federal	5,552	5,386	5,263	4,564	4,415	4,307
Leather and leather products	109	99	92	111	102	89	General government	4,570	4,398	4,282	3,764	3,614	3,513
Transportation and public utilities	6,176	6,294	6,462	6,178	6,320	6,469	Civilian	2,026	1,952	1,899	2,026	1,952	1,899
Transportation	3,961	4,063	4,170	4,048	4,182	4,279	Military ³	2,544	2,446	2,383	1,738	1,662	1,614
Railroad transportation	232	224	220	220	212	208	Government enterprises	982	988	981	800	801	794
Local and interurban passenger transit	420	440	457	431	444	480	State and local	16,406	16,575	16,806	13,789	13,918	14,096
Trucking and warehousing	1,912	1,658	1,704	2,051	1,854	1,877	General government	15,482	15,662	15,905	12,903	13,042	13,230
Water transportation	178	177	183	178	174	179	Education	8,383	8,536	8,751	6,765	6,880	7,044
Transportation by air	781	1,119	1,139	734	1,050	1,066	Other	7,099	7,126	7,154	6,138	6,162	6,186
							Government enterprises	924	913	901	886	876	866
							Rest of the world ⁴	-570	-552	-587	-488	-473	-503

1. Equals the number of full-time equivalent employees plus the number of self-employed persons. Unpaid family workers are not included.

2. Consists of museums, botanical and zoological gardens; engineering and management services; and services, not elsewhere classified.

3. Includes Coast Guard.

4. Beginning with 1993, includes estimates of foreign professional workers and undocumented Mexican migratory workers employed temporarily in the United States.

NOTE.—Estimates in this table are based on the 1987 Standard Industrial Classification (SIC).

Table B.10.—Farm Sector Output, Gross Product, and National Income

	Billions of dollars			Billions of chained (1992) dollars		
	1995	1996	1997	1995	1996	1997
Farm output	196.7	222.1	225.3	190.7	195.7	208.3
Cash receipts from farm marketings	194.1	201.7	207.2	188.8	177.3	191.0
Crops	107.2	108.7	110.6	97.1	87.1	96.0
Livestock	87.0	93.0	96.5	91.3	90.6	95.1
Farm housing	5.9	6.1	6.3	5.2	5.1	5.0
Farm products consumed on farms .....	.5	.4	.5	.5	.4	.4
Other farm income	5.5	6.3	7.1	5.0	5.3	6.2
Change in farm inventories	-9.3	7.6	4.3	-11.0	7.1	4.3
Crops	-9.6	8.8	5.1	-9.2	6.5	4.2
Livestock .....	.2	-1.1	-7	.3	-1.3	-8
Less: Intermediate goods and services purchased	124.4	130.5	135.1	118.5	116.9	118.2
Intermediate goods and services, other than rent	109.9	113.5	119.6	104.0	100.7	103.6
Rent paid to nonoperator landlords	14.5	17.0	15.5	14.5	16.4	14.6
Equals: Gross farm product	72.3	91.6	90.2	72.0	78.6	90.3
Less: Consumption of fixed capital	24.8	25.8	26.6	22.8	23.2	23.7
Equals: Net farm product	47.5	65.9	63.6	49.0	55.2	66.6
Less: Indirect business tax and nontax liability	5.1	5.1	5.5	.....	.....	.....
Plus: Subsidies to operators	6.1	6.1	6.2	.....	.....	.....
Equals: Farm national income	48.4	66.9	64.4	.....	.....	.....
Compensation of employees	15.7	16.5	16.9	.....	.....	.....
Wage and salary accruals	13.3	14.2	14.4	.....	.....	.....
Supplements to wages and salaries	2.4	2.3	2.5	.....	.....	.....
Proprietors' income and corporate profits with IVA and CCA _{dj}	23.3	40.6	37.3	.....	.....	.....
Proprietors' income	22.4	38.9	35.5	.....	.....	.....
Corporate profits .....	.8	1.7	1.8	.....	.....	.....
Net interest	9.5	9.8	10.2	.....	.....	.....

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. CCA_{dj} Capital consumption adjustment
IVA Inventory valuation adjustment

Table B.11.—Housing Sector Output, Gross Product, and National Income

	Billions of dollars			Billions of chained (1992) dollars		
	1995	1996	1997	1995	1996	1997
Housing output ¹	723.1	758.4	799.8	663.9	675.8	692.6
Nonfarm housing	717.2	752.3	793.5	658.7	670.7	687.6
Owner-occupied	532.4	559.1	590.3	487.4	496.0	508.9
Tenant-occupied	184.8	193.2	203.2	171.4	174.7	178.7
Farm housing	5.9	6.1	6.3	5.2	5.1	5.0
Less: Intermediate goods and services consumed	88.5	91.1	95.3	82.1	82.7	83.8
Equals: Gross housing product	634.6	667.2	704.5	581.8	593.0	608.7
Nonfarm housing	629.6	662.1	699.1	577.4	588.7	604.5
Owner-occupied	463.0	486.4	513.4	423.3	430.5	441.9
Tenant-occupied	166.5	175.6	185.8	154.2	158.3	162.6
Farm housing	5.0	5.2	5.3	4.4	4.4	4.2
Less: Consumption of fixed capital	115.9	119.6	126.2	103.7	104.6	107.2
Capital consumption allowances	59.7	63.0	67.1	.....	.....	.....
Less: CCA _{dj}	-56.2	-56.5	-59.1	.....	.....	.....
Equals: Net housing product	518.7	547.7	578.3	478.3	488.7	501.7
Less: Indirect business tax and nontax liability plus business transfer payments	116.0	119.9	123.5	.....	.....	.....
Plus: Subsidies less current surplus of government enterprises	20.8	21.9	22.3	.....	.....	.....
Equals: Housing national income	423.5	449.6	477.1	.....	.....	.....
Compensation of employees	8.1	8.5	9.1	.....	.....	.....
Proprietors' income with IVA and CCA _{dj}	25.0	26.5	27.9	.....	.....	.....
Rental income of persons with CCA _{dj}	105.2	119.7	127.7	.....	.....	.....
Corporate profits with IVA and CCA _{dj}	5.0	5.2	5.5	.....	.....	.....
Net interest	280.1	289.7	306.9	.....	.....	.....

1. Equals personal consumption expenditures for housing less expenditures for other housing as shown in table B.4.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. CCA_{dj} Capital consumption adjustment
IVA Inventory valuation adjustment

Table C.1.—Historical Measures of Real Gross Domestic Product, Real Gross National Product, and Real Gross Domestic Purchases—Continued
 [Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (1992) dollars			Percent change from preceding period		Chain-type price indexes		Implicit price deflators		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Gross domestic product	Final sales of domestic product	Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product	Chain-type price index		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1999: I	6,011.0	5,970.0	6,023.1	4.0	2.2	88.44	88.47	88.45	88.48	4.5	4.8	4.7	4.7
II	6,055.6	6,010.9	6,065.5	3.0	2.8	89.40	89.52	89.39	89.42	4.4	4.8	4.3	4.3
III	6,088.0	6,063.1	6,101.8	2.2	3.5	90.13	90.14	90.13	90.16	3.3	2.8	3.3	3.3
IV	6,093.5	6,070.8	6,112.3	.4	.5	90.91	90.98	90.88	90.91	3.5	3.8	3.4	3.4
1990: I	6,152.6	6,144.6	6,172.8	3.9	5.0	92.01	92.17	92.00	92.04	4.9	5.4	5.0	5.1
II	6,171.6	6,127.5	6,188.0	1.2	-1.1	93.20	93.14	93.18	93.21	5.2	4.2	5.2	5.2
III	6,142.1	6,126.6	6,155.7	-1.9	-1	94.19	94.32	94.14	94.17	4.3	5.2	4.2	4.2
IV	6,079.0	6,108.1	6,111.3	-4.0	-1.2	95.14	95.68	95.11	95.13	4.1	5.9	4.2	4.2
1991: I	6,047.5	6,065.4	6,074.3	-2.1	-2.8	96.26	96.42	96.27	96.29	4.8	3.1	5.0	4.9
II	6,074.7	6,095.9	6,086.4	1.8	2.0	97.02	96.95	97.00	97.01	3.2	2.2	3.1	3.1
III	6,090.1	6,085.4	6,099.2	1.0	-7	97.70	97.58	97.70	97.71	2.8	2.6	2.9	2.9
IV	6,105.3	6,063.8	6,119.5	1.0	-1	98.30	98.27	98.31	98.32	2.5	2.9	2.5	2.5
1992: I	6,175.7	6,175.8	6,192.0	4.7	6.2	99.14	99.04	99.13	99.13	3.4	3.2	3.4	3.4
II	6,214.2	6,203.8	6,225.2	2.5	1.8	99.81	99.76	99.79	99.79	2.8	2.9	2.7	2.7
III	6,260.7	6,249.5	6,270.3	3.0	3.0	100.17	100.28	100.17	100.17	1.4	2.1	1.5	1.5
IV	6,327.1	6,320.7	6,334.6	4.3	4.6	100.88	100.92	100.88	100.88	2.8	2.6	2.9	2.9
1993: I	6,327.9	6,297.3	6,351.3	.1	-1.5	101.85	101.71	101.84	101.84	3.9	3.2	3.9	3.8
II	6,359.9	6,344.9	6,375.9	2.0	3.1	102.38	102.28	102.35	102.34	2.1	2.3	2.0	2.0
III	6,393.5	6,379.3	6,415.3	2.1	2.2	102.83	102.64	102.83	102.83	1.8	1.4	1.9	1.9
IV	6,476.9	6,453.8	6,489.7	5.3	4.8	103.52	103.28	103.51	103.50	2.7	2.5	2.7	2.6
1994: I	6,524.5	6,473.0	6,540.5	3.0	1.2	104.16	103.80	104.13	104.14	2.5	2.0	2.4	2.5
II	6,600.3	6,526.7	6,609.3	4.7	3.4	104.74	104.46	104.71	104.71	2.2	2.6	2.2	2.2
III	6,629.5	6,580.4	6,635.6	1.8	3.3	105.39	105.24	105.39	105.38	2.5	3.0	2.6	2.6
IV	6,688.6	6,624.8	6,691.2	3.6	2.7	106.07	105.88	106.09	106.06	2.6	2.5	2.7	2.6
1995: I	6,717.5	6,661.8	6,735.9	1.7	2.2	106.74	106.47	106.75	106.73	2.5	2.2	2.5	2.6
II	6,724.2	6,700.0	6,746.3	.4	2.3	107.26	107.11	107.24	107.22	2.0	2.4	1.8	1.8
III	6,779.5	6,761.7	6,788.9	3.3	3.7	107.76	107.52	107.75	107.72	1.9	1.6	1.9	1.9
IV	6,825.8	6,803.3	6,846.8	2.8	2.5	108.30	107.99	108.29	108.26	2.0	1.8	2.0	2.0
1996: I	6,882.0	6,863.6	6,902.1	3.3	3.6	108.90	108.56	108.91	108.88	2.2	2.1	2.3	2.3
II	6,983.9	6,954.7	6,999.0	6.1	5.4	109.28	108.94	109.24	109.21	1.4	1.4	1.2	1.2
III	7,020.0	6,970.3	7,027.1	2.1	.9	109.77	109.34	109.74	109.70	1.8	1.5	1.8	1.8
IV	7,093.1	7,057.9	7,105.3	4.2	5.1	110.21	109.90	110.23	110.19	1.6	2.1	1.8	1.8
1997: I	7,166.7	7,108.1	7,167.8	4.2	2.9	110.97	110.51	111.00	110.95	2.8	2.2	2.8	2.8
II	7,236.5	7,155.5	7,239.3	4.0	2.7	111.45	110.76	111.43	111.37	1.7	.9	1.6	1.5
III	7,311.2	7,256.3	7,307.0	4.2	5.8	111.77	111.06	111.76	111.70	1.2	1.1	1.2	1.2
IV	7,364.6	7,294.8	7,350.7	3.0	2.1	112.09	111.34	112.08	112.03	1.1	1.0	1.2	1.2
1998: I	7,464.7	7,372.5	7,455.2	5.5	4.3	112.33	111.29	112.32	112.26	.9	-2	.8	.8
II	7,498.6	7,456.4	7,485.9	1.8	4.6	112.57	111.42	112.56	112.50	.9	.4	.9	.9
III	7,566.5	7,507.6	7,546.7	3.7	2.8	112.85	111.60	112.84	112.78	1.0	.7	1.0	1.0

D. Domestic Perspectives

This table presents data collected from other government agencies and private organizations, as noted. Quarterly data are shown in the middle month of the quarter.

Table D.1.—Domestic Perspectives

	1996	1997	1997			1998										
			Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
Consumer and producer prices, (monthly data seasonally adjusted) ¹																
Consumer price index for all urban consumers, 1982-84=100:																
All items	156.9	160.5	161.6	161.8	161.9	161.9	162.0	162.0	162.4	162.9	163.0	163.3	163.6	163.6	164.0	164.3
Less food and energy	165.6	169.5	170.8	171.0	171.4	171.7	172.2	172.4	172.9	173.3	173.5	173.8	174.2	174.5	174.8	175.1
Services	174.1	179.4	181.0	181.4	181.7	181.9	182.3	182.7	183.4	183.9	184.1	184.4	184.8	185.2	185.5	186.0
Producer price index, 1982=100:																
Finished goods	131.3	131.8	131.8	131.6	131.4	130.6	130.5	130.4	130.6	130.7	130.5	130.7	130.2	130.6	130.9	130.7
Less food and energy	142.0	142.4	142.6	142.5	142.4	142.4	142.5	143.2	143.4	143.4	143.3	143.6	143.5	144.1	144.2	144.4
Finished consumer goods	129.5	130.2	130.3	130.0	129.8	128.8	128.6	128.5	128.9	129.0	128.8	129.1	128.4	128.9	129.3	128.9
Capital equipment	138.3	138.2	138.0	137.9	137.7	137.6	137.6	137.7	137.6	137.4	137.3	137.4	137.1	137.6	137.6	137.7
Intermediate materials	125.7	125.6	125.4	125.6	125.3	124.5	124.1	123.6	123.7	123.6	123.2	123.2	122.7	122.5	122.3	122.0
Crude materials	113.8	111.1	113.2	115.0	108.6	102.3	100.4	99.2	100.5	100.1	97.5	97.6	94.0	92.5	94.1	92.8
Money, interest rates, and stock prices																
Money stock (monthly and quarterly data seasonally adjusted): ²																
Percent change:																
M1			-0.15	0.69	0.64	-0.21	0.26	0.43	-0.04	-0.28	-0.30	-0.25	-0.26	0.29	0.60	0.83
M2 .....			.50	.61	.57	.62	.81	.70	.80	.24	.43	.40	.71	1.23	1.06	.90
Ratio:																
Gross domestic product to M1	6.925	7.580		7.722			7.784			7.833			7.972			
Personal income to M2	1.715	1.725	1.719	1.718	1.712	1.696	1.707	1.702	1.694	1.697	1.694	1.694	1.689	1.674	1.663	1.656
Interest rates (percent, not seasonally adjusted): ²																
Federal funds rate	5.30	5.46	5.50	5.52	5.50	5.56	5.51	5.49	5.45	5.49	5.56	5.54	5.55	5.51	5.07	4.83
Discount rate on new 91-day Treasury bills	5.02	5.07	4.95	5.15	5.16	5.09	5.11	5.03	5.00	5.03	4.99	4.96	4.94	4.74	4.08	4.44
Yield on new high-grade corporate bonds	7.62	7.40	6.90	6.79	6.68	6.62	6.66	6.63	6.59	6.63	6.43	6.35	6.34	6.27	6.21	6.42
10-Year U.S. Treasury bonds	6.44	6.35	6.03	5.88	5.81	5.54	5.57	5.65	5.64	5.65	5.50	5.46	5.34	4.81	4.53	4.83
Yield on municipal bonds, 20-bond average	5.76	5.52	5.38	5.33	5.19	5.06	5.10	5.21	5.23	5.20	5.12	5.14	5.10	4.99	4.93	5.03
Mortgage commitment rate	7.80	7.60	7.29	7.21	7.10	6.99	7.04	7.13	7.14	7.14	7.00	6.95	6.92	6.72	6.71	6.87
Average prime rate charged by banks	8.27	8.44	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.49	8.12	7.89
Index of stock prices (not seasonally adjusted): ³																
500 common stocks, 1941-43=10	670.83	872.72	951.16	938.92	962.37	963.36	1,023.74	1,076.83	1,112.20	1,108.42	1,108.39	1,156.58	1,074.62	1,020.64	1,032.47	1,144.43
Labor markets (thousands, monthly and quarterly data seasonally adjusted, unless otherwise noted) ¹																
Civilian labor force	133,943	136,297	136,406	136,864	137,169	137,493	137,557	137,523	137,242	137,364	137,447	137,296	137,415	138,075	137,976	138,253
Labor force participation rates (percent):																
Males 20 and over	76.8	77.0	76.8	77.0	77.0	77.1	76.9	76.7	76.9	76.8	76.7	76.9	76.5	76.7	76.6	76.8
Females 20 and over	59.9	60.5	60.5	60.4	60.7	60.6	60.6	60.7	60.3	60.4	60.4	60.1	60.4	60.4	60.4	60.4
16-19 years of age	52.3	51.6	50.9	51.8	51.6	53.1	53.3	53.5	51.8	52.3	53.0	51.9	52.4	53.8	52.9	52.4
Civilian employment	126,708	129,558	129,910	130,575	130,777	131,083	131,163	130,994	131,383	131,453	131,209	131,067	131,168	131,765	131,677	132,154
Ratio, civilian employment to working-age population (percent)																
.....	63.2	63.8	63.8	64.0	64.1	64.2	64.2	64.0	64.2	64.2	64.0	63.9	63.8	64.1	63.9	64.1
Persons engaged in nonagricultural activities	123,264	126,159	126,583	127,191	127,392	127,764	127,829	127,862	128,033	128,118	127,867	127,626	127,640	128,247	128,075	128,810
Employees on nonagricultural payrolls	119,608	122,690	123,568	123,944	124,289	124,640	124,832	124,914	125,234	125,562	125,751	125,869	126,191	126,363	126,508	126,775
Goods-producing industries																
.....	24,493	24,934	25,032	25,099	25,193	25,297	25,314	25,276	25,339	25,301	25,304	25,135	25,253	25,241	25,208	25,205
Services-producing industries																
.....	95,115	97,756	98,536	98,845	99,096	99,343	99,518	99,638	99,895	100,261	100,447	100,734	100,938	101,122	101,300	101,570
Average weekly hours, manufacturing (hours)																
.....	41.6	42.0	42.0	42.1	42.2	42.1	42.0	41.8	41.4	41.8	41.7	41.7	41.7	41.6	41.7	41.6
Average weekly overtime hours, manufacturing (hours)																
.....	4.5	4.8	4.8	4.9	4.9	4.9	4.8	4.8	4.5	4.6	4.6	4.6	4.6	4.5	4.5	4.5
Number of persons unemployed	7,236	6,739	6,496	6,289	6,392	6,409	6,393	6,529	5,859	5,910	6,237	6,230	6,247	6,310	6,299	6,099
Unemployment rates (percent):																
Total	5.4	4.9	4.8	4.6	4.7	4.7	4.6	4.7	4.3	4.3	4.5	4.5	4.5	4.6	4.6	4.4
15 weeks and over	1.7	1.5	1.5	1.4	1.4	1.3	1.3	1.3	1.0	1.1	1.2	1.2	1.2	1.2	1.2	1.2
Average duration of unemployment (weeks)	16.7	15.8	16.3	15.6	16.3	15.6	15.6	14.3	14.3	14.6	13.8	14.3	13.5	14.3	14.3	14.6
Nonfarm business sector, 1992=100:																
Output per hour of all persons	103.7	105.1		105.9			106.8			106.8			107.6			
Unit labor costs	106.5	109.0		109.9			110.2			111.2			111.5			
Hourly compensation	110.4	114.5		116.3			117.6			118.8			120.0			

See footnotes at the end of the table.

Table D.1.—Domestic Perspectives—Continued

	1996	1997	1997			1998										
			Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
Construction (monthly data seasonally adjusted at annual rates) ⁴																
Total new private construction put in place (billions of dollars)	448.3	471.2	477.5	475.3	478.4	487.8	490.9	494.3	500.1	496.5	503.6	511.5	516.6	521.0	527.1	529.6
Residential	256.5	265.6	268.6	268.9	273.0	279.0	282.5	286.0	289.7	288.0	291.9	299.3	300.6	305.0	307.5	311.2
Nonresidential	150.4	165.1	166.4	164.8	164.9	167.6	167.0	165.4	169.4	166.3	169.6	169.4	172.2	172.3	174.7	174.6
Housing starts (thousands of units):																
Total	1,477	1,474	1,529	1,523	1,540	1,545	1,616	1,585	1,546	1,538	1,620	1,704	1,621	1,569	1,694	1,649
1-unit structures	1,161	1,134	1,124	1,167	1,130	1,225	1,263	1,239	1,237	1,224	1,269	1,300	1,261	1,250	1,289	1,353
New 1-family houses sold (thousands of units)	757	804	805	875	805	853	878	836	892	892	919	877	837	844	851	.....
Manufacturing and trade, inventories and sales (millions of dollars, monthly data seasonally adjusted) ⁴																
Inventories:																
Total manufacturing and trade	1,009,647	1,053,078	1,046,591	1,050,183	1,053,078	1,055,034	1,062,460	1,068,754	1,070,555	1,070,022	1,070,515	1,070,875	1,074,870	1,080,866	1,083,764	.....
Manufacturing	436,729	456,133	455,553	457,766	456,133	458,197	461,178	461,948	464,668	465,729	466,701	467,636	468,445	468,552	471,472	.....
Merchant wholesalers	256,442	273,298	268,745	270,955	273,298	272,130	275,750	277,624	275,933	277,699	277,518	277,466	280,591	284,128	283,432	.....
Retail trade	316,476	323,647	322,293	321,462	323,647	324,707	325,532	329,182	329,954	326,594	326,296	325,773	325,834	328,186	328,860	.....
Sales:																
Total manufacturing and trade	8,578,039	8,995,737	757,573	755,731	763,107	761,165	768,061	773,877	772,160	772,405	774,639	773,762	772,454	779,478	781,006	.....
Manufacturing	3,715,460	3,929,419	332,321	331,404	336,424	331,937	335,983	338,991	335,553	333,622	335,110	335,380	336,445	340,481	340,092	.....
Merchant wholesalers	2,401,383	2,500,109	210,137	208,413	209,816	210,224	211,312	213,781	213,900	213,413	213,904	214,229	211,713	213,856	213,014	.....
Retail trade	2,461,196	2,566,209	215,115	215,914	216,867	219,004	220,866	221,105	222,707	225,370	225,625	224,153	224,296	225,141	227,900	.....
Industrial production indexes and capacity utilization rates (monthly data seasonally adjusted) ²																
Industrial production indexes, 1992=100:																
Total	119.5	126.8	129.3	129.9	130.3	130.3	130.2	130.7	131.3	131.9	130.6	130.5	132.4	131.9	132.2	131.8
By industry:																
Durable manufactures	134.1	147.1	151.8	153.3	154.0	153.9	154.0	155.2	156.2	157.2	154.8	154.4	159.8	159.5	160.7	160.4
Nondurable manufactures	107.9	111.3	112.0	112.6	112.7	113.1	112.8	112.4	113.0	113.0	112.0	112.1	111.3	110.6	111.0	111.2
By market category:																
Consumer goods	111.3	114.1	114.9	115.9	115.4	116.0	115.2	115.8	116.4	116.8	115.1	114.0	116.1	114.8	115.3	115.4
Capacity utilization rates (percent):																
Total industry	82.4	82.9	83.4	83.4	83.4	83.0	82.6	82.6	82.6	82.6	81.5	81.1	82.0	81.3	81.2	80.6
Manufacturing	81.4	82.0	82.3	82.6	82.5	82.2	81.8	81.6	81.7	81.6	80.2	79.8	80.7	80.1	80.2	79.8
Credit market borrowing (billions of dollars, quarterly data seasonally adjusted at annual rates) ²																
All sectors, by instrument:																
Total	1,359.8	1,470.7	.....	1,985.3	.....	.....	1,830.3	.....	.....	2,037.6	.....	.....	1,896.3	.....	.....	.....
Open market paper	102.6	184.1	.....	257.7	.....	.....	347.3	.....	.....	116.6	.....	.....	236.2	.....	.....	.....
U.S. government securities	376.5	235.9	.....	338.9	.....	.....	197.3	.....	.....	342.5	.....	.....	425.1	.....	.....	.....
Municipal securities	2.6	71.4	.....	103.2	.....	.....	116.7	.....	.....	100.1	.....	.....	84.1	.....	.....	.....
Corporate and foreign bonds	308.0	345.4	.....	452.7	.....	.....	487.0	.....	.....	641.8	.....	.....	212.0	.....	.....	.....
Bank loans, n.e.c.	92.1	129.3	.....	185.1	.....	.....	79.9	.....	.....	172.9	.....	.....	187.2	.....	.....	.....
Other loans and advances	62.5	102.2	.....	196.8	.....	.....	108.9	.....	.....	109.4	.....	.....	157.6	.....	.....	.....
Mortgages	326.8	349.9	.....	413.1	.....	.....	436.1	.....	.....	489.2	.....	.....	505.8	.....	.....	.....
Consumer credit	88.8	52.5	.....	37.8	.....	.....	57.3	.....	.....	65.1	.....	.....	88.2	.....	.....	.....

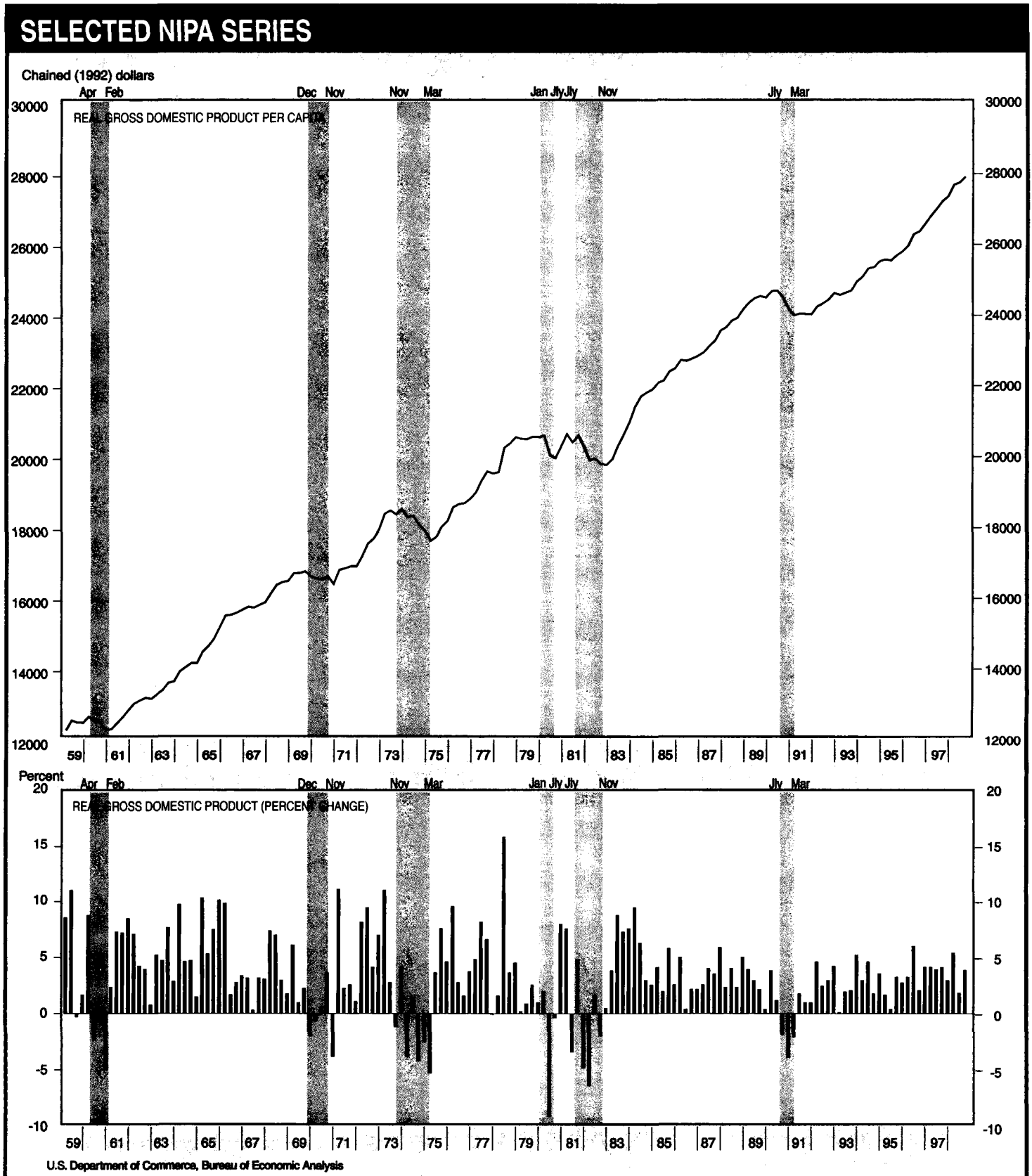
Sources:

1. Bureau of Labor Statistics.
2. Federal Reserve Board.

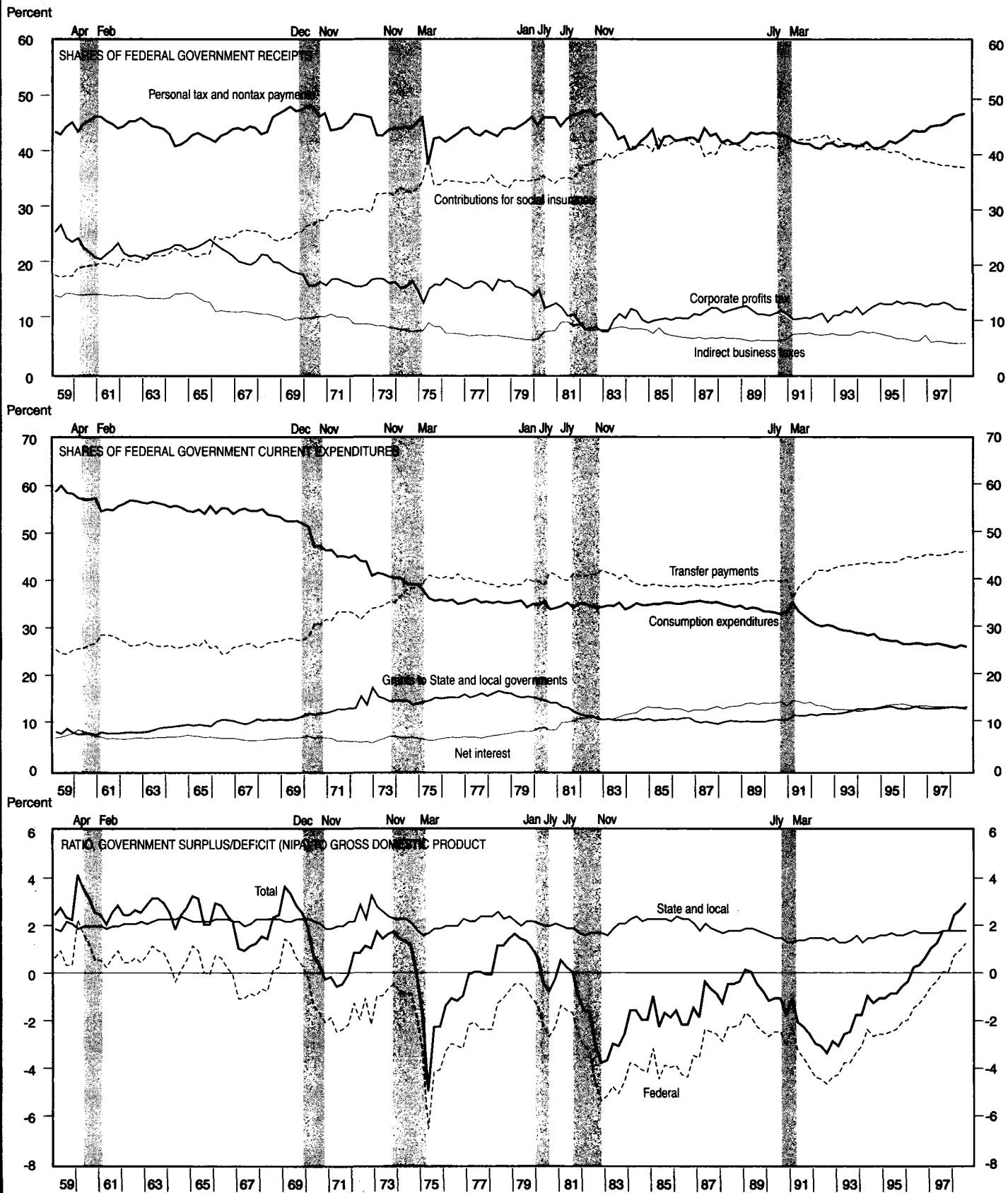
3. Standard and Poor's, Inc.
4. Bureau of the Census.
n.e.c. Not elsewhere classified.

E. Charts

Percent changes shown in this section are based on quarter-to-quarter changes and are expressed at seasonally adjusted annual rates; likewise, levels of series are expressed at seasonally adjusted annual rates as appropriate.

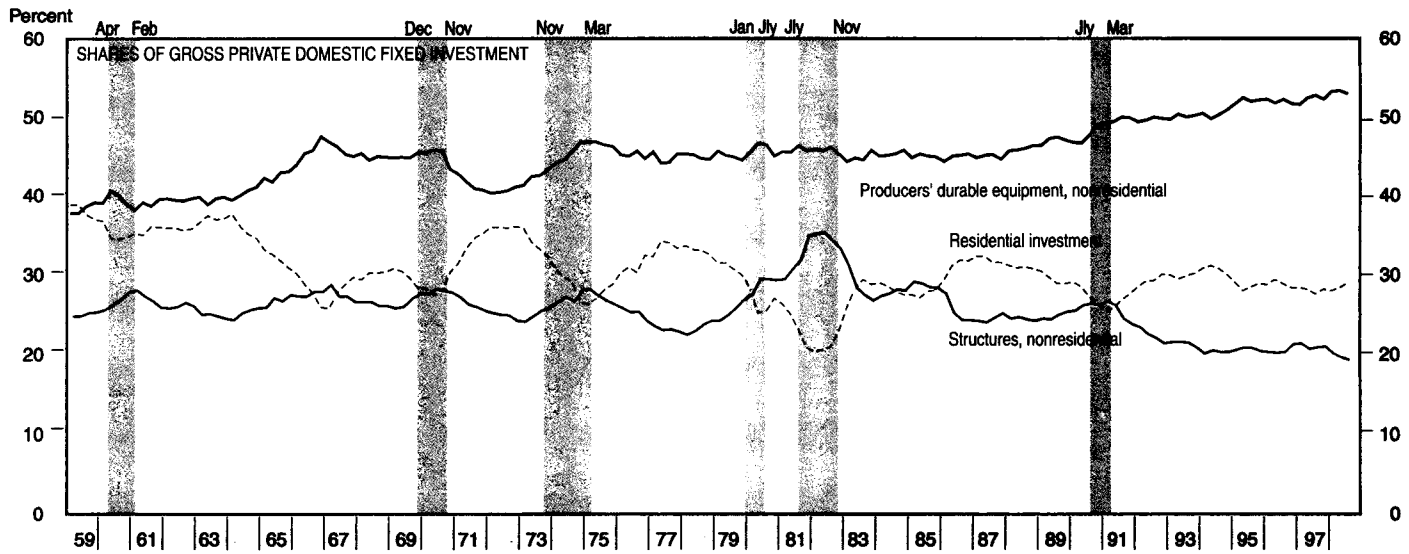
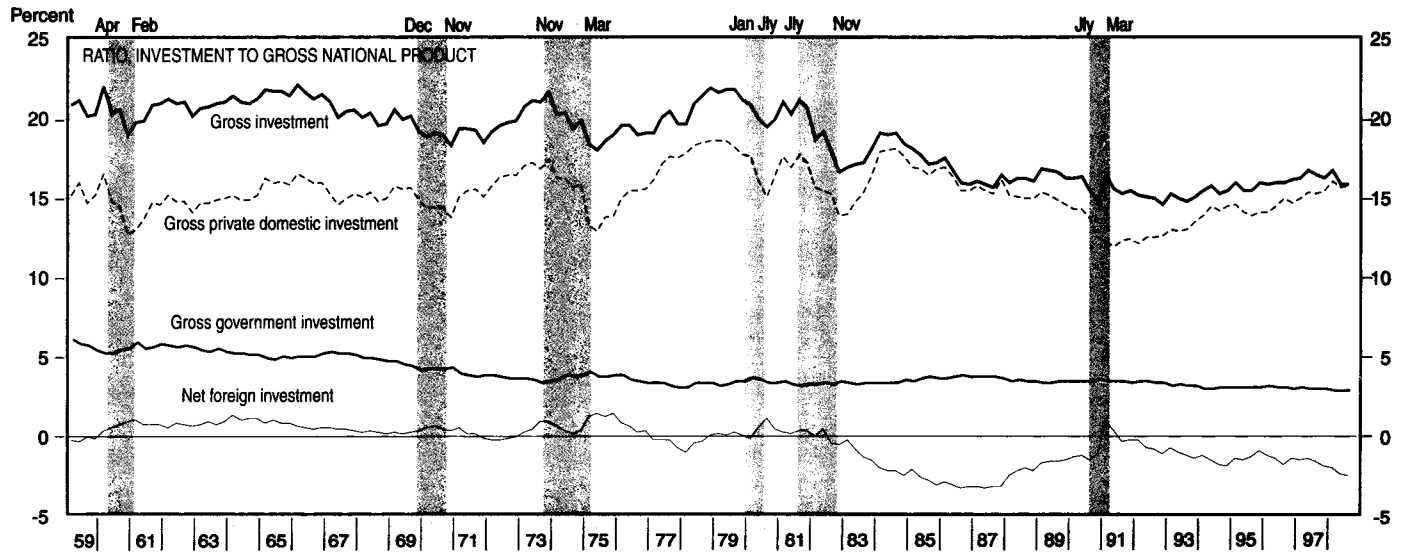
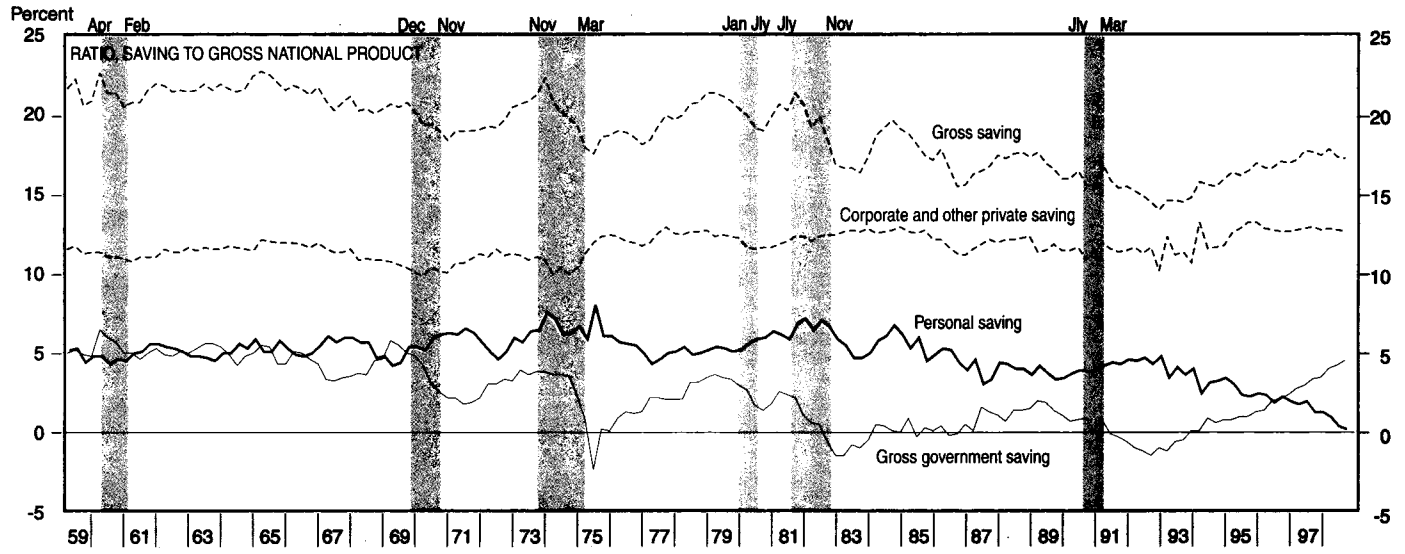


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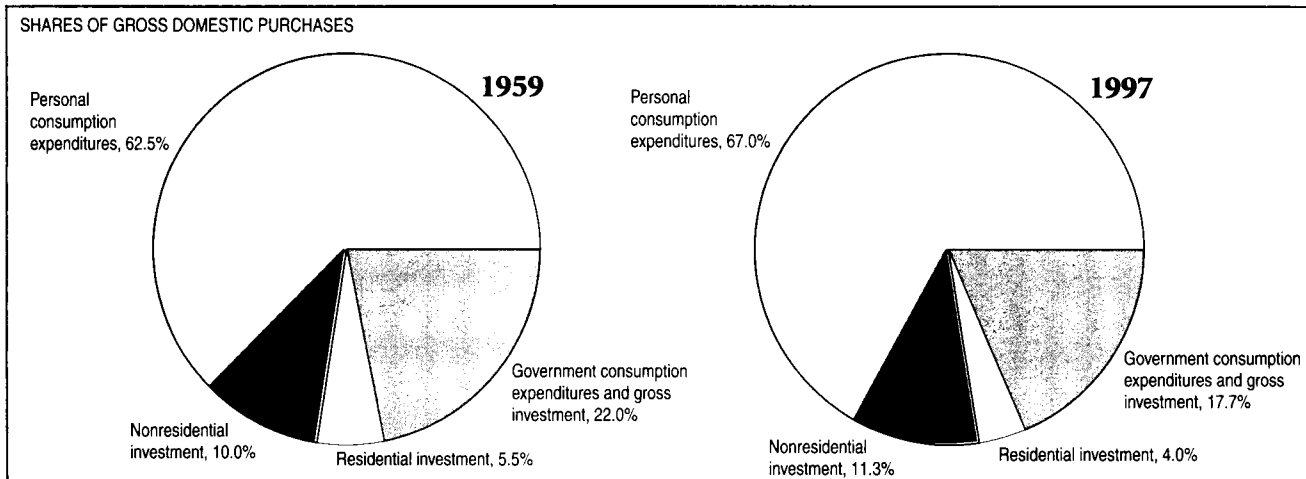
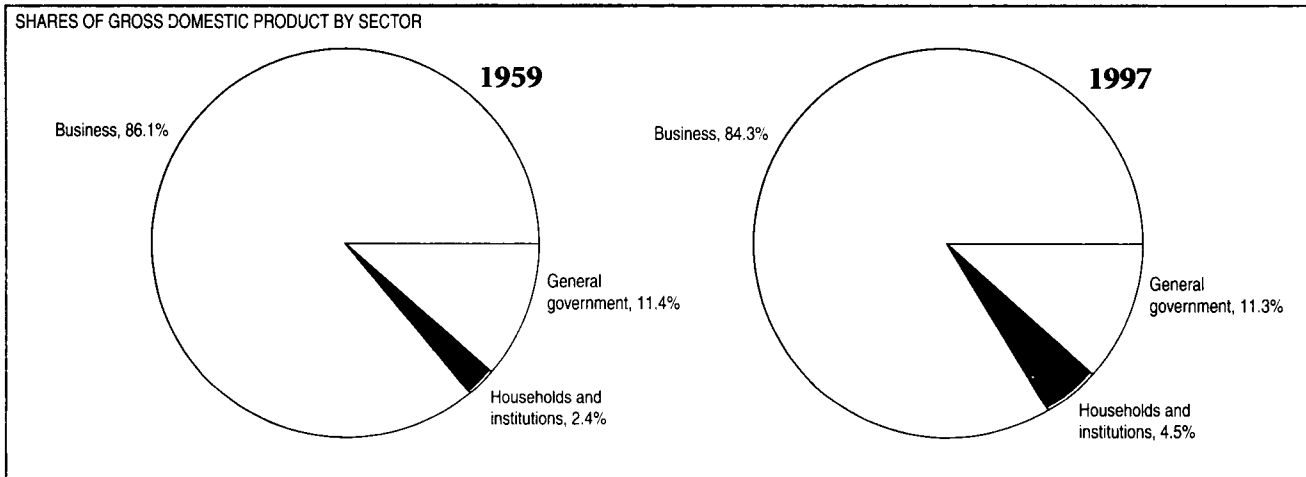
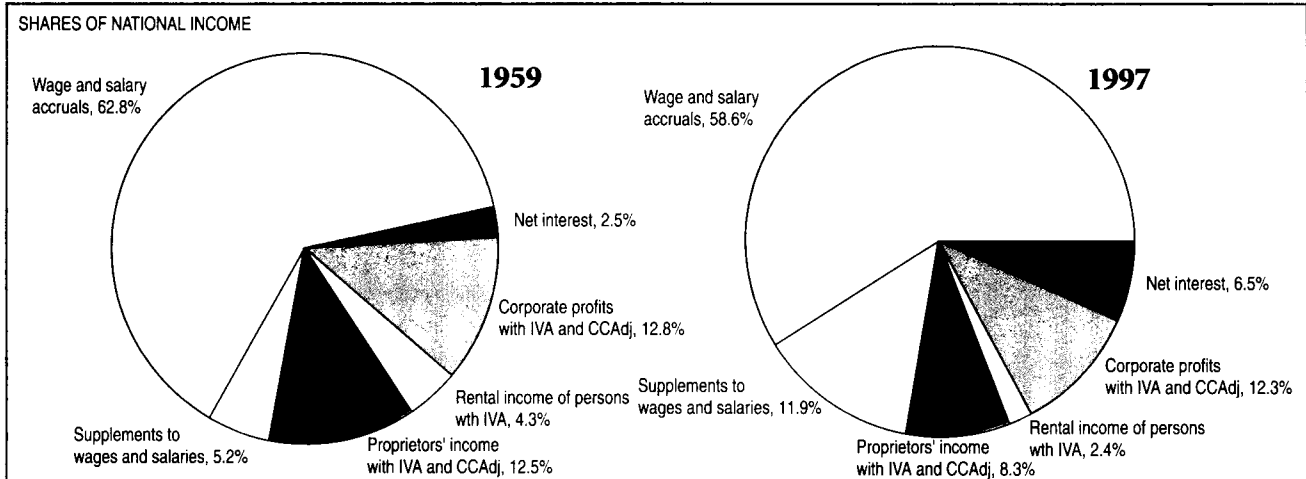
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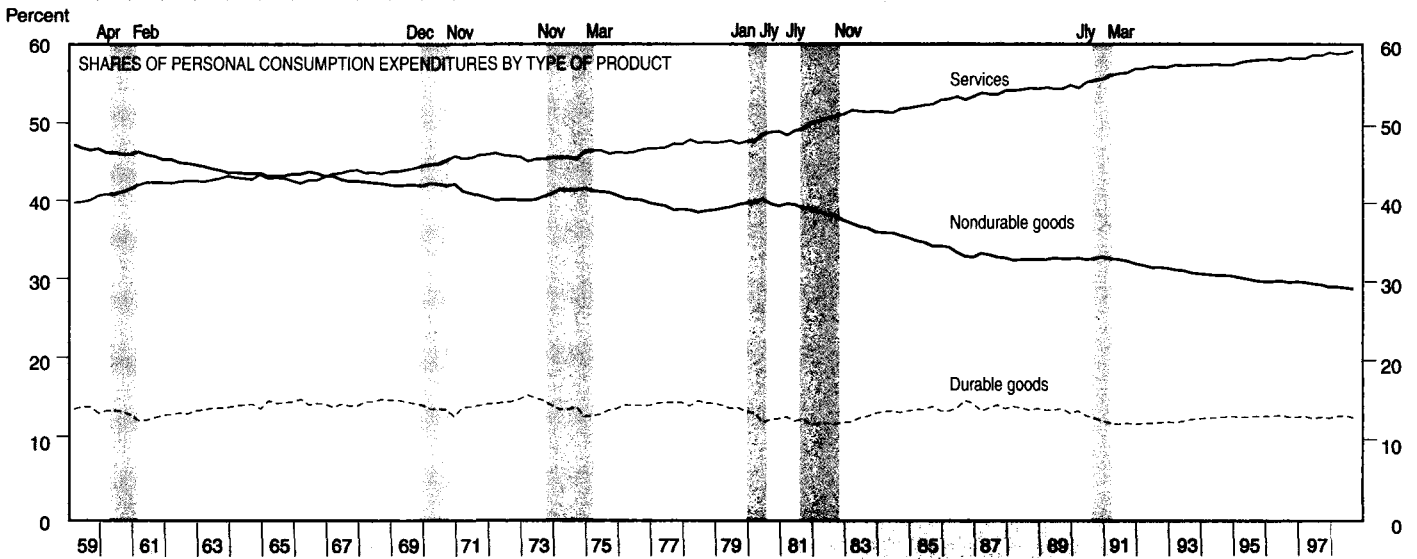
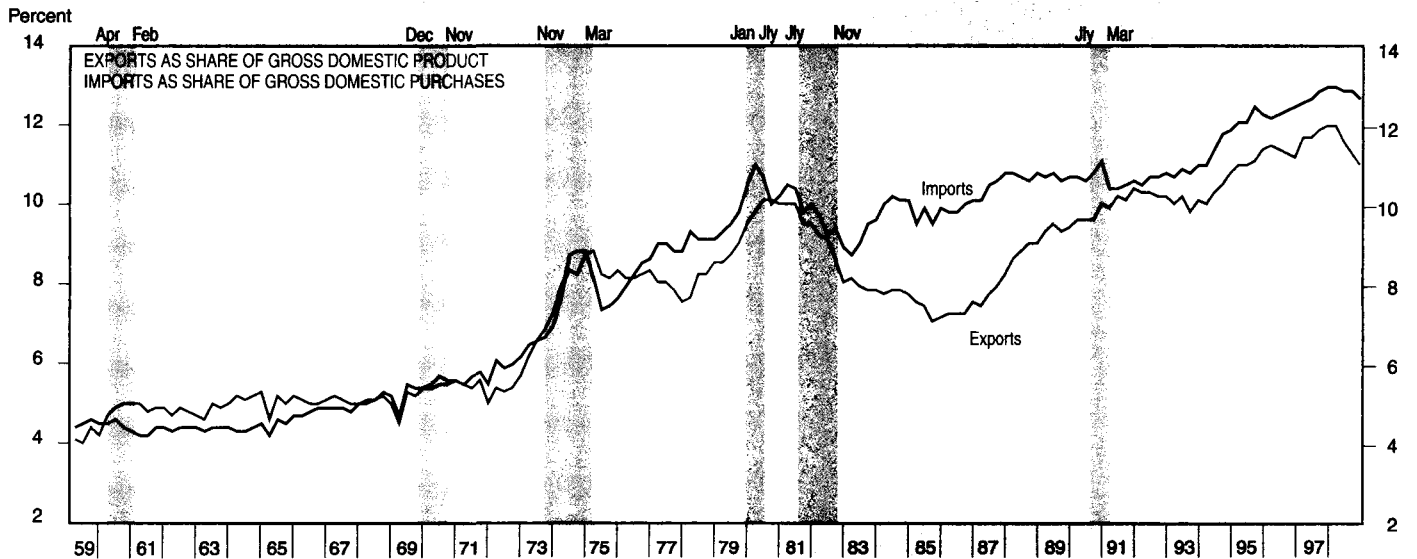
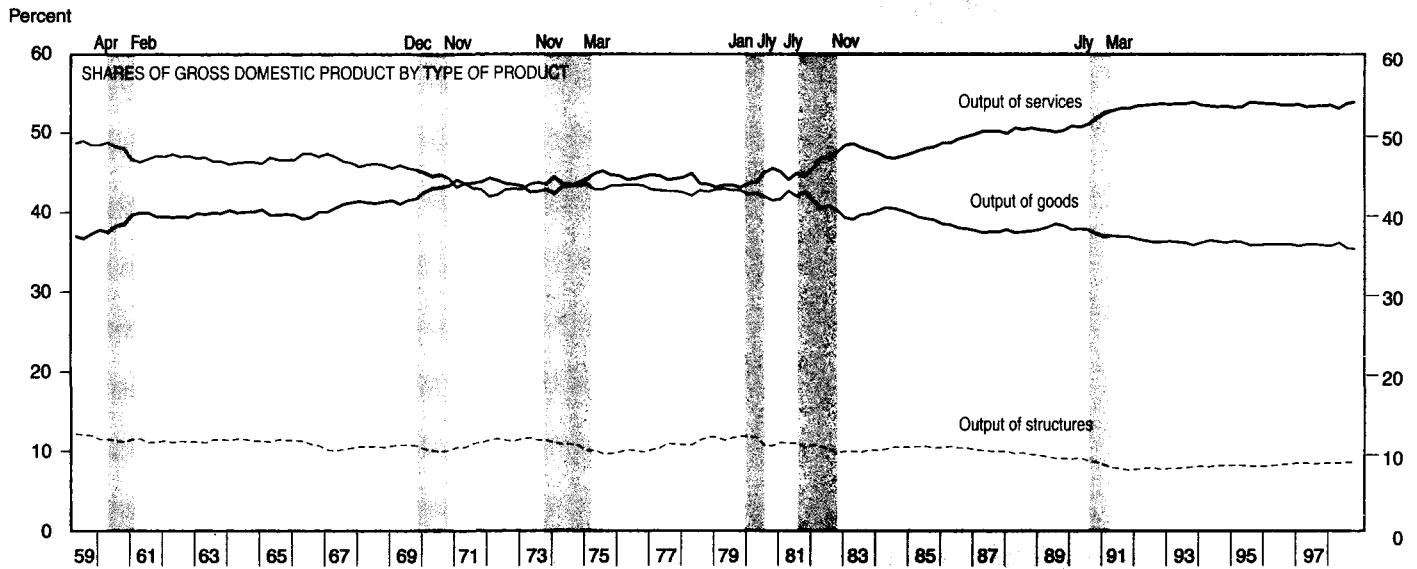
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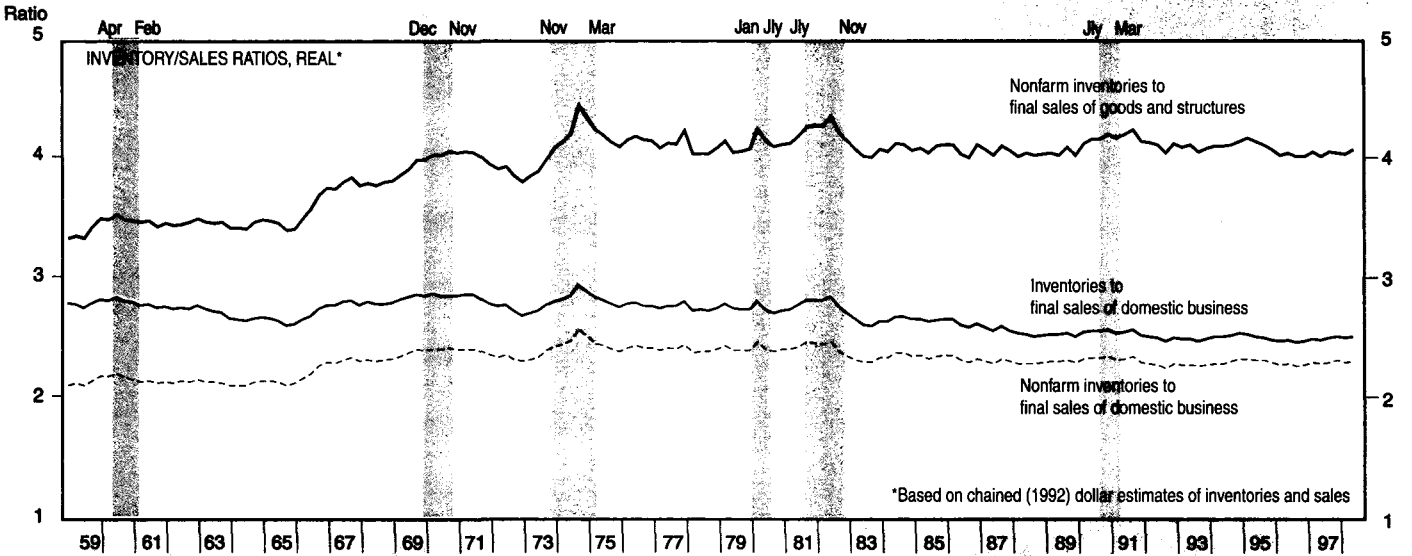
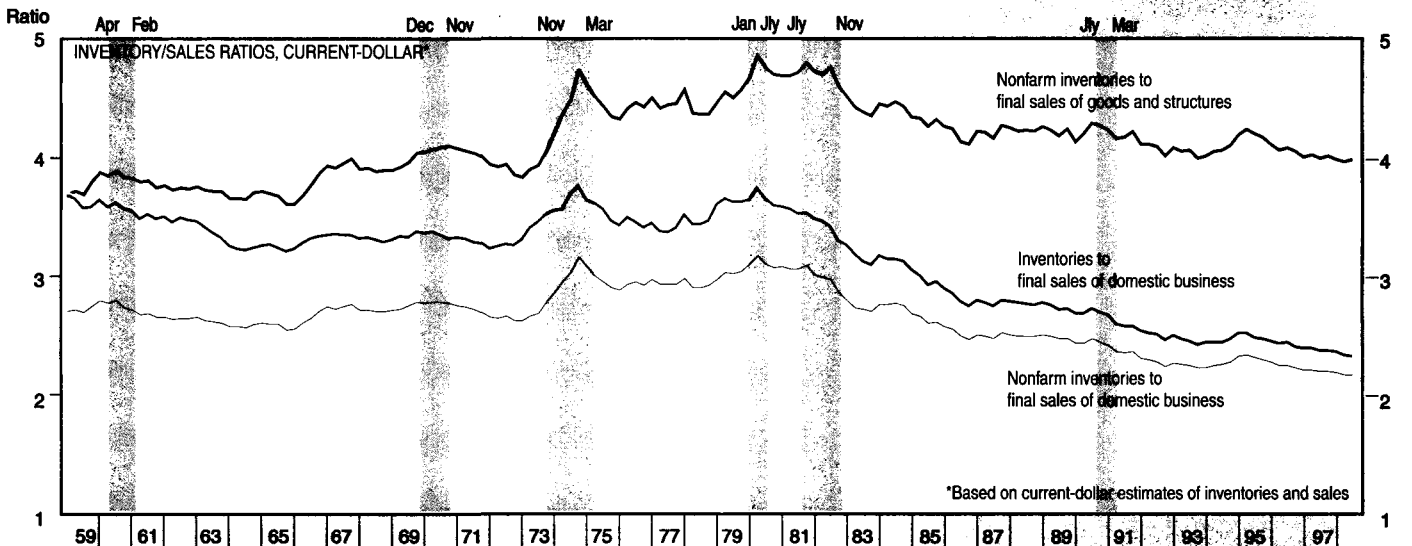
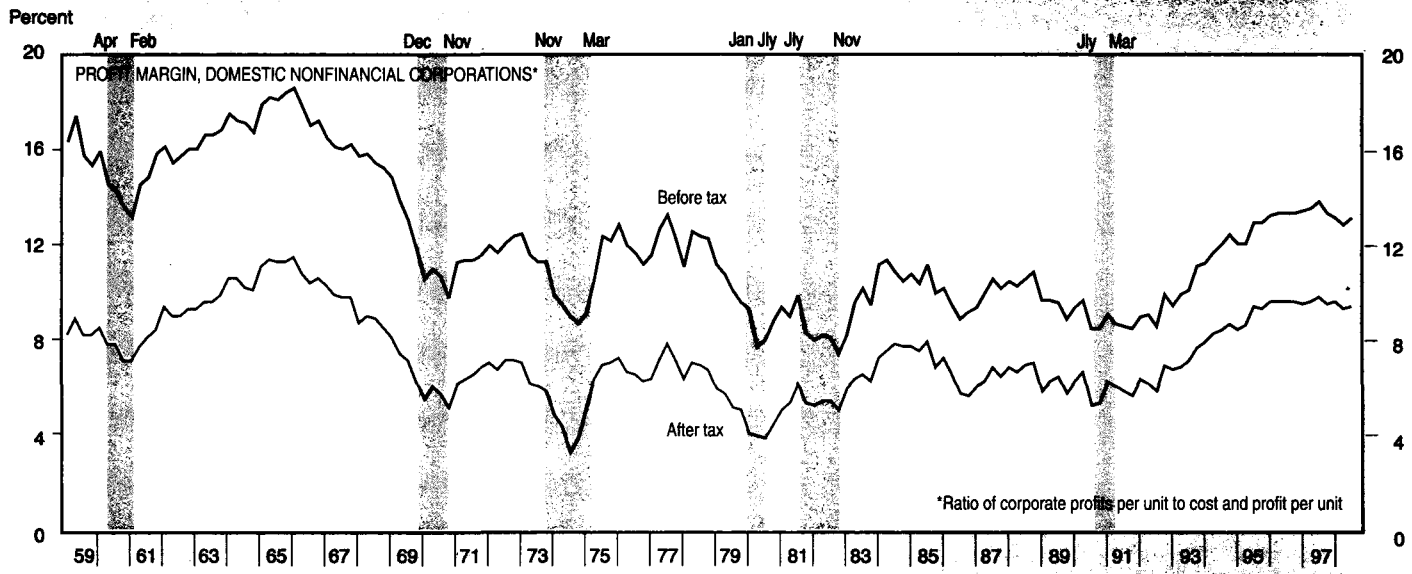
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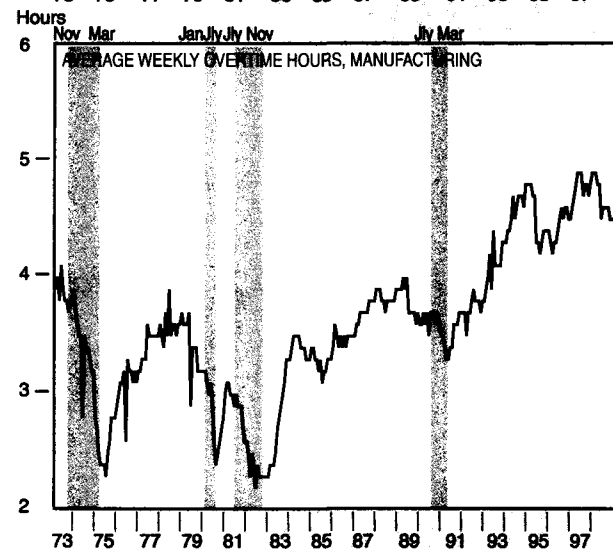
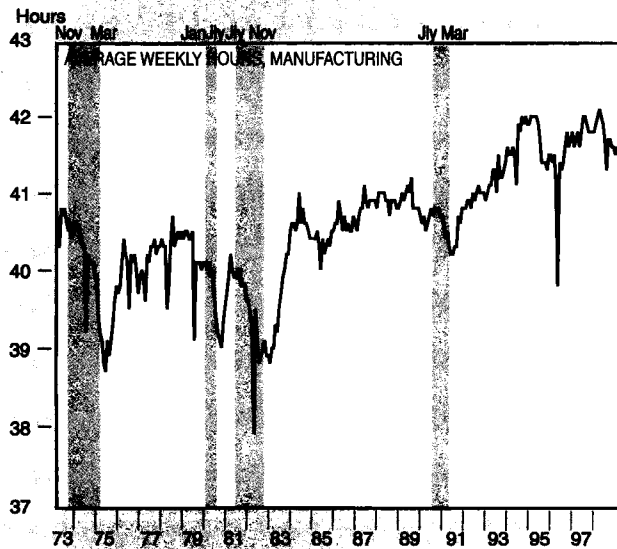
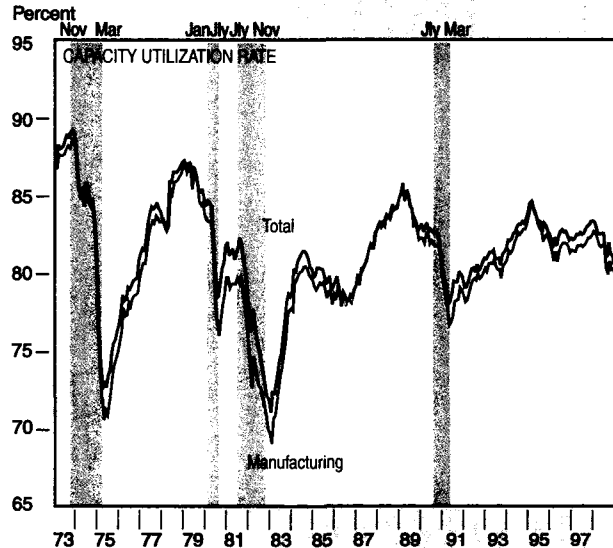
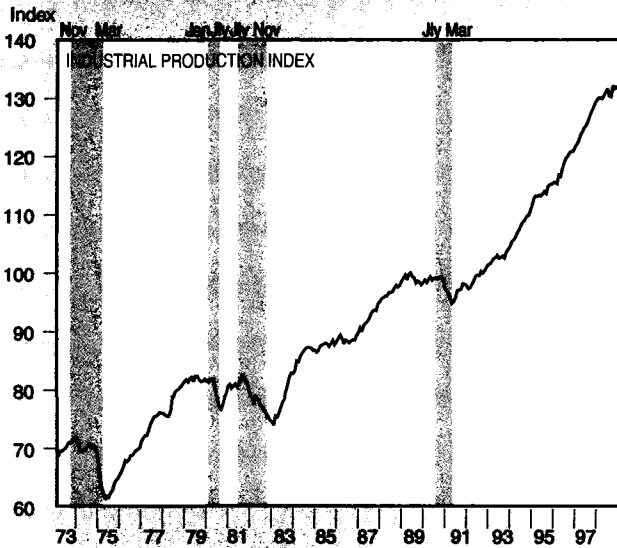
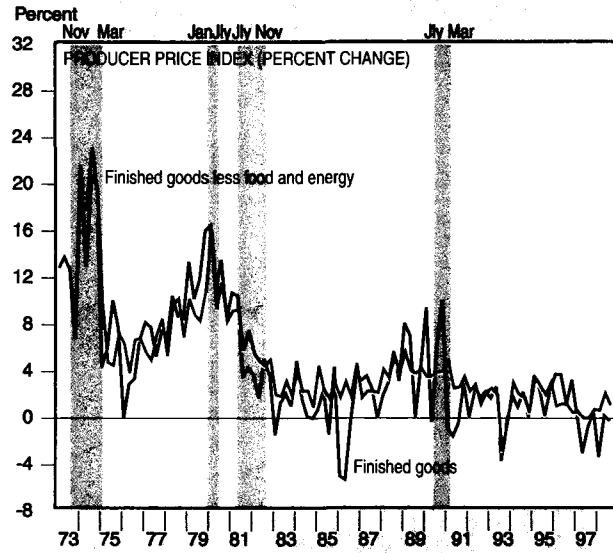
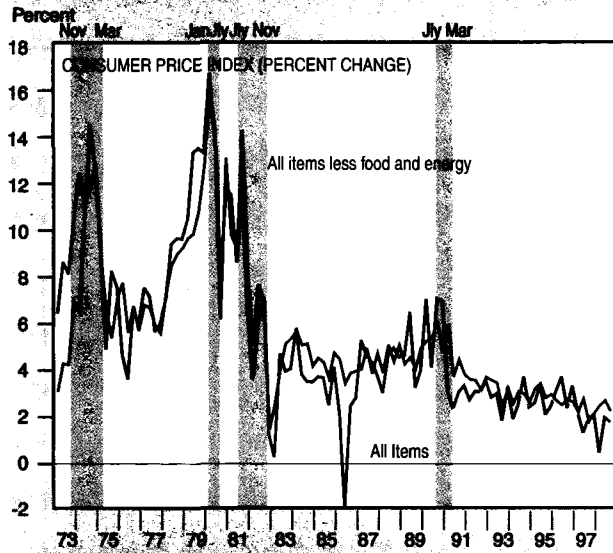
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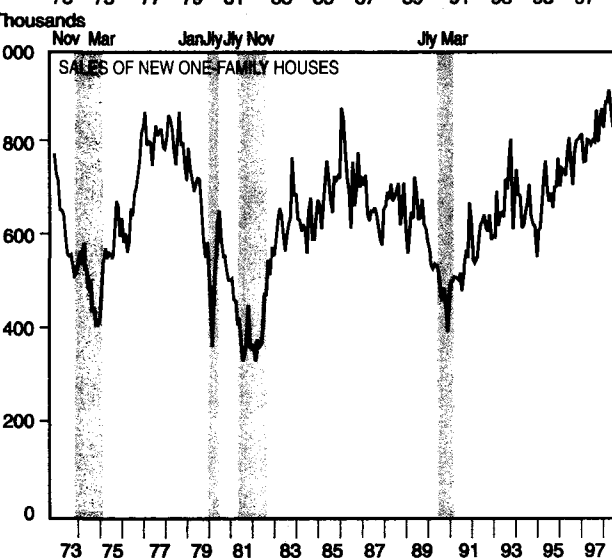
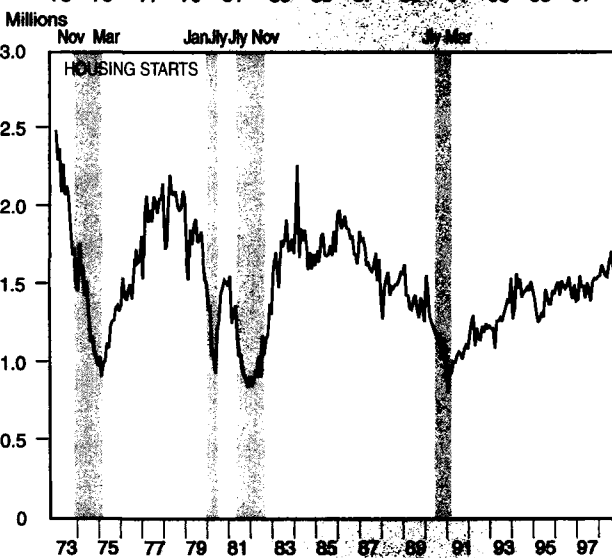
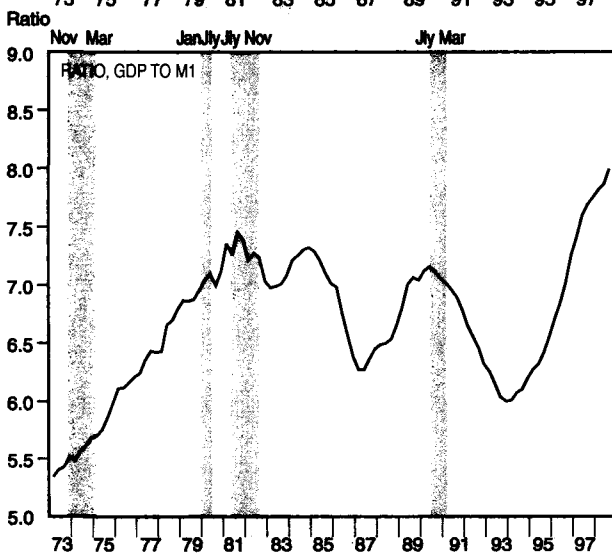
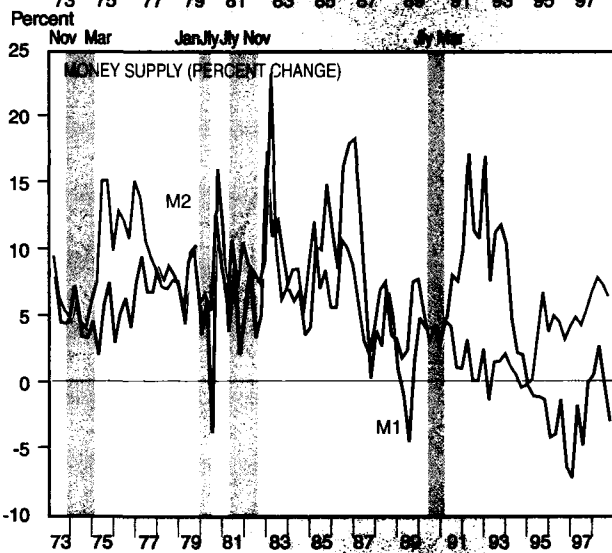
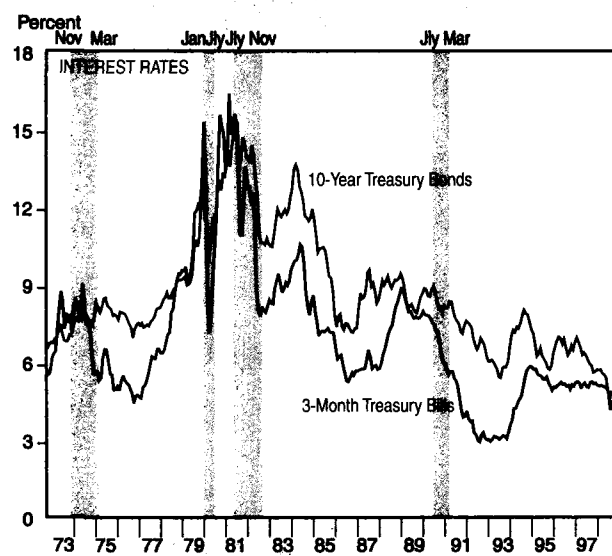
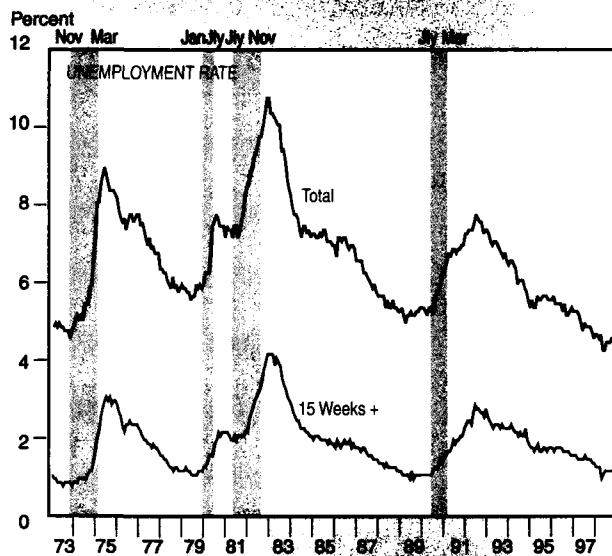
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OTHER INDICATORS OF THE DOMESTIC ECONOMY



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OTHER INDICATORS OF THE DOMESTIC ECONOMY



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International Data

F. Transactions Tables

Table F.1 includes the most recent estimates of U.S. international trade in goods and services; the estimates were released on December 17, 1998 and include "preliminary" estimates for October 1998 and "revised" estimates for April–September. The sources for the other tables in this section are as noted.

Table F.1.—U.S. International Transactions in Goods and Services
[Millions of dollars; monthly estimates seasonally adjusted]

	1996	1997	1997				1998									
			Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. ^r	May ^r	June ^r	July ^r	Aug. ^r	Sept. ^r	Oct. ^p
Exports of goods and services	850,775	937,593	79,705	80,589	79,088	79,784	79,668	77,813	79,058	77,707	76,650	76,225	74,994	74,988	77,467	79,618
Goods	611,983	679,325	57,747	58,467	57,482	58,336	57,902	56,350	57,217	55,335	54,719	54,767	53,825	53,862	56,005	57,921
Foods, feeds, and beverages	55,534	51,507	4,275	4,503	4,533	4,476	4,238	4,220	3,995	3,758	3,664	3,794	3,716	3,601	3,276	3,996
Industrial supplies and materials	147,652	158,226	13,136	13,304	13,064	13,087	13,040	12,553	12,861	12,471	12,562	12,052	11,864	12,037	11,915	12,477
Capital goods, except automotive	252,895	294,470	25,409	25,614	24,883	25,755	25,459	24,807	24,881	23,790	23,799	24,369	24,843	23,863	26,099	26,747
Automotive vehicles, engines, and parts	65,021	74,029	6,180	6,448	6,576	6,138	6,497	6,350	6,578	6,468	5,983	5,601	4,732	5,601	5,993	5,991
Consumer goods (nonfood), except automotive	70,138	77,446	6,437	6,752	6,521	6,416	6,609	6,425	6,550	6,590	6,562	6,864	6,658	6,692	6,735	6,843
Other goods	33,836	33,505	3,049	2,896	2,575	2,978	2,695	2,802	3,233	2,913	2,905	2,985	2,977	3,382	2,928	3,041
Adjustments ¹	-13,092	-9,858	-739	-1,050	-670	-513	-636	-807	-882	-655	-756	-898	-965	-1,314	-940	-1,175
Services	238,792	258,268	21,958	22,122	21,606	21,448	21,766	21,463	21,841	22,372	21,931	21,458	21,169	21,126	21,462	21,697
Travel	69,751	73,268	6,320	6,162	6,083	5,959	6,253	5,994	5,720	6,427	6,032	5,682	5,490	5,557	5,681	5,829
Passenger fares	20,413	20,895	1,797	1,812	1,799	1,753	1,803	1,737	1,658	1,824	1,744	1,655	1,527	1,555	1,590	1,631
Other transportation	26,074	26,911	2,216	2,337	2,226	2,246	2,237	2,120	2,103	2,149	2,120	2,022	2,089	2,137	2,178	2,244
Royalties and license fees	32,823	33,676	2,855	2,812	2,793	2,776	2,863	2,893	2,919	2,973	2,977	2,958	2,862	2,842	2,839	2,870
Other private services	73,073	84,465	7,246	7,420	7,348	7,302	7,217	7,263	7,423	7,597	7,578	7,738	7,711	7,647	7,704	7,706
Transfers under U.S. military agency sales contracts ²	15,765	18,269	1,458	1,513	1,294	1,351	1,328	1,391	1,953	1,337	1,414	1,337	1,425	1,322	1,404	1,353
U.S. Government miscellaneous services	893	784	66	66	63	61	65	65	65	65	66	66	65	66	66	64
Imports of goods and services	959,349	1,047,799	88,940	89,240	88,688	89,989	89,565	89,427	92,555	91,725	92,291	90,438	89,911	91,662	91,836	93,812
Goods	803,320	877,279	74,271	74,738	74,087	75,298	74,977	74,470	77,720	76,670	77,297	75,297	74,854	75,597	76,806	78,550
Foods, feeds, and beverages	35,710	39,694	3,357	3,306	3,263	3,493	3,375	3,511	3,546	3,398	3,455	3,590	3,436	3,353	3,330	3,343
Industrial supplies and materials	204,482	213,767	17,990	18,191	18,088	17,198	17,277	16,829	16,733	17,294	17,448	16,610	16,629	16,807	16,495	16,944
Capital goods, except automotive	229,050	254,175	21,812	22,207	21,543	22,438	21,898	22,236	23,090	22,307	23,132	22,179	22,284	22,223	22,236	22,984
Automotive vehicles, engines, and parts	128,938	140,779	11,769	11,594	11,738	11,929	11,634	12,188	12,974	12,183	12,542	11,774	10,677	12,236	12,960	13,309
Consumer goods (nonfood), except automotive	171,007	192,918	16,566	16,472	16,778	17,269	17,200	16,871	18,213	18,274	17,893	18,174	18,267	17,981	18,014	18,162
Other goods	26,102	29,338	2,511	2,713	2,435	2,548	2,815	2,609	2,657	2,892	2,539	2,615	3,204	3,302	3,226	3,246
Adjustments ¹	8,031	6,609	266	255	242	423	578	226	508	322	288	355	358	695	546	563
Services	156,029	170,520	14,669	14,502	14,601	14,691	14,588	14,957	14,835	15,055	14,994	15,141	15,057	15,065	15,030	15,262
Travel	48,048	51,220	4,339	4,173	4,337	4,313	4,452	4,449	4,408	4,567	4,420	4,478	4,288	4,348	4,372	4,470
Passenger fares	15,818	18,235	1,587	1,482	1,541	1,534	1,545	1,563	1,542	1,613	1,564	1,580	1,548	1,520	1,500	1,521
Other transportation	27,403	28,949	2,480	2,499	2,369	2,530	2,355	2,346	2,550	2,417	2,497	2,516	2,565	2,582	2,476	2,570
Royalties and license fees	7,854	9,411	863	861	860	857	832	1,199	819	905	921	933	923	873	874	879
Other private services	43,138	48,421	4,160	4,230	4,250	4,202	4,123	4,114	4,234	4,297	4,343	4,388	4,481	4,488	4,554	4,567
Direct defense expenditures ²	11,081	11,488	997	1,020	1,011	1,024	1,047	1,051	1,047	1,021	1,014	1,010	1,016	1,017	1,017	1,021
U.S. Government miscellaneous services	2,687	2,796	243	237	233	231	234	235	235	235	235	236	236	237	237	234
Memoranda:																
Balance on goods	-191,337	-197,955	-16,524	-16,270	-16,605	-16,962	-17,076	-18,120	-20,504	-21,335	-22,578	-20,530	-21,029	-22,735	-20,802	-20,629
Balance on services	82,763	87,748	7,289	7,620	7,005	6,757	7,178	6,506	7,006	7,317	6,937	6,317	6,112	6,061	6,432	6,435
Balance on goods and services	-108,574	-110,207	-9,235	-8,650	-9,600	-10,205	-9,898	-11,614	-13,498	-14,018	-15,641	-14,213	-14,917	-16,674	-14,370	-14,194

^p Preliminary.

^r Revised.

1. Reflects adjustments necessary to bring the Census Bureau's component data in line with the concepts and

definitions used to prepare BEA's international and national accounts.

2. Contains goods that cannot be separately identified.

Source: U.S. Department of Commerce, Bureau of Economic Analysis and Bureau of the Census

Table F.4—Private Service Transactions

[Millions of dollars]

Line		1996	1997	Seasonally adjusted					
				1997			1998		
				II	III	IV	I	II ^P	III ^P
1	Exports of private services	222,134	239,215	59,695	60,545	60,827	60,203	61,477	59,409
2	Travel (table F.2, line 5)	69,751	73,268	18,542	18,325	18,204	17,967	18,141	16,728
3	Passenger fares (table F.2, line 6)	20,413	20,895	5,189	5,212	5,364	5,198	5,223	4,672
4	Other transportation (table F.2, line 7)	26,074	26,911	6,724	6,678	6,809	6,460	6,292	6,404
5	Freight	11,146	11,773	2,910	2,919	3,031	2,901	2,715	2,656
6	Port services	14,929	15,137	3,814	3,759	3,778	3,559	3,577	3,748
7	Royalties and license fees (table F.2, line 8)	32,823	33,676	8,407	8,580	8,381	8,675	8,908	8,543
8	Affiliated	24,710	25,515	6,373	6,543	6,330	6,600	6,803	6,405
9	U.S. parents' receipts	22,781	23,457	5,897	5,929	5,724	5,905	6,182	6,009
10	U.S. affiliates' receipts	1,929	2,058	476	614	606	695	621	396
11	Unaffiliated	8,113	8,161	2,034	2,037	2,051	2,075	2,105	2,138
12	Industrial processes ¹	3,488	3,272	819	812	809	811	815	820
13	Other ²	4,625	4,889	1,215	1,225	1,242	1,264	1,290	1,318
14	Other private services (table F.2, line 9)	73,073	84,465	20,833	21,750	22,069	21,903	22,913	23,062
15	Affiliated services	23,779	26,336	6,579	6,791	6,717	6,644	6,876	6,923
16	U.S. parents' receipts	14,772	16,164	4,045	4,128	4,198	4,101	4,201	4,245
17	U.S. affiliates' receipts	9,007	10,172	2,534	2,663	2,519	2,543	2,675	2,678
18	Unaffiliated services	49,295	58,128	14,254	14,959	15,352	15,259	16,037	16,139
19	Education	7,888	8,278	2,052	2,108	2,105	2,100	2,096	2,155
20	Financial services	8,382	11,064	2,598	2,914	3,157	2,891	3,617	3,580
21	Insurance, net	1,971	2,391	592	605	616	629	642	656
22	Premiums received	5,978	5,952	1,485	1,483	1,491	1,508	1,531	1,557
23	Losses paid	4,007	3,561	892	879	875	880	890	902
24	Telecommunications	3,270	3,771	938	956	987	969	940	914
25	Business, professional, and technical services	17,599	21,304	5,293	5,500	5,564	5,669	5,755	5,790
26	Other unaffiliated services ³	10,185	11,321	2,780	2,876	2,923	3,001	2,987	3,044
27	Imports of private services	142,261	156,236	38,817	39,769	40,039	40,530	41,439	41,392
28	Travel (table F.2, line 19)	48,048	51,220	12,764	12,897	12,823	13,309	13,465	13,008
29	Passenger fares (table F.2, line 20)	15,818	18,235	4,663	4,704	4,557	4,650	4,757	4,568
30	Other transportation (table F.2, line 21)	27,403	28,949	7,317	7,200	7,397	7,250	7,430	7,623
31	Freight	16,539	17,644	4,581	4,408	4,454	4,461	4,730	4,978
32	Port services	10,864	11,305	2,736	2,792	2,943	2,789	2,700	2,645
33	Royalties and license fees (table F.2, line 22)	7,854	9,411	2,168	2,559	2,578	2,850	2,759	2,670
34	Affiliated	5,506	7,087	1,600	1,941	1,980	1,877	2,154	2,032
35	U.S. parents' payments	766	955	220	235	284	247	182	196
36	U.S. affiliates' payments	4,740	6,132	1,380	1,706	1,696	1,630	1,972	1,836
37	Unaffiliated	2,347	2,324	568	618	598	973	605	638
38	Industrial processes ¹	1,233	1,265	315	313	317	324	335	347
39	Other ²	1,115	1,060	253	305	282	649	270	292
40	Other private services (table F.2, line 23)	43,138	48,421	11,905	12,409	12,684	12,471	13,028	13,523
41	Affiliated services	16,668	18,324	4,473	4,635	4,801	4,419	4,825	5,254
42	U.S. parents' payments	8,089	9,407	2,355	2,427	2,445	2,324	2,494	2,640
43	U.S. affiliates' payments	8,579	8,917	2,118	2,208	2,356	2,095	2,331	2,614
44	Unaffiliated services	26,469	30,098	7,432	7,774	7,883	8,052	8,203	8,269
45	Education	1,247	1,347	333	346	349	348	364	377
46	Financial services	2,995	3,906	1,002	1,093	965	999	1,069	1,051
47	Insurance, net	3,773	5,208	1,261	1,381	1,452	1,477	1,471	1,451
48	Premiums paid	14,652	15,036	3,735	3,787	3,832	3,869	3,900	3,928
49	Losses recovered	10,879	9,828	2,474	2,406	2,380	2,392	2,429	2,477
50	Telecommunications	8,304	8,113	1,999	2,028	2,080	2,121	2,103	2,088
51	Business, professional, and technical services	5,550	6,571	1,615	1,676	1,737	1,832	1,905	1,973
52	Other unaffiliated services ³	4,600	4,952	1,221	1,251	1,299	1,275	1,291	1,329
53	Memoranda: Balance on goods (table F.2, line 65)	-191,337	-197,954	-49,096	-49,296	-49,839	-55,698	-64,443	-64,360
54	Balance on private services (line 1 minus line 27)	79,873	82,979	20,878	20,776	20,788	19,673	20,038	18,017
55	Balance on goods and private services (lines 53 and 54)	-111,464	-114,975	-28,218	-28,520	-29,051	-36,025	-44,405	-46,343

^P Preliminary.^R Revised.

1. Patented techniques, processes, and formulas and other intangible property rights that are used in goods production.

2. Copyrights, trademarks, franchises, rights to broadcast live events, and other intangible property rights.

3. Other unaffiliated services receipts (exports) include mainly expenditures of foreign govern-

ments and international organizations in the United States. Payments (imports) include mainly wages of foreign residents temporarily employed in the United States and Canadian and Mexican communities in U.S. border areas.

NOTE.—The data in table F.4 are from table 3 in "U.S. International Transactions, Third Quarter 1998" in this issue of the SURVEY OF CURRENT BUSINESS, which presents the most recent estimates from the balance of payments accounts.

G. Investment Tables

Table G.1.—International Investment Position of the United States at Yearend, 1996 and 1997

[Millions of dollars]

Line	Type of investment	Position 1996 ^r	Changes in position in 1997 (decrease (-))					Position 1997 ^p
			Attributable to:				Total (a+b+c+d)	
			Capital flows	Valuation adjustments				
				Price changes	Exchange rate changes ¹	Other changes ²		
		(a)	(b)	(c)	(d)			
1	Net international investment position of the United States:							
2	With direct investment positions at current cost (line 3 less line 24)	-767,076	-254,939	-51,669	-127,725	-22,159	-456,492	-1,223,568
2	With direct investment positions at market value (line 4 less line 25)	-743,656	-254,939	-116,094	-197,805	-9,961	-578,799	-1,322,455
3	U.S. assets abroad:							
3	With direct investment positions at current cost (lines 5+10+15) ...	3,767,018	478,502	175,135	-155,352	-27,992	470,293	4,237,311
4	With direct investment positions at market value (lines 5+10+16) ...	4,347,148	478,502	416,045	-224,102	-10,474	659,971	5,007,119
5	U.S. official reserve assets	160,739	1,010		-20,762	-6,144	-7	134,836
6	Gold	96,698			³ -20,762		⁴ -7	75,929
7	Special drawing rights	10,312	350		-635		-285	10,027
8	Reserve position in the International Monetary Fund	15,435	3,575		-939		2,636	18,071
9	Foreign currencies	38,294	-2,915		-4,570		-7,485	30,809
10	U.S. Government assets, other than official reserve assets	81,677	-174		-17	-3	-194	81,483
11	U.S. credits and other long-term assets ⁵	79,786	-202		-8	-3	-213	79,573
12	Repayable in dollars	79,114	-168			-4	-172	78,942
13	Other ⁶	672	-34		-8	1	-41	631
14	U.S. foreign currency holdings and U.S. short-term assets	1,891	28		-9		19	1,910
15	U.S. private assets:							
15	With direct investment at current cost (lines 17+19+22+23)	3,524,602	477,666	195,897	-149,191	-27,982	496,390	4,020,992
16	With direct investment at market value (lines 18+19+22+23)	4,104,732	477,666	436,807	-217,941	-10,464	686,068	4,790,800
17	Direct investment abroad:							
17	At current cost	936,954	121,843	9,325	-28,998	-15,252	86,918	1,023,872
18	At market value	1,517,084	121,843	250,235	-97,748	2,266	276,596	1,793,680
19	Foreign securities	1,280,159	87,981	186,572	-108,411		166,142	1,446,301
20	Bonds	403,373	46,723	8,671	-13,718		41,676	445,049
21	Corporate stocks	876,786	41,258	177,901	-94,693		124,466	1,001,252
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	449,978	120,403		-7,724	-261	112,418	562,396
23	U.S. claims reported by U.S. banks, not included elsewhere	857,511	147,439		-4,058	-12,469	130,912	988,423
24	Foreign assets in the United States:							
24	With direct investment at current cost (lines 26+33)	4,534,094	733,441	226,804	-27,627	-5,833	926,785	5,460,879
25	With direct investment at market value (lines 26+34)	5,090,804	733,441	532,139	-26,297	-513	1,238,770	6,329,574
26	Foreign official assets in the United States	801,062	15,817	16,968		54	32,839	833,901
27	U.S. Government securities	612,656	-2,936	4,615		55	1,734	614,390
28	U.S. Treasury securities	592,891	-7,270	4,174		55	-3,041	589,850
29	Other	19,765	4,334	441			4,775	24,540
30	Other U.S. Government liabilities ⁷	23,099	-2,521			-1	-2,522	20,577
31	U.S. liabilities reported by U.S. banks, not included elsewhere	113,098	21,928				21,928	135,026
32	Other foreign official assets	52,209	-654	12,353			11,699	63,908
33	Other foreign assets:							
33	With direct investment at current cost (lines 35+37+38+39+42+43) ...	3,733,032	717,624	209,836	-27,627	-5,887	893,946	4,626,978
34	With direct investment at market value (lines 36+37+38+39+42+43) ...	4,289,742	717,624	515,171	-26,297	-567	1,205,931	5,495,673
35	Direct investment in the United States:							
35	At current cost	666,962	93,449	-2,680	-1,330	-4,556	84,883	751,845
36	At market value	1,223,672	93,449	302,655		764	396,868	1,620,540
37	U.S. Treasury securities	504,792	146,710	10,459			157,169	661,961
38	U.S. currency	186,843	24,782				24,782	211,625
39	U.S. securities other than U.S. Treasury securities	1,199,460	196,845	202,057	-20,378		378,524	1,577,984
40	Corporate and other bonds	588,043	130,879	19,532	-20,378		130,033	718,076
41	Corporate stocks	611,417	65,966	182,525			248,491	859,908
42	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	346,727	107,779		380	-1,331	106,828	453,555
43	U.S. liabilities reported by U.S. banks, not included elsewhere	828,248	148,059		-6,299		141,760	970,008

^r Preliminary.^r Revised.

1. Represents gains or losses on foreign-currency-denominated assets due to their revaluation at current exchange rates.

2. Includes changes in coverage, statistical discrepancies, and other adjustments to the value of assets.

3. Reflects changes in the value of the official gold stock due to fluctuations in the market price of gold.

4. Reflects changes in gold stock from U.S. Treasury sales of gold medallions and commemorative and bullion coins; also reflects replenishment through open market purchases. These demonetizations/moneitizations are not included in international transactions capital flows.

5. Also includes paid-in capital subscriptions to international financial institutions and outstanding amounts of miscellaneous claims that have been settled through international agreements to be payable to the U.S. Government over periods in excess of 1 year. Excludes World War I debts that are not being serviced.

6. Includes indebtedness that the borrower may contractually, or at its option, repay with its currency, with a third country's currency, or by delivery of materials or transfer of services.

7. Primarily U.S. Government liabilities associated with military sales contracts and other transactions arranged with or through foreign official agencies.

NOTE.—The data in this table are from table 1 in "International Investment Position of the United States in 1997" in the July 1998 issue of the SURVEY.

Table G.2.—U.S. Direct Investment Abroad: Selected Items, by Country and by Industry of Foreign Affiliate, 1995–97

[Millions of dollars]

	Direct investment position on a historical-cost basis			Capital outflows (inflows (-))			Income		
	1995	1996	1997	1995	1996	1997	1995	1996	1997
All countries, all industries	699,015	777,203	860,723	92,074	74,833	114,537	87,346	92,105	100,703
By country									
Canada	83,498	91,301	99,859	8,602	7,260	10,734	8,799	9,024	10,692
Europe	344,596	382,366	420,934	52,275	35,992	60,558	40,853	43,179	47,869
<i>Of which:</i>									
France	33,358	33,746	34,615	5,196	4,750	3,166	2,707	3,389	2,637
Germany	44,242	44,651	43,931	3,349	1,467	3,002	4,215	3,842	4,117
Netherlands	42,113	54,437	64,648	9,386	6,914	14,329	7,456	8,667	10,240
United Kingdom	106,332	122,692	138,765	13,830	12,080	22,435	10,921	12,016	12,898
Latin America and Other Western Hemisphere	131,377	147,535	172,481	16,040	16,081	23,784	16,210	17,810	19,992
<i>Of which:</i>									
Brazil	25,002	28,699	35,727	6,954	3,812	6,545	3,759	4,104	4,551
Mexico	16,873	19,900	25,395	2,983	2,713	5,933	1,585	2,862	3,969
Africa	6,017	6,832	10,253	352	739	3,790	1,797	1,797	1,887
Middle East	7,198	7,793	8,959	879	538	1,111	1,373	1,411	1,562
Asia and Pacific	122,711	136,481	142,704	14,342	12,190	13,815	18,146	18,562	18,325
<i>Of which:</i>									
Australia	24,328	28,409	26,125	5,537	3,071	1,101	2,769	2,846	3,288
Japan	37,309	35,684	35,569	2,336	-326	781	4,091	3,414	3,198
International	3,618	4,896	5,533	-416	2,034	746	167	322	376
By industry									
Petroleum	68,639	74,499	85,726	675	5,058	11,455	9,036	11,692	12,114
Manufacturing	243,954	272,244	288,290	44,472	25,149	32,280	34,325	34,365	37,532
Food and kindred products	28,896	32,998	38,380	3,718	2,700	6,325	4,480	4,826	5,116
Chemicals and allied products	61,374	72,209	73,487	16,924	5,657	8,026	8,614	9,525	9,415
Primary and fabricated metals	11,555	14,178	14,732	1,570	5,283	1,054	1,380	1,353	1,535
Industrial machinery and equipment	29,626	31,597	33,563	4,408	2,565	4,529	4,251	4,555	5,083
Electronic and other electric equipment	27,514	31,623	33,833	7,060	3,883	3,930	4,466	4,217	4,861
Transportation equipment	34,076	33,839	36,439	5,888	561	3,846	3,709	3,182	4,842
Other manufacturing	50,913	55,801	57,855	4,903	4,500	4,570	7,425	6,707	6,679
Wholesale trade	68,102	69,638	69,080	8,880	5,701	3,403	9,118	8,488	9,041
Depository institutions	29,181	33,673	34,359	1,032	1,488	2,935	3,242	3,083	2,953
Finance (except depository institutions), insurance, and real estate	218,313	240,972	260,920	22,001	23,035	45,410	24,589	27,817	29,815
Services	29,721	35,793	40,874	4,014	3,343	5,464	4,136	3,588	5,258
Other industries	41,105	50,384	61,475	11,000	11,061	13,591	2,902	3,072	3,991

NOTE.—In this table, unlike in the international transactions accounts, income and capital outflows are shown without a current-cost adjustment, and income is shown net of withholding taxes. In addition, unlike in the international investment position, the direct investment position is valued at historical cost.

The data in this table are from tables 17 and 18 in "U.S. Direct Investment Abroad: Detail for Historical-Cost Position and Related Capital and Income Flows, 1997" in the October 1998 issue of the Survey.

Table G.3.—Selected Financial and Operating Data for Nonbank Foreign Affiliates of U.S. Companies, by Country and by Industry of Affiliate, 1996

	Number of affiliates	Millions of dollars			Thousands of employees
		Total assets	Sales	Net income	
All countries, all industries	21,901	3,075,516	2,227,014	135,108	7,616.5
By country					
Canada	2,027	276,622	253,783	10,866	921.8
Europe	10,745	1,751,550	1,178,077	68,478	3,194.2
<i>Of which:</i>					
France	1,257	141,315	134,816	4,549	451.5
Germany	1,374	222,802	244,658	7,766	607.9
Italy	761	60,524	72,170	2,049	186.1
Netherlands	1,051	161,889	122,760	13,823	160.8
Switzerland	520	81,964	61,964	7,336	52.4
United Kingdom	2,447	813,742	310,685	14,998	976.4
Latin America and Other Western Hemisphere	3,366	370,529	223,869	24,112	1,529.2
<i>Of which:</i>					
Brazil	417	60,037	56,026	4,101	318.2
Mexico	847	67,437	71,739	7,021	733.9
Africa	522	28,979	23,170	2,475	122.0
Middle East	346	34,991	23,667	3,309	79.1
Asia and Pacific	4,791	592,420	517,020	24,869	1,756.9
<i>Of which:</i>					
Australia	878	94,457	70,036	3,322	275.1
Japan	1,005	248,312	204,364	5,684	405.4
International	104	20,424	7,427	999	13.2
By industry					
Petroleum	1,575	295,592	380,364	18,166	236.0
Manufacturing	8,162	846,555	1,041,357	54,026	4,477.9
Food and kindred products	778	111,189	121,167	6,973	557.1
Chemicals and allied products	1,990	204,573	199,326	16,417	611.1
Primary and fabricated metals	733	42,238	43,005	1,594	244.7
Industrial machinery and equipment	1,012	110,215	167,313	6,782	527.2
Electronic and other electric equipment	859	77,154	99,884	5,841	838.5
Transportation equipment	526	133,225	233,763	4,970	707.5
Other manufacturing	2,264	167,960	176,900	11,449	991.9
Wholesale trade	4,976	210,485	393,052	14,229	563.3
Finance (except depository institutions), insurance, and real estate	2,940	1,333,484	117,435	35,223	196.2
Services	2,676	131,702	115,569	4,950	829.1
Other industries	1,572	257,698	179,235	8,514	1,314.0

NOTE.—The data in this table are from "U.S. Multinational Companies: Operations in 1996" in the September 1998 issue of the SURVEY.

Table G.4.—Foreign Direct Investment in the United States: Selected Items, by Country of Foreign Parent and by Industry of Affiliate, 1995–97

[Millions of dollars]

	Direct investment position on a historical-cost basis			Capital inflows (outflows (-))			Income		
	1995	1996	1997	1995	1996	1997	1995	1996	1997
All countries, all industries	535,553	594,088	681,651	58,772	76,453	90,748	30,931	31,970	42,502
By country									
Canada	45,618	54,799	64,022	4,824	8,235	9,411	3,658	3,295	3,215
Europe	332,374	368,322	425,220	39,686	51,672	60,021	21,745	24,759	31,245
<i>Of which:</i>									
France	36,167	41,132	47,088	2,725	5,983	8,728	1,729	2,570	3,037
Germany	46,017	59,863	69,701	7,908	18,995	10,712	1,642	2,283	3,003
Netherlands	65,116	74,320	84,862	-1,526	11,487	10,274	5,003	6,592	7,175
United Kingdom	116,272	121,268	129,551	16,255	11,000	8,582	10,630	9,593	11,700
Latin America and Other Western Hemisphere	27,873	29,180	35,701	2,886	3,266	5,921	1,206	1,566	2,003
<i>Of which:</i>									
Brazil	750	689	698	116	-60	48	91	48	44
Mexico	1,850	1,436	1,723	-263	38	145	23	28	180
Africa	1,113	645	1,608	-117	-460	942	31	-118	-105
Middle East	5,801	5,977	6,882	-360	538	866	140	166	607
Asia and Pacific	122,774	135,166	148,218	11,854	13,202	13,587	4,152	2,303	5,537
<i>Of which:</i>									
Australia	10,356	13,877	16,229	2,003	3,739	2,557	435	362	61
Japan	104,997	114,534	123,514	8,118	10,214	9,430	3,611	3,159	6,363
By industry									
Petroleum	34,907	43,770	47,679	3,863	8,842	4,462	3,274	4,369	4,721
Manufacturing	214,504	242,320	267,070	28,739	34,500	36,228	15,431	16,220	19,172
Food and kindred products	27,032	27,897	27,473	5,652	1,829	-133	1,736	1,983	1,838
Chemicals and allied products	72,125	76,708	88,767	11,771	6,692	14,494	5,806	5,159	6,125
Primary and fabricated metals	14,193	17,364	20,454	403	4,968	2,235	1,245	1,046	1,487
Machinery	37,098	39,114	46,027	3,516	2,429	7,400	2,209	1,207	2,836
Other manufacturing	64,056	81,238	84,349	7,398	18,583	12,233	4,435	6,824	6,886
Wholesale trade	66,871	75,115	87,564	6,556	8,247	11,275	3,847	2,448	3,617
Retail trade	12,533	13,733	16,093	1,336	2,506	1,320	538	513	669
Depository institutions	33,883	32,161	37,099	6,879	555	5,840	4,578	2,883	3,489
Finance, except depository institutions	34,803	37,658	42,526	4,009	4,443	5,078	472	1,182	2,108
Insurance	50,647	54,715	69,092	3,807	7,409	11,090	1,837	2,794	5,050
Real estate	30,170	33,179	34,118	-639	541	658	-609	-69	511
Services	32,058	32,358	45,604	1,551	3,838	7,164	-132	404	974
Other industries	25,176	29,080	34,806	2,672	5,572	7,632	1,695	1,225	2,191

NOTE.—In this table, unlike in the international transactions accounts, income and capital inflows are shown without a current-cost adjustment, and income is shown net of withholding taxes. In addition, unlike in the international investment position, the direct investment position is valued at historical cost.

The data in this table are from tables 16 and 17 in "Foreign Direct Investment in the United States: Detail for Historical-Cost Position and Related Capital and Income Flows, 1997" in the September 1998 issue of the Survey.

Table G.5.—Selected Financial and Operating Data of Nonbank U.S. Affiliates of Foreign Companies, by Country of Ultimate Beneficial Owner and by Industry of Affiliate, 1996

	Number of affiliates	Millions of dollars				Thousands of employees	Millions of dollars	
		Total assets	Sales	Net income	Gross product		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
All countries, all industries	12,626	2,613,985	1,596,022	21,110	339,485	4,977.5	136,588	252,990
By country								
Canada	1,289	263,862	121,650	5,035	30,026	618.6	5,658	14,123
Europe	5,411	1,507,678	881,931	15,885	218,174	3,103.9	63,104	86,533
<i>Of which:</i>								
France	667	274,775	127,434	3,120	32,584	411.8	18,386	12,888
Germany	1,328	249,891	168,151	3,096	40,467	610.2	13,493	28,304
Netherlands	397	180,292	111,395	2,785	29,299	378.8	4,468	8,969
Switzerland	623	275,890	96,026	310	19,461	306.2	6,457	7,550
United Kingdom	1,203	413,966	277,026	5,890	73,960	972.6	12,354	13,267
Latin America and Other Western Hemisphere	1,088	57,482	53,767	147	12,699	155.4	5,725	10,621
<i>Of which:</i>								
Brazil	78	10,652	4,462	160	283	4.5	1,192	1,241
Mexico	275	8,454	7,982	-643	1,439	35.8	688	2,248
Africa	74	11,708	10,605	733	2,555	22.7	522	560
Middle East	430	26,501	21,024	-258	5,292	61.8	607	5,481
Asia and Pacific	4,249	635,683	487,580	-3,370	65,469	972.9	60,077	134,416
<i>Of which:</i>								
Australia	171	44,617	23,013	243	5,539	77.4	1,268	1,375
Japan	3,240	549,408	418,320	-2,271	54,560	776.4	52,555	117,433
United States	85	111,071	19,466	2,938	5,270	42.2	894	1,255
By industry								
Petroleum	236	114,735	152,832	5,586	32,733	111.8	9,984	21,080
Manufacturing	2,950	578,886	552,023	7,153	156,354	2,213.6	58,821	78,531
Food and kindred products	257	58,624	49,562	3,591	11,783	205.4	2,848	3,379
Chemicals and allied products	338	180,996	134,451	549	42,095	409.8	15,656	14,254
Primary and fabricated metals	407	60,804	62,902	1,010	16,079	233.3	4,066	7,390
Machinery	736	95,234	124,066	-737	31,863	536.8	20,575	28,733
Other manufacturing	1,212	183,228	181,042	2,738	54,534	828.4	15,677	24,776
Wholesale trade	2,230	233,829	466,700	2,839	41,973	488.6	62,792	147,958
Retail trade	352	50,063	94,028	377	24,544	821.0	1,507	3,408
Finance, except depository institutions	907	705,181	58,230	64	6,001	49.3	15	21
Insurance	161	575,947	89,625	5,306	10,658	152.0	0	0
Real estate	3,507	100,549	13,903	-1,718	4,984	27.1	7	1
Services	1,283	105,297	56,247	-3,402	21,840	633.8	738	1,173
Other industries	1,000	149,497	112,434	4,907	40,398	480.3	2,725	818

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

NOTE.—The data in this table are from "Foreign Direct Investment in the United States: New Investment in 1997 and Affiliate Operations in 1996" in the June 1998 issue of the Survey.

H. International Perspectives

Quarterly data in this table are shown in the middle month of the quarter.

Table H.1.—International Perspectives

	1996	1997	1997				1998									
			Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
Exchange rates per U.S. dollar (not seasonally adjusted)																
Canada (Can./US\$)	1.3638	1.3849	1.3872	1.3869	1.4128	1.4271	1.4409	1.4334	1.4166	1.4298	1.4452	1.4655	1.4869	1.5346	1.5218	1.5452
France (FFr/US\$)	5.1158	5.8393	6.0031	5.8954	5.8001	5.9542	6.0832	6.0744	6.1257	6.0782	5.9528	6.0118	6.0280	5.9912	5.6969	5.4925
Germany (DM/US\$)	1.5049	1.7348	1.7862	1.7575	1.7323	1.7788	1.8165	1.8123	1.8272	1.8132	1.7753	1.7928	1.7976	1.7869	1.6990	1.6381
Italy (L/US\$)	15.4276	17.0381	17.4322	17.2109	16.9708	17.4386	17.8787	17.8828	17.9907	17.9124	17.5079	17.6632	17.7242	17.6301	16.7892	16.2096
Japan (¥/US\$)	1.0878	1.2106	1.2089	1.2106	1.2538	1.2973	1.2955	1.2585	1.2908	1.3175	1.3490	1.4033	1.4079	1.4468	1.3448	1.2105
Mexico (Peso/US\$)	7.6004	7.9177	7.7809	7.8708	8.2716	8.1271	8.2272	8.5021	8.5681	8.5017	8.5848	8.9200	8.8990	9.3712	10.2192	10.1594
United Kingdom (US\$/£)	1.5607	1.6376	1.6013	1.6330	1.6889	1.6597	1.6350	1.6408	1.6619	1.6723	1.6382	1.6504	1.6437	1.6342	1.6823	1.6944
Addendum: Exchange value of the U.S. dollar ¹ ..	87.34	96.38	98.29	97.07	96.37	98.82	100.52	99.93	100.47	100.30	99.61	100.90	101.38	101.80	97.17	93.69
Unemployment rates (percent, monthly data seasonally adjusted)																
Canada	9.7	9.2	9.0	9.1	9.0	8.6	8.9	8.6	8.5	8.4	8.4	8.4	8.4	8.3	8.3	8.1
France	12.3	12.5	12.5	12.5	12.4	12.3	12.2	12.1	12.0	11.9	11.9	11.8	11.8	11.8	11.7	11.6
Germany	10.4	11.5	11.7	11.8	11.8	11.8	11.5	11.5	11.5	11.3	11.2	11.0	10.9	10.8	10.7	10.6
Italy	12.1	12.3	.....	.....	12.2	.....	.....	12.0	.....	.....	12.4	.....	.....	12.4	.....	.....
Japan	3.4	3.4	3.4	3.5	3.5	3.5	3.5	3.6	3.9	4.1	4.1	4.3	4.1	4.3	4.3	4.3
Mexico	5.5	3.7	3.2	3.2	3.5	3.4	3.5	3.4	3.3	3.3	3.2	3.4	3.0	3.0	3.1	3.1
United Kingdom	7.3	5.5	5.2	5.1	5.0	4.9	4.9	4.8	4.8	4.8	4.8	4.8	4.7	4.6	4.6	4.6
Addendum: United States	5.4	4.9	4.9	4.8	4.6	4.7	4.7	4.6	4.7	4.3	4.3	4.5	4.5	4.5	4.6	4.6
Consumer prices (monthly data seasonally adjusted, 1990=100)																
Canada	113.5	115.3	115.6	115.7	115.5	115.4	116.0	116.1	116.2	116.1	116.5	116.7	116.7	116.7	116.4	116.9
France	113.8	115.2	115.5	115.5	115.7	115.7	115.3	115.7	115.9	116.2	116.3	116.4	115.9	116.1	116.1	116.0
Germany (1991=100)	116.5	118.6	119.0	118.9	118.9	119.1	119.1	119.4	119.2	119.5	119.9	120.0	120.3	120.2	119.9	119.7
Italy	133.2	136.0	136.2	136.6	137.1	137.1	137.5	137.9	138.3	138.4	138.6	138.8	138.8	138.8	138.9	138.9
Japan	107.1	109.0	109.7	109.9	109.7	109.6	109.6	109.7	109.9	109.6	109.6	109.5	109.2	109.1	109.5	110.1
Mexico	301.7	364.0	373.2	376.2	380.4	385.7	394.1	401.0	405.7	409.5	412.7	417.6	421.7	425.6	432.6	438.8
United Kingdom	121.1	124.9	126.3	126.5	126.5	126.9	127.1	127.5	128.9	129.6	129.6	129.2	129.8	130.3	130.4	.....
Addendum: United States	120.0	122.9	123.5	123.7	123.8	123.9	123.9	124.0	124.0	124.3	124.7	124.8	125.0	125.2	125.2	125.5
Real gross domestic product (percent change from preceding quarter, quarterly data seasonally adjusted at annual rates)																
Canada	1.2	3.8	.....	.....	2.8	.....	.....	.....	.....	.....	1.4	.....	.....	1.8	.....	.....
France	1.5	2.3	.....	.....	3.2	.....	.....	.....	2.8	.....	3.4	.....	.....	2.0	.....	.....
Germany	1.3	2.3	.....	.....	1.3	.....	.....	.....	5.9	.....	.....	.....	.....	3.5	.....	.....
Italy .....	.....	1.5	.....	.....	1.1	.....	.....	.....	-6	.....	2.0	.....	.....	.....	.....	.....
Japan	5.1	1.4	.....	.....	-3.7	.....	.....	.....	-4.8	.....	-2.9	.....	.....	-2.6	.....	.....
Mexico	5.2	7.0	.....	.....	-1.7	.....	.....	.....	6.2	.....	7.8	.....	.....	8.1	.....	.....
United Kingdom	2.6	3.5	.....	.....	2.9	.....	.....	.....	3.1	.....	1.9	.....	.....	1.5	.....	.....
Addendum: United States	3.4	3.9	.....	.....	3.0	.....	.....	.....	5.5	.....	.....	.....	.....	3.7	.....	.....

See footnotes at the end of the table.

Table H.1.—International Perspectives—Continued

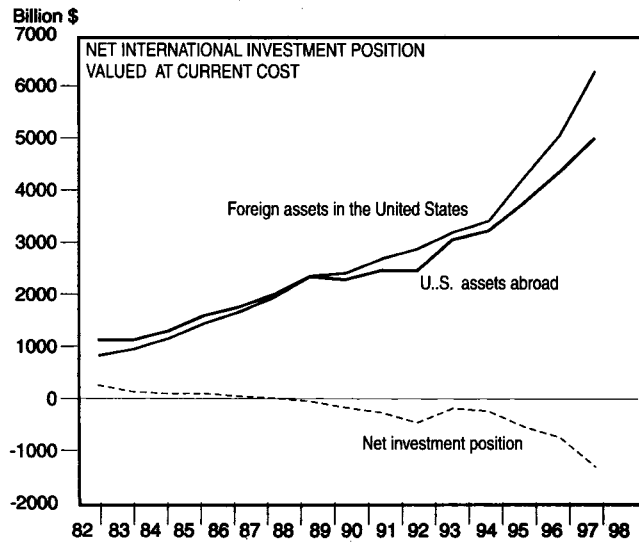
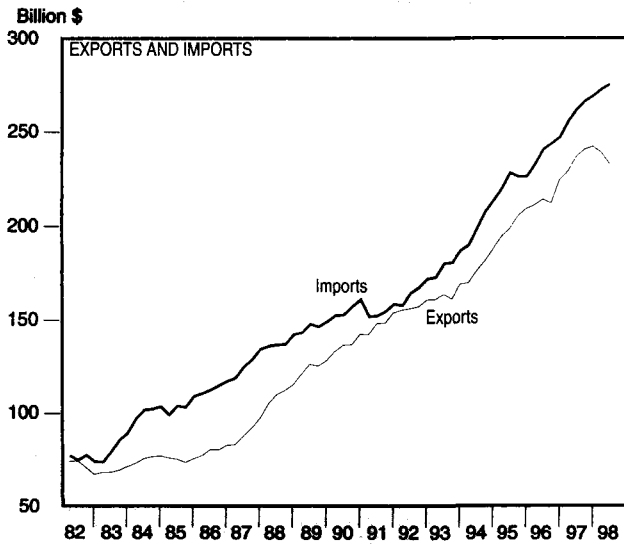
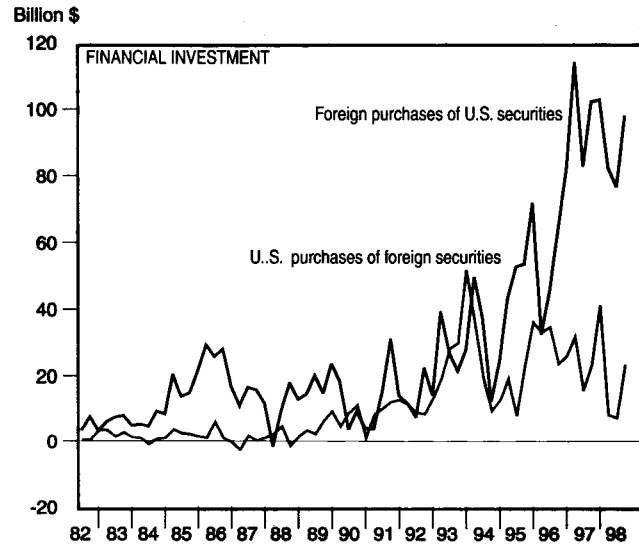
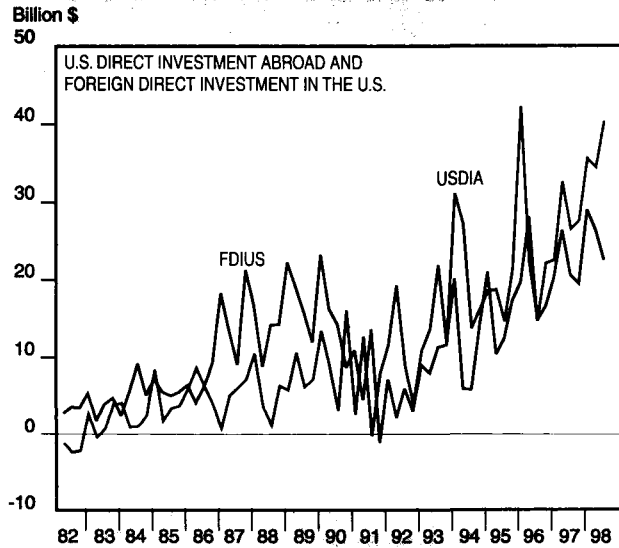
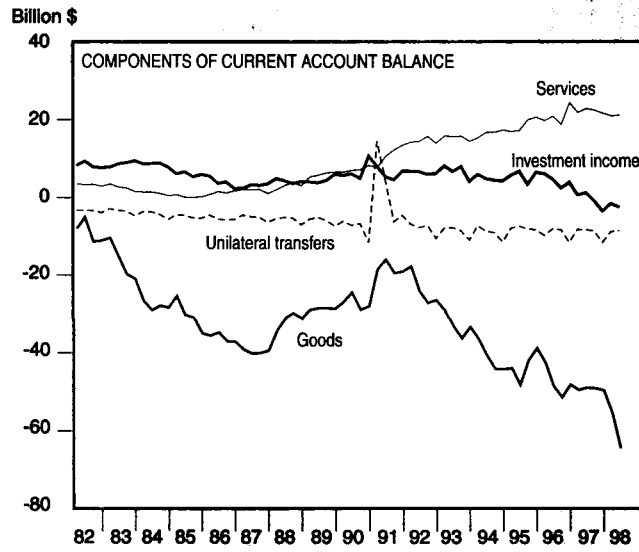
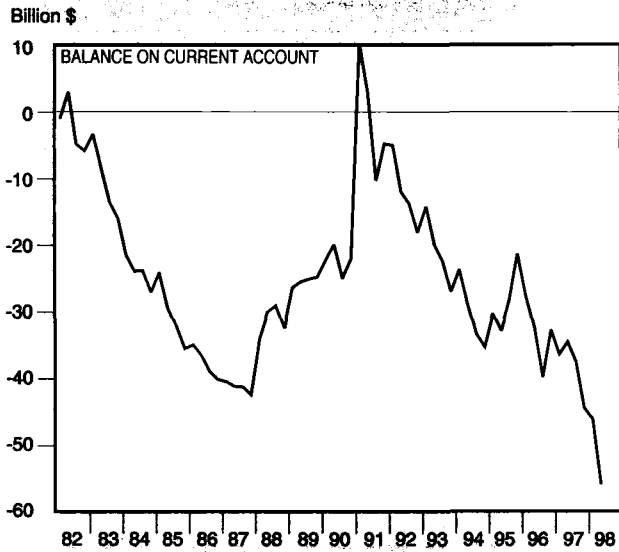
	1996	1997	1997				1998									
			Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
Short-term, 3-month, interest rates (percent, not seasonally adjusted)																
Canada	4.43	3.53	3.60	3.76	3.99	4.58	4.62	4.96	4.85	4.88	5.00	5.00	5.02	5.15	5.59	5.27
France	3.94	3.46	3.41	3.59	3.69	3.69	3.62	3.57	3.57	3.63	3.61	3.57	3.56	3.56	3.54	3.56
Germany	3.31	3.33	3.31	3.58	3.74	3.74	3.57	3.51	3.52	3.63	3.63	3.56	3.54	3.50	3.49	3.57
Italy	8.82	6.88	6.67	6.65	6.49	6.08	6.09	6.13	5.62	5.23	5.11	5.12	4.88	4.89	4.97	.....
Japan .....	.59	.60	.56	.53	.55	.89	.95	1.10	.81	.70	.59	.58	.74	.73	.55	.61
Mexico	32.91	21.26	20.51	19.91	22.01	19.88	19.37	19.63	20.76	19.47	18.85	20.99	22.04	25.54	42.54	38.10
United Kingdom	6.02	6.83	7.20	7.25	7.54	7.62	7.48	7.45	7.48	7.44	7.41	7.62	7.70	7.66	7.37	7.13
Addendum:																
United States	5.02	5.07	4.97	4.95	5.15	5.16	5.09	5.11	5.03	5.00	5.03	4.99	4.96	4.94	4.74	4.08
Long-term interest rates, government bond yields (percent, not seasonally adjusted)																
Canada	7.54	6.47	6.19	5.94	5.76	5.85	5.58	5.60	5.64	5.50	5.52	5.45	5.46	5.65	5.39	5.17
France	6.51	5.67	5.55	5.80	5.66	5.45	5.26	5.11	5.04	5.12	5.05	4.95	4.91	4.61	4.39	4.51
Germany	6.20	5.70	5.60	5.60	5.60	5.30	5.10	5.00	4.90	4.90	5.00	4.80	4.70	4.40	4.10	4.10
Italy	9.40	6.86	6.36	6.20	6.13	5.74	5.43	5.38	5.20	5.15	5.21	5.08	4.97	4.79	4.53	4.49
Japan	3.10	2.37	2.21	1.99	1.94	1.94	1.95	2.00	1.86	1.87	1.66	1.54	1.68	1.50	1.10	.89
Mexico																
United Kingdom	7.82	7.04	6.80	6.50	6.61	6.36	6.08	6.03	5.95	5.79	5.83	5.73	5.75	5.54	5.12	5.00
Addendum:																
United States	6.44	6.35	6.21	6.03	5.88	5.81	5.54	5.57	5.65	5.64	5.65	5.50	5.46	5.34	4.81	4.53
Share price indices (not seasonally adjusted, 1990=100)																
Canada	154	189	206	200	190	196	196	207	221	224	222	215	203	162	164	181
France	118	152	160	159	151	157	163	175	195	208	216	223	228	211	189	177
Germany	116	158	170	171	161	171	177	188	201	214	219	227	237	215	191	175
Italy	96	131	145	149	145	154	175	189	214	238	232	225	239	224	191	180
Japan	74	64	65	62	57	55	56	58	58	56	56	55	58	54	50	47
Mexico	555	779	933	815	873	917	801	839	880	894	795	751	745	525	.....	.....
United Kingdom	167	189	198	203	194	200	205	216	226	232	237	236	238	222	207	201
Addendum:																
United States	195	249	267	272	268	275	275	290	306	315	313	311	320	294	276	279

1. Index of weighted average exchange value of U.S. dollar against currencies of other G-10 countries. March 1973=100. Weights are 1972-76 global trade of each of the 10 countries. Series revised as of August 1978. For description and back data, see "Index of the weighted-average exchange value of the U.S. dollar: Revision" on page 700 of the August 1978 *Federal Reserve Bulletin*.

NOTE.—All exchange rates are from the Board of Governors of the Federal Reserve System. U.S. interest rates, unemployment rates, and GDP growth rates are from the Federal Reserve, the Bureau of Labor Statistics, and BEA, respectively. All other data (including U.S. consumer prices and U.S. share prices, both of which have been rebased to 1990 to facilitate comparison) are © OECD, December 1998, *OECD Main Economic Indicators* and are reproduced with permission of the OECD.

I. Charts

THE U.S. IN THE INTERNATIONAL ECONOMY



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

Table J.3.—Per Capita Personal Income and Per Capita Disposable Personal Income for States and Regions

Area name	Per capita personal income ¹				Per capita disposable personal income ¹			
	Dollars			Rank in U.S.	Dollars			Rank in U.S.
	1995	1996	1997	1997	1995	1996	1997	1997
United States	23,063	24,169	25,298	.....	20,041	20,814	21,607	.....
New England	27,426	28,828	30,440	.....	23,353	24,228	25,325	.....
Connecticut	32,073	33,835	35,954	1	26,849	27,898	29,311	1
Maine	19,970	20,941	21,928	36	17,638	18,388	19,053	36
Massachusetts	28,073	29,559	31,207	3	23,680	24,593	25,711	3
New Hampshire	25,341	26,490	27,806	8	22,487	23,214	24,146	5
Rhode Island	23,480	24,344	25,689	15	20,653	21,263	22,248	12
Vermont	21,237	22,184	23,018	32	18,750	19,333	19,908	32
Midwest	26,630	27,993	29,245	.....	22,823	23,779	24,600	.....
Delaware	25,666	27,291	28,443	6	22,024	23,246	24,005	7
District of Columbia	32,197	33,830	35,290	.....	27,655	28,563	29,490	.....
Maryland	26,115	27,305	28,671	5	22,334	23,161	24,028	6
New Jersey	29,581	30,901	32,233	2	25,338	26,254	27,160	2
New York	27,578	29,055	30,299	4	23,434	24,416	25,206	4
Pennsylvania	23,270	24,530	25,678	17	20,271	21,254	22,033	16
Great Lakes	23,208	24,136	25,253	.....	20,014	20,649	21,418	.....
Illinois	25,297	26,603	27,929	7	21,761	22,675	23,584	8
Indiana	21,442	22,251	23,183	29	18,573	19,178	19,830	33
Michigan	23,434	24,009	24,998	18	20,201	20,519	21,165	20
Ohio	22,233	23,078	24,203	21	19,249	19,842	20,657	22
Wisconsin	22,084	23,132	24,199	22	18,927	19,648	20,362	27
Plains	21,686	23,083	24,100	.....	18,834	19,904	20,599	.....
Iowa	20,462	22,078	23,177	30	17,925	19,292	20,113	30
Kansas	21,547	22,796	24,014	23	18,763	19,699	20,594	23
Minnesota	23,759	25,260	26,295	12	20,119	21,061	21,697	17
Missouri	21,610	22,615	23,723	26	18,933	19,681	20,485	25
Nebraska	21,078	22,891	23,656	27	18,417	20,011	20,452	26
North Dakota	18,287	20,308	20,213	45	16,300	18,187	17,878	41
South Dakota	18,782	20,503	21,183	37	16,956	18,567	19,060	35
Southeast	20,817	21,800	22,776	.....	18,324	19,061	19,766	.....
Alabama	19,086	19,864	20,699	38	16,971	17,612	18,259	38
Arkansas	17,935	18,802	19,602	47	15,949	16,677	17,321	45
Florida	22,665	23,833	24,795	20	19,949	20,721	21,370	18
Georgia	21,689	22,906	23,893	25	18,892	19,803	20,504	24
Kentucky	18,609	19,470	20,599	40	16,288	16,978	17,864	42
Louisiana	18,828	19,608	20,473	41	16,927	17,526	18,138	39
Mississippi	16,585	17,402	18,087	50	15,096	15,807	16,351	50
North Carolina	20,994	22,054	23,174	31	18,256	19,135	19,957	31
South Carolina	18,871	19,751	20,651	39	16,669	17,359	18,037	40
Tennessee	21,118	21,808	22,752	33	18,936	19,414	20,117	29
Virginia	24,000	24,992	26,172	14	20,667	21,385	22,192	15
West Virginia	17,446	18,120	18,734	49	15,610	16,198	16,660	49
Southwest	20,578	21,535	22,734	.....	18,346	19,050	20,002	.....
Arizona	20,068	21,057	21,994	35	17,585	18,271	18,911	37
New Mexico	18,003	18,599	19,249	48	16,068	16,508	16,959	48
Oklahoma	18,560	19,363	20,214	44	16,422	17,029	17,661	44
Texas	21,279	22,285	23,647	28	19,061	19,808	20,927	21
Rocky Mountain	21,227	22,310	23,436	.....	18,369	19,168	19,967	.....
Colorado	24,290	25,618	27,015	9	20,877	21,823	22,787	10
Idaho	18,947	19,729	20,393	42	16,551	17,205	17,663	43
Montana	18,310	18,886	19,704	46	16,175	16,605	17,186	47
Utah	18,182	19,244	20,246	43	15,675	16,556	17,320	46
Wyoming	20,695	21,532	22,611	34	18,281	18,577	19,347	34
Far West	23,753	24,901	26,061	.....	20,640	21,347	22,151	.....
Alaska	23,965	24,318	24,945	19	20,520	20,771	21,177	19
California	23,901	25,050	26,218	13	20,755	21,421	22,225	13
Hawaii	24,883	25,105	25,686	16	21,761	21,832	22,217	14
Nevada	24,525	25,876	26,553	10	21,164	22,084	22,465	11
Oregon	21,579	22,852	23,984	24	18,436	19,427	20,160	28
Washington	23,664	24,964	26,412	11	20,872	21,780	22,872	9

1. Per capita personal income and per capita disposable personal income were computed using midyear population estimates from the Bureau of the Census.

NOTE.—The personal income level shown for the United States is derived as the sum of the State estimates. It differs from the national income and product accounts (NIPA) estimate of personal income because, by definition, it omits the earnings of Federal civilian and military personnel

stationed abroad and of U.S. residents employed abroad temporarily by private U.S. firms. It can also differ from the NIPA estimate because of different data sources and revision schedules.

Source: Tables 2 and 4 in "State Personal Income, Revised Estimates for 1982-97" in the October 1998 issue of the SURVEY.

K. Local Area Table

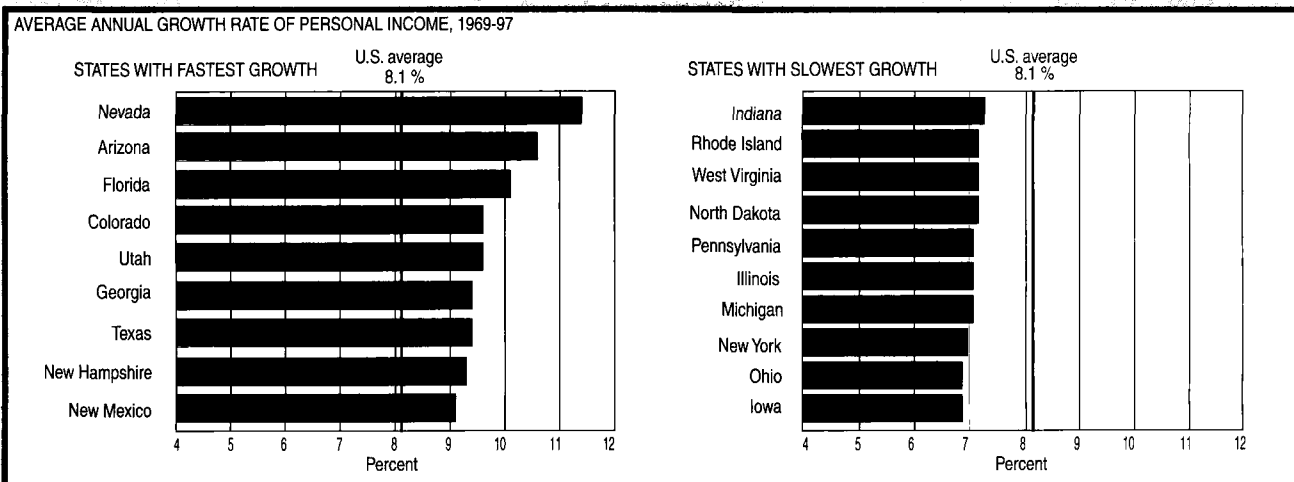
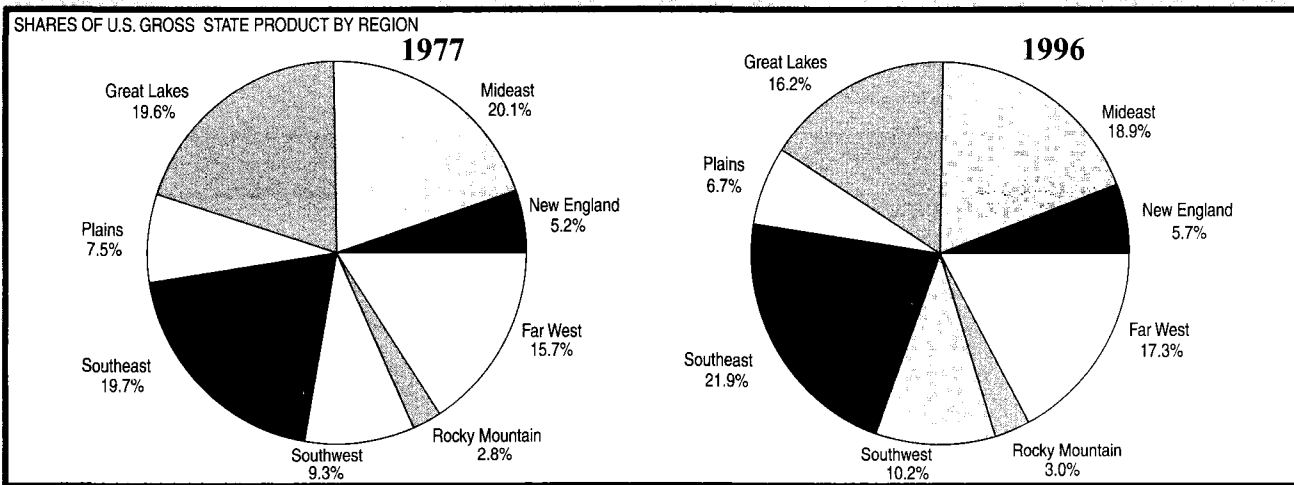
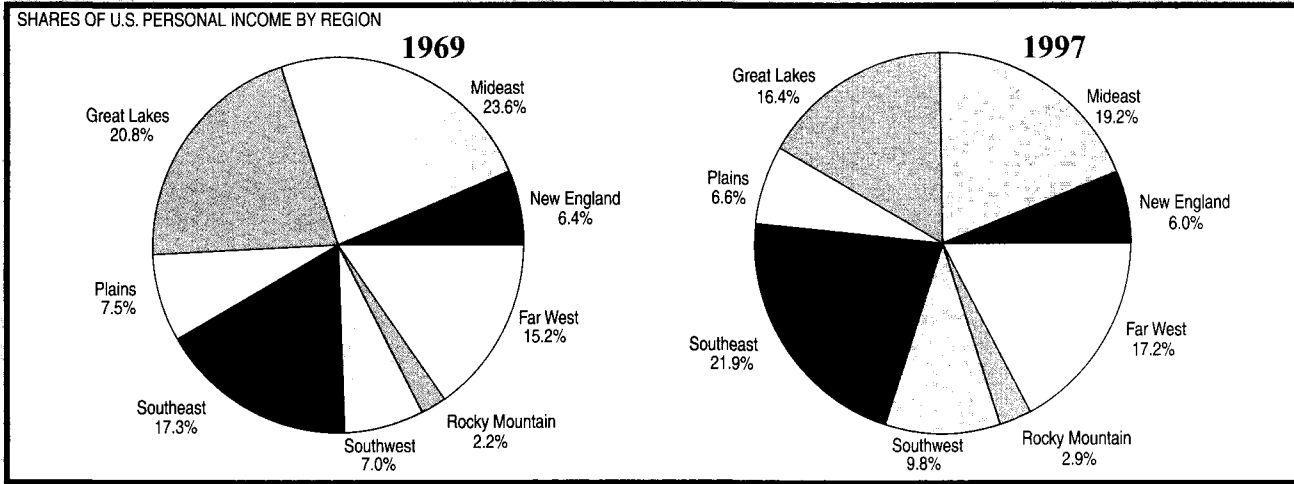
Table K.1.—Personal Income and Per Capita Personal Income by Metropolitan Area, 1994-96

Table with columns for Area name, Personal income (Millions of dollars, Percent change), Per capita personal income (Dollars, Rank in U.S.), and corresponding data for each metropolitan area from 1994 to 1996.

See footnotes at the end of the table.

L. Charts

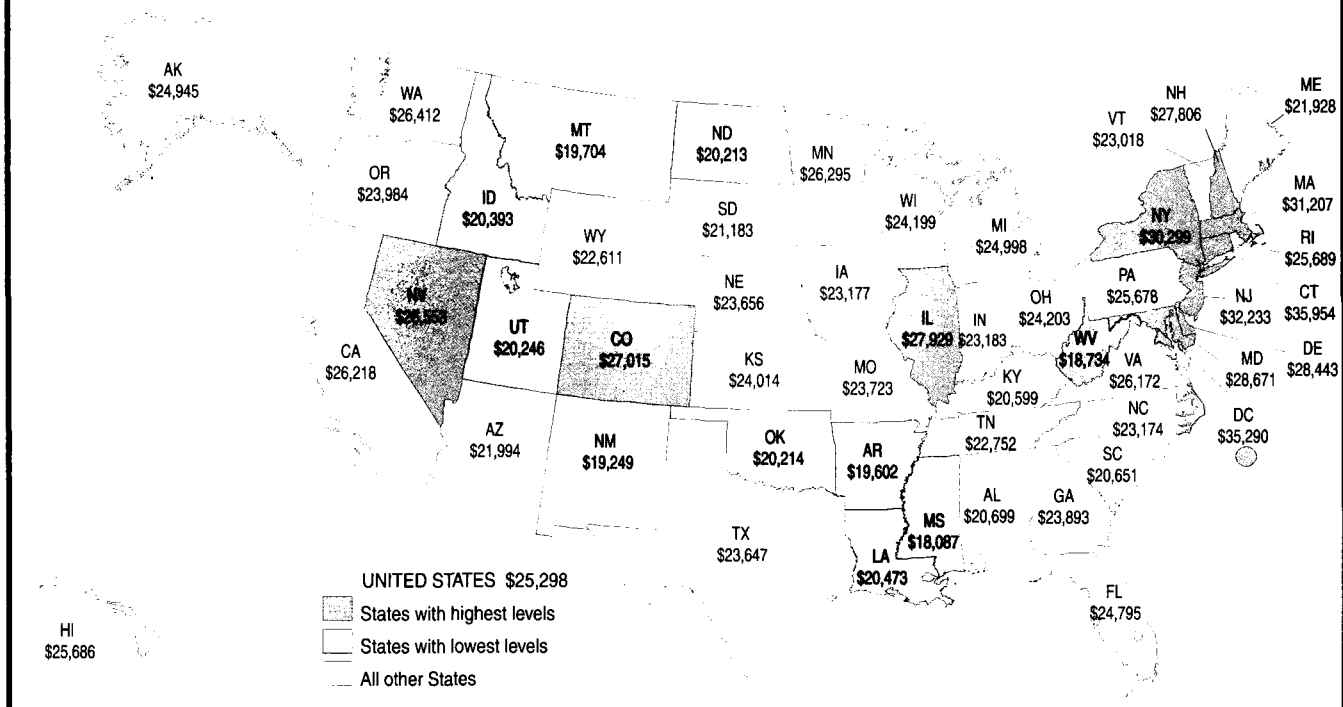
SELECTED REGIONAL ESTIMATES



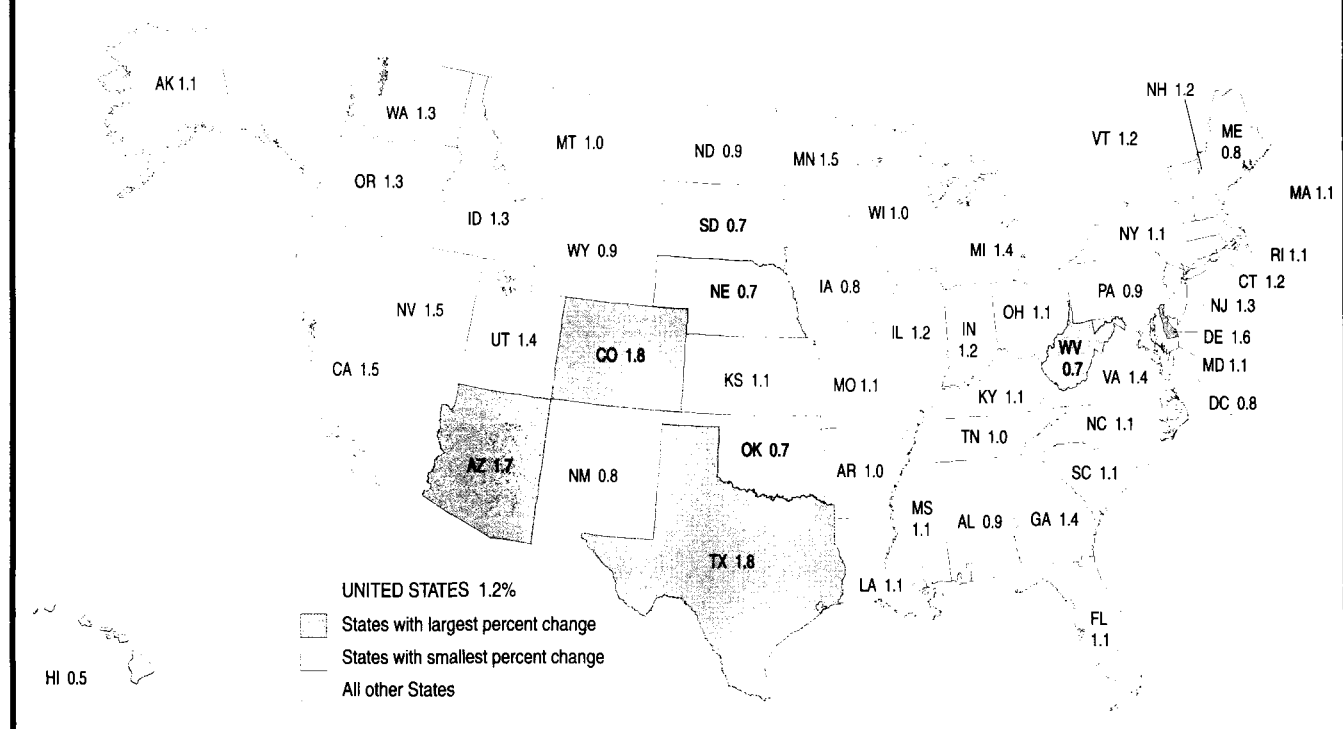
U.S. Department of Commerce, Bureau of Economic Analysis

SELECTED REGIONAL ESTIMATES

PER CAPITA PERSONAL INCOME, 1997



PERSONAL INCOME GROWTH: AVERAGE QUARTERLY PERCENT CHANGE, 1997:II-1998:II



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

Appendix A

Additional Information About BEA's NIPA Estimates

Statistical Conventions

Changes in current-dollar GDP measure changes in the market value of goods and services produced in the economy in a particular period. For many purposes, it is necessary to decompose these changes into quantity and price components. To compute the quantity indexes, changes in the quantities of individual goods and services are weighted by their prices. (Quantity changes for GDP are often referred to as changes in "real GDP.") For the price indexes, changes in the prices for individual goods and services are weighted by quantities produced. (In practice, the current-dollar value and price indexes for most GDP components are determined largely using data from Federal Government surveys, and the real values of these components are calculated by deflation at the most detailed level for which all the required data are available.)

The annual changes in quantities and prices are calculated using a Fisher formula that incorporates weights from 2 adjacent years. (Similar formulas are used to calculate the quarterly indexes for the most recent quarters, called the "tail" period, and for the indexes for the other quarters, called the "historical period.") For example, the 1996–97 annual percent change in real GDP uses prices for 1996 and 1997 as weights, and the 1996–97 annual percent change in price uses quantities for 1996 and 1997 as weights. These annual changes are "chained" (multiplied) together to form time series of quantity and price. Because the Fisher formula allows for the effects of changes in relative prices and in the composition of output over time, the resulting quantity or price changes are not affected by the substitution bias that is associated with changes in quantities and prices calculated using a fixed-weighted formula. The Fisher formula also produces changes in quantities and prices that are not affected by the choice of base periods. In addition, because the changes in quantities and prices calculated in this way are symmetric, the product of a quantity index and the corresponding price index is generally equal to the current-dollar index.

In addition, BEA prepares measures of real GDP and its components in a dollar-denominated form, designated "*chained (1992) dollar estimates*." These estimates are computed by multiplying the 1992 current-dollar value of GDP, or of a GDP component, by the corresponding quantity index number. For example, if a current-dollar GDP component equaled \$100 in 1992 and if real output for this component increased by 10 percent in 1993, then the "chained (1992) dollar" value of this component in 1993 would be \$110 ($\100×1.10). Note that percentage changes in the chained

(1992) dollar estimates and the percentage changes calculated from the quantity indexes are identical, except for small differences due to rounding.

Because of the formula used for calculating real GDP, the chained (1992) dollar estimates for detailed GDP components *do not add* to the chained-dollar value of GDP or to any intermediate aggregates. A "*residual*" line is shown as the difference between GDP and the sum of the most detailed components shown in each table. The residual generally is small close to the base period but tends to become larger as one moves further from it. NIPA table 8.2 provides accurate measures of the contributions of the major components to the percentage change in real GDP for all periods.

BEA also publishes the "implicit price deflator (IPD)," which is calculated as the ratio of current-dollar value to the corresponding chained-dollar value, multiplied by 100; the values of the IPD and of the corresponding "chain-type" price index are very close.

For quarters and months, the estimates are presented at annual rates, which show the value that would be registered if the rate of activity measured for a quarter or a month were maintained for a full year. Annual rates are used so that time periods of different lengths—for example, quarters and years—may be compared easily. These annual rates are determined simply by multiplying the estimated rate of activity by 4 (for quarterly data) or 12 (for monthly data).

Percent changes in the estimates are also expressed at annual rates. Calculating these *changes* requires a variant of the compound interest formula:

$$r = \left[\left(\frac{X_t}{X_o} \right)^{m/n} - 1 \right] \times 100,$$

- where r is the percent change at an annual rate;
- X_t is the level of activity in the later period;
- X_o is the level of activity in the earlier period;
- m is the yearly periodicity of the data (for example, 1 for annual data, 4 for quarterly, or 12 for monthly); and
- n is the number of periods between the earlier and later periods (that is, $t - o$).

Quarterly and monthly NIPA estimates are seasonally adjusted, if necessary. Seasonal adjustment removes from the time series the average impact of variations that normally occur at about the same time and in about the same magnitude each year—for example, weather, holidays, and tax payment dates. After seasonal adjustment, cyclical and other short-term changes in the economy stand out more clearly.

Reconciliation Tables

Table 1.—Reconciliation of Changes in BEA-Derived Compensation Per Hour with BLS Average Hourly Earnings
 [Percent change from preceding period]

	1995	1996	1997	Seasonally adjusted at annual rates				
				1997		1998		
				III	IV	I	II	III
BEA-derived compensation per hour of all persons, BEA/BLS¹	2.3	3.5	3.7	3.9	5.0	4.6	4.0	4.2
<i>Less:</i> Contribution of supplements to wages and salaries per hour	-7	-1.1	-6	-5	-8	-1	-4	-2
<i>Plus:</i> Contribution of wages and salaries per hour of persons in housing and in nonprofit institutions	-1	-1	-2	-6	-6	-2	.1	.1
<i>Less:</i> Contribution of wages and salaries per hour of persons in government enterprises, unpaid family workers, and self-employed	-2	-2	-1	-5	.4	-1	-1	-1
Equals: BEA-derived wages and salaries per hour of all employees in the private nonfarm sector	3.2	4.7	4.2	4.2	4.9	4.6	4.5	4.5
<i>Less:</i> Contribution of wages and salaries per hour of nonproduction workers in manufacturing	-1	.1	.1	.9	1.3	.4	.2	.2
<i>Less:</i> Other differences ² .....	.4	1.3	.2	-7	-1.1	.2	-3	.9
Equals: BLS average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls	2.8	3.4	3.9	4.0	4.6	3.9	4.6	3.4
Addendum: BLS estimates of compensation per hour in the nonfarm business sector ³	2.4	3.5	3.7	3.9	4.9	4.6	4.0	4.2

1. Includes BLS data on compensation and hours worked of nonfarm proprietors' and hours worked of unpaid family workers.

2. Includes BEA use of non-BLS data and differences in detailed weighting. Annual estimates also include differences in BEA and BLS benchmark procedures; quarterly estimates also include

differences in seasonal adjustment procedures.

3. These estimates differ from the BEA-derived estimates (first line) because the BLS estimates include compensation and hours of tenant-occupied housing.

Table 2.—Relation of Net Exports of Goods and Services and Net Receipts of Factor Income in the NIPA's to Balance on Goods, Services, and Income in the BPA's

[Billions of dollars]

	Line	1996	1997	Seasonally adjusted at annual rates					
				1997			1998		
				II	III	IV	I	II	III
Exports of goods, services, and income, BPA's	1	1,064.0	1,179.4	1,181.1	1,201.9	1,199.4	1,196.2	1,169.9	1,151.0
<i>Less:</i> Gold, BPA's	2	6.9	5.7	9.3	3.4	3.4	5.3	4.2	5.2
Statistical differences ¹	3	0	0	0	0	0	4.8	3.9	3.3
Other items	4	1.1	.8	.6	.6	.9	.8	.7	.9
<i>Plus:</i> Adjustment for grossing of parent/affiliate interest payments	5	3.4	3.9	3.6	4.2	4.6	3.9	4.3	4.3
Adjustment for U.S. territories and Puerto Rico	6	34.4	37.0	37.4	36.8	37.9	37.0	37.2	37.4
Services furnished without payment by financial intermediaries except life insurance carriers and private noninsured pension plans	7	15.5	17.1	17.2	17.1	17.3	17.3	17.6	17.8
Equals: Exports of goods and services and receipts of factor income, NIPA's	8	1,109.3	1,230.9	1,229.4	1,256.0	1,254.9	1,243.6	1,220.2	1,201.2
Imports of goods, services, and income, BPA's	9	1,158.3	1,294.9	1,285.4	1,316.5	1,330.2	1,345.3	1,358.9	1,355.9
<i>Less:</i> Gold, BPA's	10	7.7	6.6	11.0	3.0	3.8	6.7	5.5	7.3
Statistical differences ¹	11	0	0	0	0	0	1.8	2.7	1.3
Other items	12	0	0	0	0	0	0	0	0
<i>Plus:</i> Gold, NIPA's	13	-3.8	-3.5	-3.8	-3.4	-3.3	-3.2	-3.0	-2.8
Adjustment for grossing of parent/affiliate interest payments	14	3.4	3.9	3.6	4.2	4.6	3.9	4.3	4.3
Adjustment for U.S. territories and Puerto Rico	15	22.4	26.5	25.8	28.0	28.3	27.4	28.5	27.1
Imputed interest paid to rest of world	16	15.5	17.1	17.2	17.1	17.3	17.3	17.6	17.8
Equals: Imports of goods and services and payments of factor income, NIPA's	17	1,188.1	1,332.3	1,317.3	1,359.4	1,373.3	1,382.2	1,398.2	1,393.7
Balance on goods, services, and income, BPA's (1-9)	18	-94.3	-115.5	-104.3	-114.6	-130.8	-149.1	-189.0	-204.9
<i>Less:</i> Gold (2-10+13)	19	-4.6	-4.4	-5.5	-3.0	-3.7	-4.6	-4.3	-4.9
Statistical differences (3-11) ¹	20	0	0	0	0	0	3.0	1.2	2.0
Other items (4-12)	21	1.1	.8	.6	.6	.9	.8	.7	.9
<i>Plus:</i> Adjustment for U.S. territories and Puerto Rico (6-15)	22	12.0	10.5	11.6	8.8	9.6	9.6	8.7	10.3
Equals: Net exports of goods and services and net receipts of factor income, NIPA's (8-17)	23	-78.8	-101.4	-87.9	-103.4	-118.4	-138.6	-178.0	-192.5

1. Consists of statistical revisions in the NIPA's that have not yet been incorporated into the BPA's (1998:III) and statistical revisions in the BPA's that have not yet been incorporated into the NIPA's (1998:I-1998:III).

BPA's Balance of payments accounts

NIPA's National income and product accounts

Appendix B

Suggested Reading

Mid-Decade Strategic Plan

BEA has published the following articles in the SURVEY OF CURRENT BUSINESS on the development and implementation of its strategic plan for improving the accuracy, reliability, and relevance of the national, regional, and international accounts.

“Mid-Decade Strategic Review of BEA’s Economic Accounts: Maintaining and Improving Their Performance” (February 1995)

“Mid-Decade Strategic Review of BEA’s Economic Accounts: An Update” (April 1995)

“BEA’s Mid-Decade Strategic Plan: A Progress Report” (June 1996)

Mid-Decade Strategic Review of BEA’s Economic Accounts: Background Papers (1995) presents seven background papers that evaluate the state of the U.S. economic accounts and that identify the problems and the prospects for improving the accounts.

Methodology

BEA has published a wealth of information about the methodology used to prepare its national, regional, and international estimates.

National

National income and product accounts (NIPA’s)

NIPA Methodology Papers: This series documents the conceptual framework of the NIPA’s and the methodology used to prepare the estimates.

An Introduction to National Economic Accounting (NIPA Methodology Paper No. 1, 1985) [Also appeared in the March 1985 issue of the SURVEY] *Corporate Profits: Profits Before Tax, Profits Tax Liability, and Dividends* (NIPA Methodology Paper No. 2, 1985)

Foreign Transactions (NIPA Methodology Paper No. 3, 1987) [Revised version forthcoming]

GNP: An Overview of Source Data and Estimating Methods (NIPA Methodology Paper No. 4, 1987) [Largely superseded by “A Guide to the NIPA’s” (March 1998 SURVEY)]

Government Transactions (NIPA Methodology Paper No. 5, 1988)

Personal Consumption Expenditures (NIPA Methodology Paper No. 6, 1990)

The methodologies described in these papers are subject to periodic improvements that are typically introduced as part of the annual and comprehensive revisions of the NIPA’s; these improvements are

described in the SURVEY articles that cover these revisions.

“Annual Revision of the U.S. National Income and Product Accounts”: This series of SURVEY articles, the latest of which was published in the August 1998 issue, describes the annual NIPA revisions and the improvements in methodology.

“Completion of the Comprehensive Revision of the National Income and Product Accounts, 1929–96” (May 1997) is the last in a series of SURVEY articles that describe the most recent comprehensive revision of the NIPA’s.

“A Guide to the NIPA’s” (March 1998 SURVEY) provides the definitions of the major NIPA aggregates and components; discusses the measures of real output and prices; explains how production is classified and how the NIPA’s are presented; describes the statistical conventions that are used; and lists the principal source data and methods used to prepare the estimates of gross domestic product (GDP).

Information on the sources and methods used to prepare the national estimates of personal income, which provide the basis for the State estimates of personal income, can be found in *State Personal Income, 1929–93* (1995).

“Gross Domestic Product as a Measure of U.S. Production” (August 1991 SURVEY) briefly explains the difference between GDP and gross national product.

“BEA’s Chain Indexes, Time Series, and Measures of Long-Term Economic Growth” (May 1997) is the most recent in a series of SURVEY articles that describe the conceptual basis for the chain-type measures of real output and prices used in the NIPA’s.

“Reliability of the Quarterly and Annual Estimates of GDP and Gross Domestic Income” (December 1998 SURVEY) evaluates the reliability of these estimates by examining the record of revisions to them.

Availability

Most of the items listed here are available on BEA’s Web site at <www.bea.doc.gov>. In addition, see the inside back cover of this issue for the availability of some of the publications.

The *Catalog of BEA Products* is available on BEA’s Web site; a printed copy can be obtained by writing to the Public Information Office, BE-53, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230, or by calling 202-606-9900.

Wealth and related estimates

"Improved Estimates of Fixed Reproducible Tangible Wealth, 1929–95" (May 1997 SURVEY) describes the most recent comprehensive revision of the estimates of fixed reproducible tangible wealth.

Gross product by industry

"Improved Estimates of Gross Product by Industry, 1959–94" (August 1996 SURVEY) describes the most recent comprehensive revision of the estimates of gross product by industry.

"Gross Product by Industry, 1947–96" (November 1997 SURVEY) and "Gross Product by Industry, 1995–97" (November 1998 SURVEY) present the most recent revisions to the estimates of gross product by industry and briefly describe changes in methodology.

Input-output accounts

"Benchmark Input-Output Accounts for the U.S. Economy, 1992" (November 1997 SURVEY) describes the preparation of the 1992 input-output accounts and the concepts and methods underlying the U.S. input-output accounts.

Satellite accounts

Satellite accounts that extend the analytical capacity of the national accounts by focusing on a particular aspect of activity are presented in the following SURVEY articles.

"Integrated Economic and Environmental Satellite Accounts" and "Accounting for Mineral Resources: Issues and BEA's Initial Estimates" (April 1994)

"A Satellite Account for Research and Development" (November 1994)

"U.S. Transportation Satellite Accounts for 1992" (April 1998)

"U.S. Travel and Tourism Satellite Accounts for 1992" (July 1998)

*International**Balance of payments accounts (BPA's)*

The Balance of Payments of the United States: Concepts, Data Sources, and Estimating Procedures (1990) describes the methodologies used in preparing the estimates in the BPA's and of the international investment position of the United States. These methodologies are subject to periodic improvements that are typically introduced as part of the annual revisions of the BPA's.

"U.S. International Transactions, Revised Estimates": This series of SURVEY articles, the latest of which was published in the July 1998 issue, describes

the annual BPA revisions and the improvements in methodology.

Direct investment

The coverage, concepts, definitions, and classifications used in the benchmark surveys of U.S. direct investment abroad and of foreign direct investment in the United States are presented in the publications of the final results of the following benchmark surveys.

U.S. Direct Investment Abroad: 1994 Benchmark Survey, Final Results (1998)

Foreign Direct Investment in the United States: 1992 Benchmark Survey, Final Results (1995)

The types of data on direct investment that are collected and published by BEA and the clarifications of the differences between the data sets are presented in the following SURVEY articles.

"A Guide to BEA Statistics on U.S. Multinational Companies" (March 1995)

"A Guide to BEA Statistics on Foreign Direct Investment in the United States" (February 1990)

Surveys of international services

U.S. International Transactions in Private Services: A Guide to the Surveys Conducted by the Bureau of Economic Analysis (1998) provides information on the 11 surveys that BEA conducts on these transactions—including classifications, definitions, release schedules, and methods used to prepare the estimates—and samples of the survey forms.


*Regional**Personal income*

State Personal Income, 1929–93 (1995) includes a description of the methodology used to prepare the estimates of State personal income. [Also available on the CD-ROM *State Personal Income, 1929–97*]

Local Area Personal Income, 1969–92 (1994) includes a description of the methodology used to prepare the estimates of local area personal income. [Also available on the CD-ROM *Regional Economic Information System, 1969–96*]

Gross state product

"Comprehensive Revision of Gross State Product by Industry, 1977–94" (June 1997 SURVEY) summarizes the sources and methods for BEA's estimates of gross state product.

"Gross State Product by Industry, 1977–96" (June 1998 SURVEY) presents the most recent revision to the estimates of gross state product by industry and briefly describes changes in methodology. 

BEA INFORMATION

The economic information prepared by the Bureau of Economic Analysis (BEA) is available in news releases, in publications, on diskettes, on CD-ROM's, and on the Internet. For a description of these products in the free *Catalog of Products*, write to the Public Information Office, BE-53, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230, or call 202-606-9900. The catalog and other information are also available on BEA's Web site at <www.bea.doc.gov>.

The free publication *U.S. International Transactions in Private Services: A Guide to the Surveys Conducted by the Bureau of Economic Analysis* provides information about 11 surveys. For each survey, it details the frequency of the survey, the transactions covered, and the methods used to prepare the estimates that are derived from the survey data; it includes a sample of each survey. To receive your copy, write to Sylvia Bargas, BE-50, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230, or call 202-606-9804.

In addition, the following publications are available from the Superintendent of Documents of the Government Printing Office (GPO). To order, write to Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250-7954, call 202-512-1800 or fax 202-512-2250. Pay by check to the Superintendent of Documents or charge to a GPO deposit account, to Visa, or to MasterCard.

National Income and Product Accounts of the United States, 1929-94. (1998) This two-volume set presents the estimates of the national income and product accounts (NIPA's) that reflect the most recent comprehensive revision and the 1997 annual revision. The text describes the definitions and classifications that underlie the NIPA's and the statistical conventions used in the NIPA's; an appendix lists the principal source data and methods that are used in preparing the estimates. \$58.00, stock no. 003-010-00272-7.

Benchmark Input-Output Accounts of the United States, 1992. (1998) This publication presents the summary and detailed make and use tables for industries and commodities and the total output multipliers for 1992 for the U.S. economy. It includes a discussion of the concepts and classifications underlying the accounts, the methods used to prepare the accounts, and the uses of the accounts. It also includes appendixes that present the measures of output and of the commodity composition of personal consumption expenditures by type and of purchases of producers' durable equipment by type in the national income and product accounts. \$40.00, stock no. 003-010-00275-1.

Regional Multipliers: A User Handbook for the Regional Input-Output Modeling System (RIMS II), Third Edition. (1997) This handbook describes the five types of RIMS II multipliers that are available for nearly 500 industries and for any county or for any group of counties. It details the information that the users need in order to effectively use the RIMS II multipliers to analyze the economic and industrial impact of public and private projects and programs on State and local areas. The handbook also includes case studies that illustrate the uses of the RIMS II multipliers and a description of the methodology that the Bureau of Economic Analysis uses to estimate the multipliers. \$6.00, stock no. 003-010-00264-6.

Foreign Direct Investment in the United States: 1992 Benchmark Survey, Final Results. (1995) Presents detailed data on the financial structure and operations of U.S. affiliates of foreign direct investors, on the foreign direct investment position in the United States, and on the balance-of-payments transactions between U.S. affiliates and their foreign parent companies in 1992. Includes data for items, such as employment covered by collective bargaining agreements and merchandise trade by product and country of destination and origin, that are only collected in comprehensive benchmark surveys. The data are classified by industry of affiliate and by country of ultimate beneficial owner, and selected data are classified by State. The text describes the coverage, the concepts and definitions, and the classifications used in the survey. \$20.00, stock no. 003-010-00259-0.

Foreign Direct Investment in the United States: Operations of U.S. Affiliates of Foreign Companies. (1998) Two publications: One presents the revised estimates for 1995, and the other, the preliminary estimates for 1996 from BEA's annual surveys of the financial structure and operations of nonbank U.S. affiliates of foreign direct investors. The estimates are presented by industry of the U.S. affiliate and by country of the ultimate beneficial owner (UBO) and for selected estimates, by industry of UBO and by State. **Revised 1995 Estimates**, \$9.50, stock no. 003-010-00274-3; **Preliminary 1996 Estimates**, \$9.50, stock no. 003-010-00273-5.

Foreign Direct Investment in the United States: Establishment Data for 1992. (1997) This publication, which presents the results of a project by BEA and the Bureau of the Census, provides the most recently available data on the number, employment, payroll, and shipments or sales of foreign-owned U.S. establishments in more than 800 industries at the Standard Industrial Classification four-digit level and by State and by country of owner. Presents additional information—such as data on value added, employee benefits, hourly wage rates of production workers, and expenditures for plant and equipment—for manufacturing establishments. \$28.00, stock no. 003-010-00265-4.

U.S. Direct Investment Abroad: 1994 Benchmark Survey, Final Results. (1998) This publication presents the data on the worldwide operations of U.S. multinational companies in 1994 from the most recent comprehensive survey of U.S. direct investment abroad. It contains 243 tables that present data on the financial structure and operations of U.S. parent companies and their foreign affiliates and data on the direct investment position and balance of payments between the parents and their affiliates. The data are presented by industry of the parent and by industry and country of the affiliate. The text describes the coverage, the definitions and concepts, and the classifications used in the survey. \$37.00, stock no. 003-010-00271-9.

New!
U.S. Direct Investment Abroad: Operations of U.S. Parent Companies and Their Foreign Affiliates. (1998) Two publications: One presents the revised estimates for 1995, and the other, the preliminary estimates for 1996 from the annual surveys of the worldwide operations of U.S. multinational companies. Each publication presents data on the financial structure and operations of U.S. parent companies and their foreign affiliates by industry of the parent and by industry and country of the affiliate. **Revised 1995 Estimates**, \$11.00, stock no. 003-010-00276-0; **Preliminary 1996 Estimates**, \$11.00, stock no. 003-010-00277-8.

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<i>Subject</i>	<i>Release Date</i>
U.S. International Trade in Goods and Services, November 1998	* Jan. 21
State Personal Income, 3rd quarter 1998	Jan. 26
Gross Domestic Product, 4th quarter 1998 (advance)	Jan. 29
Personal Income and Outlays, December 1998	Feb. 1
U.S. International Trade in Goods and Services, December 1998	* Feb. 19
Gross Domestic Product, 4th quarter 1998 (preliminary)	Feb. 26
Personal Income and Outlays, January 1999	Mar. 1
U.S. International Transactions, 4th quarter 1998	Mar. 11
U.S. International Trade in Goods and Services, January 1999	* Mar. 18
Gross Domestic Product, 4th quarter 1998 (final) and Corporate Profits, 4th quarter 1998	Mar. 31
Personal Income and Outlays, February 1999	Apr. 1
U.S. International Trade in Goods and Services, February 1999	* Apr. 20
State Personal Income, 4th quarter 1998 and Per Capita Personal Income, 1998 (preliminary)	Apr. 27
Gross Domestic Product, 1st quarter 1999 (advance)	Apr. 30

* Joint release by the Bureau of the Census and BEA.

For information, call (202) 606-9900, Bureau of Economic Analysis, U.S. Department of Commerce.