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U.S. BALANCE OF PAYMENTS  
FOURTH QUARTER AND YEAR 1972 (REVISED)

The balance on current account and long-term capital was in deficit by \$1.5 billion in the fourth quarter, according to the Bureau of Economic Analysis, an agency of the Commerce Department's Social and Economic Statistics Administration. This was about \$0.8 billion less than the \$2.3 billion deficit in the third quarter. For the full year 1972, the balance on current account and long-term capital was in deficit by \$9.2 billion, virtually the same as in 1971. (All quarterly figures are seasonally adjusted.)

With a rise in receipts of direct investment income more than offsetting a deterioration in the merchandise trade deficit, the deficit on goods and services declined to \$0.7 billion (revised) in the fourth quarter from \$0.9 billion in the third. The deficit on current account also improved \$0.2 billion as private and Government unilateral transfers remained unchanged. Long-term capital transactions shifted favorably by \$0.6 billion to a \$0.1 billion net inflow.

Net U.S. Government capital outflows increased by \$0.3 billion to \$0.6 billion in the fourth quarter, but long-term private capital transactions shifted favorably by \$0.9 billion to a \$0.7 billion net inflow. A \$1.3 billion rise to \$1.9 billion in foreign purchases of U.S. securities, and a \$0.3 billion decline to \$0.9 billion in U.S. direct investment abroad more than offset a \$0.7 billion increase to \$0.3 billion in net outflows through other long-term private capital transactions.

For 1972 as a whole, the balance on goods and services deteriorated \$5.0 billion to a deficit of \$4.2 billion (revised), with the trade deficit worsening \$4.2 billion and the services surplus declining \$0.8 billion. In addition, U.S. Government grants rose \$0.2 billion, so that the balance on current account worsened \$5.2 billion. Net long-term capital outflows, on the other hand, declined \$5.2 billion to \$1.3 billion. Net U.S. Government capital outflows fell \$1.0 billion. Private long-term capital transactions shifted by \$4.2 billion to a small net inflow, with foreign purchases of U.S. securities increasing \$2.2 billion to a record \$4.5 billion, net outflows for U.S. direct investment abroad declining \$1.4 billion to \$3.3 billion, and net outflows for other transactions dropping by \$0.6 billion to \$1.1 billion.

The net liquidity balance was in deficit by \$4.2 billion (revised) in the fourth quarter of 1972 and by \$14.0 billion (revised) for the full year. The official reserve transactions balance was in deficit by \$1.6 billion (revised) in the fourth quarter and by \$10.3 billion (revised) for the year.

Complete balance of payments data for the fourth quarter and year 1972 and further analysis will be published in the March issue of the Survey of Current Business, the monthly journal of the Bureau of Economic Analysis. The Survey is available from District Offices of the Department of Commerce, or from the Superintendent of Documents, U.S. Government Printing Office, Washington, D. C., 20402, at an annual subscription price of \$20.00 including weekly supplements; single copy, \$2.25.

Table A--Summary of U.S. International Transactions  
(Millions of dollars, seasonally adjusted)

Line	1970	1971	1972p	Change: 1971-72	1971				1972				Change: 1972 III-IV
					I	II	III	IV	I	II	IIIr	IVp	
1 Merchandise trade balance.....	2,164	-2,666	-6,816	-4,150	145	-890	-387	-1,534	-1,831	-1,777	-1,525	-1,683	-158
2 Services, net.....	1,398	3,417	2,596	-821	847	1,048	563	957	528	377	661	1,027	366
3 Balance on goods and services.....	3,563	750	-4,219	-4,969	992	158	176	-577	-1,303	-1,400	-864	-656	208
4 Remittances, pensions and other transfers.....	-1,474	-1,529	-1,557	-28	-355	-369	-402	-404	-389	-383	-368	-416	-48
5 Balance on goods, services, and remittances.....	2,089	-779	-5,776	-4,997	637	-211	-226	-981	-1,692	-1,783	-1,232	-1,072	160
6 U.S. Government grants (excluding military).....	-1,734	-2,045	-2,208	-163	-436	-477	-544	-588	-601	-535	-538	-534	4
7 Balance on current account.....	356	-2,824	-7,983	-5,159	201	-688	-770	-1,569	-2,293	-2,318	-1,770	-1,606	164
8 U.S. Government capital flows, net, and nonliquid liabilities to other than foreign official reserve agencies.....	-2,018	-2,378	-1,367	1,011	-702	-584	-558	-533	-343	-95	-322	-607	-285
9 Long-term private capital flows, net.....	-1,398	-4,079	107	4,186	-922	-1,605	-1,883	330	-1,081	750	-254	690	944
10 Balance on current account and long-term capital.....	-3,059	-9,281	-9,243	38	-1,423	-2,877	-3,211	-1,772	-3,717	-1,663	-2,346	-1,523	823
11 Nonliquid short-term private capital flows, net.....	-482	-2,386	-1,634	752	-534	-315	-883	-654	-508	592	-507	-1,211	-704
12 Allocation of SDR.....	867	717	710	-7	180	179	179	179	178	178	177	177	--
13 Errors and omissions, net.....	-1,174	-11,054	-3,806	7,248	-800	-2,708	-5,465	-2,082	942	-1,314	-1,825	-1,608	217
14 Net liquidity balance.....	-3,851	-22,002	-13,974	8,028	-2,577	-5,721	-9,380	-4,329	-3,105	-2,207	-4,501	-4,165	336
15 Liquid private capital flows, net.....	-5,988	-7,763	3,677	11,440	-2,848	-745	-2,551	-1,619	-119	1,386	-173	2,583	2,756
16 Official reserve transactions balance.....	-9,839	-29,765	-10,297	19,468	-5,425	-6,466	-11,931	-5,948	-3,224	-821	-4,674	-1,582	3,092

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Note: Details may not add to totals because of rounding.