

# Bureau of Economic Analysis

## Survey of Current Business

Table of Contents  
April 1999

### Regular features

#### 1. Business Situation

Real GDP increased 6.0 percent in the fourth quarter of 1998, according to the NIPA "final" estimate; the "preliminary" estimate issued last month had shown a 6.1-percent increase. Corporate profits decreased \$5.3 billion (0.6 percent at a quarterly rate) in the fourth quarter. The Federal Government current surplus decreased \$26.2 billion, to \$65.8 billion, in the fourth quarter, and the State and local government current surplus increased \$21.8 billion, to \$170.5 billion.

#### 11. State and Local Government Fiscal Position in 1998

The current surplus of State and local governments increased \$16.1 billion, to \$150.2 billion, in 1998. As in recent years, the increase in receipts exceeded the increase in current expenditures. For 1999, available information suggests that receipts will decelerate and that current expenditures will accelerate, so that the current surplus is expected to change little.

#### 18. U.S. International Transactions, Fourth Quarter and Year 1998

In the fourth quarter of 1998, the U.S. current-account deficit decreased to \$63.8 billion from \$65.7 billion in the third quarter; the decrease was attributable to decreases in the deficits on goods and on investment income and an increase in the surplus on services. In the capital account, foreign assets in the United States increased \$183.1 billion after increasing \$98.7 billion, and U.S. assets abroad increased \$88.8 billion after increasing \$60.4 billion.

For the year 1998, the U.S. current-account deficit increased to \$233.4 billion from \$155.2 billion in 1997; the increase was largely attributable to an increase in the deficit on goods, but an increase in the deficit on investment income and a decrease in the surplus on services also contributed. In the capital account, foreign assets in the United States increased \$542.5 billion after increasing \$733.4 billion, and U.S. assets abroad increased \$305.4 billion after increasing \$478.5 billion.

### Reports and statistical presentations

#### 9. Real Inventories, Sales, and Inventory-Sales Ratios for Manufacturing and Trade

##### D-1. BEA Current and Historical Data

### LOOKING AHEAD

*Annual Revision of Local Area Personal Income.* On May 6, 1999, BEA will release the results of the annual revision of local area personal income for 1982–97. An article that presents the new estimates for 1997 and the revised estimates for 1995 and 1996 of personal income for counties, metropolitan areas, and BEA economic areas will be published in the May SURVEY.

*Regional Patterns in the Location of Foreign-Owned Manufacturing Establishments.* An article that examines the distribution of foreign-owned manufacturing plants across BEA economic areas is scheduled to be published in a forthcoming issue of the SURVEY. The article will compare the distribution of employment of foreign-owned "greenfield" plants with that of U.S.-owned "greenfield" plants and will examine the distribution of foreign-owned plants by country of owner.

### RECRUITMENT

*Associate Director for International Economics.* BEA is recruiting for the position of Associate Director for International Economics. This executive manages BEA's international economic accounts program—which includes the U.S. balance of payments, foreign direct investment, and international trade in goods and services. This executive is responsible for modernizing and extending the conceptual framework and the statistical sources that support the accounts, for guiding and conducting international economic analyses and research, and for representing BEA before top officials in the Federal and private sectors and in international organizations.

This is a career reserved position in the Senior Executive Service, and the salary range is \$110,35–\$125,900. The application deadline is May 10, 1999. For further details and information on applying, go to BEA's Web site at <[www.bea.doc.gov/bea/beajobs.htm](http://www.bea.doc.gov/bea/beajobs.htm)>, or contact Georgie Nance at (301) 457-3727. BEA is an equal opportunity employer.

# BUSINESS SITUATION

Ralph W. Morris prepared the first section of this article, Daniel Larkins prepared the section on corporate profits, and Florence H. Campi prepared the section on the government sector.

**R**EAL GROSS domestic product (GDP) increased 6.0 percent in the fourth quarter of 1998, according to the "final" estimates of the national income and product accounts (NIPA's) (chart 1).<sup>1</sup> The step-up from a 3.7-percent increase in the third quarter was attributable to a sharp turnaround in motor vehicle output; motor vehicle output increased almost 90 percent after falling almost 11 percent, partly reflecting a rebound from a midsummer strike at a major

manufacturer. GDP less motor vehicles increased 3.8 percent after increasing 4.2 percent.

Exports of goods and services and business fixed investment turned up, and consumer spending for goods accelerated in the fourth quarter. In contrast, inventory investment turned down, imports of goods and services increased more than in the third quarter, and consumer spending for services increased less than in the third quarter (table 1).<sup>2</sup>

The largest contributors to the fourth-quarter increase in real GDP were exports of goods and services, consumer spending for durable goods, and business fixed investment (table 2). The increase in GDP was moderated by an increase in imports of goods and services and by a decrease in inventory investment.

The "final" estimate of the change in real GDP is 0.1 percentage point less than the 6.1-percent increase indicated by the "preliminary" estimate reported in the March "Business Situation" (table 3). The average revision is 0.3 percentage point—without regard to sign—from

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				1998			
		1998				I	II	III	IV
	IV	I	II	III	IV				
<b>Gross domestic product</b> .....	<b>7,677.7</b>	<b>100.1</b>	<b>33.9</b>	<b>67.9</b>	<b>111.2</b>	<b>5.5</b>	<b>1.8</b>	<b>3.7</b>	<b>6.0</b>
Less: Exports of goods and services .....	1,009.6	-6.9	-19.8	-6.8	44.3	-2.8	-7.7	-2.8	19.7
Plus: Imports of goods and services .....	1,259.6	42.6	26.9	7.0	35.3	15.7	9.3	2.3	12.0
<b>Equals: Gross domestic purchases</b> .....	<b>7,901.3</b>	<b>142.8</b>	<b>73.7</b>	<b>80.2</b>	<b>102.5</b>	<b>7.8</b>	<b>3.9</b>	<b>4.2</b>	<b>5.4</b>
Less: Change in business inventories .....	44.2	24.9	-53.2	17.5	-11.5	.....	.....	.....	.....
Nonfarm .....	37.5	23.2	-56.0	17.1	-9.5	.....	.....	.....	.....
Farm .....	7.2	1.6	3.4	.4	-1.9	.....	.....	.....	.....
<b>Equals: Final sales to domestic purchasers</b> .....	<b>7,852.5</b>	<b>120.1</b>	<b>124.2</b>	<b>63.4</b>	<b>112.7</b>	<b>6.6</b>	<b>6.7</b>	<b>3.3</b>	<b>6.0</b>
Personal consumption expenditures .....	5,246.0	74.1	75.1	51.6	64.2	6.1	6.1	4.1	5.0
Durable goods .....	775.0	25.5	19.1	4.3	41.3	15.8	11.2	2.4	24.5
Nondurable goods .....	1,565.1	26.9	19.7	8.2	16.0	7.4	5.3	2.1	4.2
Services .....	2,917.2	24.5	37.5	38.0	12.4	3.5	5.4	5.4	1.7
Gross private domestic fixed investment .....	1,311.0	55.4	39.2	6.8	40.1	20.4	13.4	2.2	13.2
Nonresidential fixed investment .....	991.9	45.7	28.5	-1.7	33.2	22.2	12.8	-7	14.6
Structures .....	205.0	-2.6	-1.2	.1	3.0	-4.9	-2.3	.2	6.0
Producers' durable equipment .....	801.5	52.4	32.5	-2.0	32.2	34.3	18.8	-1.0	17.8
Residential investment .....	324.1	10.6	10.6	7.4	7.6	15.6	15.0	9.9	10.0
Government consumption expenditures and gross investment .....	1,310.3	-6.2	11.8	4.8	10.7	-1.9	3.7	1.5	3.3
Federal .....	460.6	-10.4	8.0	-1.6	8.1	-8.8	7.3	-1.4	7.3
National defense .....	304.6	-15.4	7.0	3.2	1.1	-18.5	9.9	4.3	1.3
Nondefense .....	155.2	4.6	1.0	-4.5	6.8	13.1	2.6	-11.5	19.8
State and local .....	850.0	4.2	3.8	6.4	2.7	2.1	1.8	3.1	1.3
<b>Addendum: Final sales of domestic product</b> .....	<b>7,628.9</b>	<b>77.7</b>	<b>83.9</b>	<b>51.2</b>	<b>121.3</b>	<b>4.3</b>	<b>4.6</b>	<b>2.8</b>	<b>6.6</b>

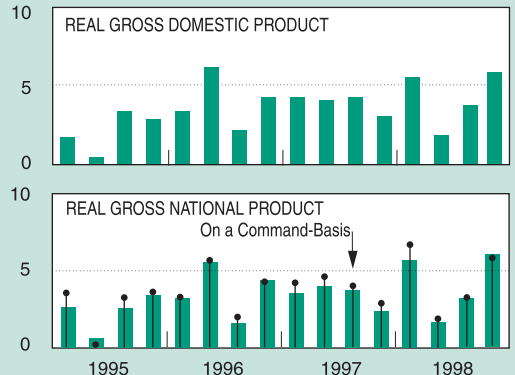
NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar 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.

2. Imports are subtracted in the calculation of GDP.

**CHART 1**

## Selected Product Measures: Change From Preceding Quarter

Percent



Note.—Percent change at annual rate from preceding quarter; based on seasonally adjusted estimates.

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

[Seasonally adjusted at annual rates]

	1998			
	I	II	III	IV
<b>Percent change at annual rate:</b>				
Gross domestic product .....	5.5	1.8	3.7	6.0
<b>Percentage points at annual rates:</b>				
Personal consumption expenditures .....	4.09	4.09	2.78	3.53
Durable goods .....	1.23	.91	.20	1.90
Nondurable goods .....	1.41	1.01	.42	.85
Services .....	1.40	2.14	2.15	.79
Gross private domestic investment .....	4.07	-.75	1.22	1.41
Fixed investment .....	2.82	1.95	.33	1.95
Nonresidential .....	2.21	1.35	-.08	1.50
Structures .....	-.15	-.07	.01	.16
Producers' durable equipment .....	2.36	1.42	-.09	1.34
Residential .....	.60	.60	.41	.44
Change in business inventories .....	1.22	-2.66	.89	-.54
Net exports of goods and services .....	-2.24	-2.08	-.62	.52
Exports .....	-.33	-.92	-.32	2.04
Goods .....	-.29	-.98	.04	1.78
Services .....	-.04	.06	-.36	.26
Imports .....	-1.94	-1.18	-.30	-1.53
Goods .....	-1.75	-1.19	-.32	-1.48
Services .....	-.19	.01	.01	-.05
Government consumption expenditures and gross investment .....	-.34	.64	.27	.56
Federal .....	-.57	.44	-.09	.47
National defense .....	-.84	.38	.17	.11
Nondefense .....	.26	.06	-.26	.36
State and local .....	.24	.20	.35	.09

NOTE.—NIPA table 8.2 also shows contributions for 1997:III and 1997:IV.

the preliminary estimate to the final estimate for 1978–97.

In general, revisions to the components of GDP were small. Downward revisions to inventory investment, business fixed investment, and State and local government spending offset an upward revision to consumer spending for durable goods. In inventory investment, the downward revision reflected newly available trade source data on used car stocks for the quarter. In business fixed investment, the downward revision was mostly to producers' durable equipment, reflecting the incorporation of revised December Census Bureau data for shipments of aircraft. In State and local government spending, the downward revision reflected the incorporation of revised Census Bureau data on the value of nonresidential construction put in place for November and December. In consumer spending, the upward revision reflected the incorporation of newly available trade source data on used car sales for the quarter.

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

[Seasonally adjusted at annual rates]

	Percent change from preceding quarter		Final estimate minus preliminary estimate		
	Preliminary estimate	Final estimate	Percentage points	Billions of chained (1992) dollars	Contribution to percent change in real GDP
					Percentage points
<b>Gross domestic product</b> .....	<b>6.1</b>	<b>6.0</b>	<b>-0.1</b>	<b>-0.8</b>	.....
<b>Less: Exports of goods and services</b> .....	20.2	19.7	-.5	-1.0	-.01
Goods .....	25.0	24.6	-.4	-.6	.03
Services .....	9.0	8.3	-.7	-.4	-.04
<b>Plus: Imports of goods and services</b> .....	12.6	12.0	-.6	-1.5	.06
Goods .....	14.5	14.1	-.4	-1.0	.06
Services .....	3.0	2.0	-1.0	-.4	.01
<b>Equals: Gross domestic purchases</b> .....	<b>5.4</b>	<b>5.4</b>	<b>0</b>	<b>-1.2</b>	.....
Change in business inventories .....	.....	.....	.....	-3.6	-.18
Nonfarm .....	.....	.....	.....	-3.2	.....
Farm .....	.....	.....	.....	-.4	.....
<b>Equals: Final sales to domestic purchasers</b> .....	<b>5.8</b>	<b>6.0</b>	<b>.2</b>	<b>2.1</b>	.....
Personal consumption expenditures .....	4.5	5.0	.5	6.5	.33
Durable goods .....	20.1	24.5	4.4	7.0	.31
Nondurable goods .....	4.1	4.2	.1	.6	.01
Services .....	1.7	1.7	0	-.1	.01
Fixed investment .....	14.4	13.2	-1.2	-3.4	-.20
Nonresidential .....	16.0	14.6	-1.4	-2.9	-.19
Structures .....	7.4	6.0	-1.4	-.7	-.07
Producers' durable equipment .....	19.2	17.8	-1.4	-2.3	-.12
Residential .....	10.6	10.0	-.6	-.4	-.02
Government consumption expenditures and gross investment .....	3.8	3.3	-.5	-1.4	-.05
Federal .....	7.3	7.3	0	0	0
National defense .....	1.3	1.3	0	.1	0
Nondefense .....	20.0	19.8	-.2	-.1	0
State and local .....	1.9	1.3	-.6	-1.3	-.06
<b>Addenda:</b>					
Final sales of domestic product .....	6.5	6.6	.1	2.3	.....
Gross domestic purchases price index <sup>1</sup> .....	.8	.9	.1	.....	.....
GDP price index <sup>1</sup> .....	.7	.8	.1	.....	.....

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

NOTE.—The final estimates for the fourth 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 December, hospital expenses for the quarter, residential gas usage for November, brokerage services for the quarter, and used car sales for the quarter.

*Nonresidential fixed investment:* Revised construction put in place for November and December and revised manufacturers' shipments of machinery and equipment for December.

*Residential fixed investment:* Revised construction put in place for November and December.

*Change in business inventories:* Revised manufacturing and trade inventories for December and

used car stocks for the quarter.

*Exports and imports of goods and services:* Revised data on exports and imports of goods for December and revised balance-of-payments data on exports and imports of services for the third and fourth quarters.

*Government consumption expenditures and gross investment:* Revised State and local construction put in place for November and December.

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

*GDP prices:* Revised export and import prices for October through December, revised values and quantities of petroleum imports for December, revised prices of single-family homes under construction for the fourth quarter, and prices of medical care services for the fourth quarter.

Real gross domestic purchases increased 5.4 percent, the same as the preliminary estimate; in the third quarter, it increased 4.2 percent.<sup>3</sup> Real final sales of domestic product increased 6.6 percent, 0.1 percentage point more than the preliminary estimate; in the third quarter, it increased 2.8 percent.<sup>4</sup>

The price index for gross domestic purchases increased 0.9 percent, 0.1 percentage point more than the preliminary estimate; in the third quarter, the index increased 0.7 percent. The price index for GDP increased 0.8 percent, 0.1 percentage point more than the preliminary estimate; in the third quarter, the index increased 1.0 percent.

Real disposable personal income (DPI) increased 4.3 percent, 0.1 percentage point more than the preliminary estimate. The upward revision to real DPI reflected an upward revision to personal income. The personal saving rate—personal saving as a percentage of current-dollar DPI—was 0.0 percent, 0.1 percentage point lower than the preliminary estimate; in the third quarter, the rate was 0.2 percent. These rates are the lowest since the quarterly series began in 1946; for additional information, see “Note on the Personal Saving Rate” in the February 1999 SURVEY OF CURRENT BUSINESS.

**Gross national product (GNP).**—In the fourth quarter, real GNP—goods and services produced by labor and property supplied by U.S. residents—increased 6.3 percent, 0.3 percentage

point more than real GDP (chart 1 and table 4).<sup>5</sup> Receipts of factor income from the rest of the world increased, and payments of factor income decreased; corporate profits more than accounted for the increase in receipts, and interest income accounted for the decrease in payments.

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 the same as real GNP—6.3 percent—reflecting little change in the terms of trade.<sup>6</sup> In the third quarter, real GNP on a command-basis increased more than real GNP—3.5 percent, compared with 3.3 percent—reflecting an improvement in the terms of trade.

### Corporate Profits

Profits from current production decreased \$5.3 billion (or 0.6 percent at a quarterly rate) in the fourth quarter after increasing \$6.4 billion in the

5. 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.

6. 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.

**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	1998				1998			
	IV	I	II	III	IV	I	II	III	IV
<b>Gross domestic product</b> .....	<b>7,677.7</b>	<b>100.1</b>	<b>33.9</b>	<b>67.9</b>	<b>111.2</b>	<b>5.5</b>	<b>1.8</b>	<b>3.7</b>	<b>6.0</b>
Plus: Receipts of factor income from the rest of the world .....	240.4	3.4	0	-5.3	4.7	5.9	0	-8.5	8.1
Less: Payments of factor income to the rest of the world .....	253.9	-9	3.2	1.8	-7	-1.4	5.2	2.9	-1.1
<b>Equals: Gross national product</b> .....	<b>7,663.3</b>	<b>104.5</b>	<b>30.7</b>	<b>60.8</b>	<b>116.6</b>	<b>5.8</b>	<b>1.7</b>	<b>3.3</b>	<b>6.3</b>
Less: Exports of goods and services and receipts of factor income from the rest of the world .....	1,249.2	-3.0	-19.1	-12.6	48.1	-1.0	-6.1	-4.1	17.0
Plus: Command-basis exports of goods and services and receipts of factor income .....	1,324.2	16.3	-13.1	-8.3	49.1	5.2	-4.0	-2.5	16.3
<b>Equals: Command-basis gross national product</b> .....	<b>7,738.2</b>	<b>123.8</b>	<b>36.7</b>	<b>65.1</b>	<b>117.5</b>	<b>6.9</b>	<b>2.0</b>	<b>3.5</b>	<b>6.3</b>
<b>Addendum:</b>									
Terms of trade <sup>1</sup> .....	106.0	1.6	.5	.5	-2	6.3	1.9	1.9	-8

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.

third (table 5).<sup>7</sup> A decrease in profits of domestic nonfinancial corporations more than offset a slight increase in profits of domestic financial corporations and an increase in profits from the rest of the world. Profits of domestic nonfinancial corporations decreased \$12.7 billion (2.1 percent) after increasing \$14.3 billion; the decrease was more than accounted for by a \$13.5 billion (annual rate) adjustment to reflect payments by tobacco companies to States under the terms of various settlement agreements. (For more information, see the box "State Tobacco Settlements" on page 12 in this issue.) Unit profits of domestic nonfinancial corporations decreased, reflecting a decrease in unit prices and an increase in unit costs. Profits of domestic financial corporations increased \$0.6 billion (0.5 percent) after decreasing \$0.6 billion. Profits from the rest of the world increased \$6.9 billion (7.6 percent) after decreasing \$7.4 billion; the increase was more than

accounted for by receipts of earnings from foreign affiliates.<sup>8</sup>

Cash flow from current production, a profits-related measure of internally generated funds available for investment, increased \$4.9 billion after increasing \$9.2 billion.<sup>9</sup> The ratio of cash flow to nonresidential fixed investment, an indicator of the share of the current level of investment that could be financed by internally generated funds, decreased to 84.9 percent from 86.7 percent. The ratio has decreased in five of the last six quarters; its average level for 1991–97 was 91.9 percent.

*Domestic industry profits and related measures.*—Domestic industry profits decreased \$17.5 billion after increasing \$8.3 billion.<sup>10</sup> Profits of domestic nonfinancial corporations decreased \$17.3 billion

7. 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.

8. 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.

9. Cash flow from current production is estimated as the sum of undistributed profits with inventory valuation adjustments and the consumption of fixed capital.

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

**Table 5.—Corporate Profits**  
[Quarterly estimates seasonally adjusted]

	Billions of dollars (annual rate)						Percent change from preceding period <sup>1</sup>				
	Level		Change from preceding period				1997	1998	1998		
	1998	1998 IV	1997	1998	1998				III	IV	
					III	IV					
<b>Profits from current production</b> .....	<b>824.6</b>	<b>821.7</b>	<b>67.5</b>	<b>6.7</b>	<b>6.4</b>	<b>-5.3</b>	<b>9.0</b>	<b>0.8</b>	<b>0.8</b>	<b>-0.6</b>	
Domestic industries .....	729.0	724.9	64.9	10.1	13.7	-12.1	9.9	1.4	1.9	-1.6	
Financial .....	130.3	130.1	19.2	5.6	-6	.6	18.2	4.5	-4	.5	
Nonfinancial .....	598.7	594.8	45.7	4.5	14.3	-12.7	8.3	.8	2.4	-2.1	
Rest of the world .....	95.7	96.8	2.6	-3.3	-7.4	6.9	2.7	-3.4	-7.6	7.6	
Receipts (inflows) .....	145.8	150.6	15.0	-3.7	-5.5	10.1	11.1	-2.5	-3.8	7.2	
Payments (outflows) .....	50.1	53.8	12.3	-3	1.8	3.3	32.4	-6	3.9	6.4	
IVA .....	14.5	13.4	8.1	7.6	3.9	1.7	.....	.....	.....	.....	
CCAadj .....	92.3	100.2	5.2	15.7	5.4	5.4	.....	.....	.....	.....	
Profits before tax .....	717.8	708.1	54.2	-16.6	-3.0	-12.4	8.0	-2.3	-4	-1.7	
Profits tax liability .....	240.1	235.6	20.0	-6.0	1.6	-7.6	8.8	-2.4	.6	-3.1	
Profits after tax .....	477.7	472.5	34.2	-10.6	-4.5	-4.8	7.5	-2.2	-1.0	-1.0	
Cash flow from current production .....	806.0	812.8	59.7	31.9	9.2	4.9	8.3	4.1	1.2	.6	
<b>Domestic industry profits:</b>											
Corporate profits of domestic industries with IVA .....	636.6	624.7	59.6	-5.6	8.3	-17.5	10.2	-9	1.3	-2.7	
Financial .....	134.2	133.0	19.3	4.2	-1.2	-2	17.4	3.3	-9	-1	
Nonfinancial .....	502.4	491.7	40.5	-9.9	9.5	-17.3	8.6	-1.9	1.9	-3.4	
Manufacturing .....	192.8	184.5	18.8	-21.6	.4	-10.5	9.6	-10.1	.2	-5.4	
Transportation and public utilities .....	90.4	89.7	-4.3	2.0	5.2	-3.0	-4.6	2.2	6.0	-3.2	
Wholesale trade .....	51.3	46.3	11.9	1.5	.4	-7.6	31.3	3.1	.7	-14.1	
Retail trade .....	67.2	66.8	9.4	6.0	-3	-3	18.2	9.8	-4	-6	
Other .....	100.7	104.4	4.7	2.2	3.7	4.2	5.0	2.3	3.9	4.2	
	Dollars										
Unit price, costs, and profits of nonfinancial corporations:											
Unit price .....	1.061	1.060	0.007	-0.002	0.001	-0.002	.....	.....	.....	.....	
Unit labor cost .....	.699	.700	.006	.008	0	.001	.....	.....	.....	.....	
Unit nonlabor cost .....	.226	.228	-.003	-.002	-.001	-.003	.....	.....	.....	.....	
Unit profits from current production .....	.136	.133	.003	-.007	.002	-.005	.....	.....	.....	.....	

1. Quarterly percent changes are not annualized.

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  
CCAadj Capital consumption adjustment

after increasing \$9.5 billion, reflecting downturns in manufacturing, in the transportation and public utility group (which includes communications), and in wholesale trade. In manufacturing, the downturn was more than accounted for by the adjustment for payments under the various tobacco settlement agreements; excluding the adjustment, manufacturing profits increased after little change. Profits of domestic financial corporations decreased \$0.2 billion after decreasing \$1.2 billion.

Profits before tax decreased \$12.4 billion after decreasing \$3.0 billion. Most of the difference between the fourth-quarter decrease and the \$5.3 billion decrease in profits from current production was accounted for by a \$5.4 billion increase in the capital consumption adjustment.<sup>11</sup> The rest of the difference was accounted for by somewhat larger inventory losses, as reflected in a \$1.7 billion increase in the inventory valuation adjustment.<sup>12</sup>

*The year 1998.*—For the year 1998, profits from current production increased \$6.7 billion (or 0.8 percent), to \$824.6 billion; in 1997, the increase was \$67.5 billion (9.0 percent). Profits of domestic corporations increased less than in 1997, and profits from the rest of the world turned down. Profits of nonfinancial domestic corporations increased \$4.5 billion after increasing \$45.7 billion; profits per unit turned down, reflecting a downturn in unit prices and a step-up in unit labor costs. Profits of domestic financial corporations increased \$5.6 billion after increasing \$19.2 billion. Profits from the rest of the world decreased \$3.3 billion after increasing \$2.6 billion, as receipts turned down more sharply than payments.

Domestic industry profits decreased \$5.6 billion after increasing \$59.6 billion, as profits of domestic nonfinancial corporations turned down, and profits of domestic financial corporations increased less than in 1997. In nonfinancial corporations, the downturn mainly reflected a

downturn in manufacturing profits and a sharp slowdown in wholesale trade profits.

Profits before tax decreased \$16.6 billion after increasing \$54.2 billion.

## Government Sector

The current surplus of the Federal Government and of State and local governments—the NIPA measure of net saving by government—decreased \$4.4 billion, to \$236.3 billion, in the fourth quarter after increasing \$25.0 billion in the third (table 6).<sup>13</sup> The downturn was attributable to a downturn in the Federal Government current surplus. The State and local government current surplus accelerated.<sup>14</sup>

### Federal

The Federal Government current surplus decreased \$26.2 billion, to \$65.8 billion, in the fourth quarter after increasing \$17.6 billion in the third. The downturn resulted from a sharp acceleration in current expenditures and a deceleration in receipts.

*Receipts.*—Federal receipts increased \$11.6 billion in the fourth quarter after increasing \$20.5 billion in the third. The deceleration was more than accounted for by downturns in corporate profits tax accruals and in indirect business tax and nontax accruals. In contrast, personal tax and nontax receipts and contributions for social insurance accelerated.

Corporate profits tax accruals decreased \$6.5 billion after increasing \$1.3 billion, reflecting the pattern of domestic corporate profits before tax.

Indirect business tax and nontax accruals decreased \$2.3 billion after increasing \$3.1 billion. The downturn was partly accounted for by customs duties, which decreased \$1.5 billion after increasing \$1.4 billion. Excise taxes increased \$0.2 billion after increasing \$1.9 billion; within excise taxes, taxes on gasoline were unchanged after increasing \$0.7 billion, and taxes on alcoholic beverages were unchanged after increasing \$0.8 billion.

Personal tax and nontax receipts increased \$12.1 billion after increasing \$8.1 billion. Within personal taxes, estate and gift taxes increased \$3.0 billion after decreasing \$2.4 billion.

13. Net saving equals gross saving less consumption of fixed capital (CFC); the estimates of government gross saving, CFC, and net saving are shown in NIPA table 5.1.

14. The NIPA estimates for the government sector are based on financial statements for the Federal Government and for State and local governments, but they differ from them in several respects. For the major differences, see NIPA tables 3.18B on page 10 and 3.19 on page 11 of the October 1998 SURVEY.

adjustment do not exist at a detailed industry level; they are available only for total financial and total nonfinancial industries.

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):69-92.

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 removed from business incomes by the inventory valuation adjustment (IVA); a negative IVA removes inventory profits, and a positive IVA removes inventory losses.

Contributions for social insurance increased \$8.3 billion after increasing \$8.0 billion.

**Current expenditures.**—Current expenditures increased \$37.9 billion in the fourth quarter after increasing \$2.8 billion in the third.<sup>15</sup> The acceleration was mostly accounted for by an upturn in consumption expenditures and by accelerations in subsidies less the current surplus of government enterprises and in transfer payments (net).

15. For information on the definition of current expenditures and other major NIPA components, see Eugene P. Seskin and Robert P. Parker, "A Guide to the NIPAs," SURVEY 78 (March 1998): 26–36.

**Table 6.—Government Sector Receipts and Current Expenditures**

[Billions of dollars, seasonally adjusted at annual rates]

	Level		Change from preceding quarter			
	1998	1997	1998			
	IV	IV	I	II	III	IV
Receipts .....	2,816.2	34.3	53.3	41.6	34.5	36.5
Current expenditures .....	2,579.8	26.9	-2.1	24.9	9.4	40.9
Current surplus or deficit (-) .....	236.3	7.4	55.4	16.7	25.0	-4.4
Social insurance funds .....	173.3	7.7	3.5	6.3	5.5	9.5
Other .....	63.0	-3	51.9	10.4	19.5	-13.9
<b>Federal Government</b>						
Receipts .....	1,870.4	25.9	43.6	29.2	20.5	11.6
Personal tax and nontax receipts .....	875.9	21.7	37.9	19.2	8.1	12.1
Corporate profits tax accruals .....	201.0	-4.2	-8.0	1.4	1.3	-6.5
Indirect business tax and nontax accruals .....	96.0	-1.3	.1	1.3	3.1	-2.3
Contributions for social insurance .....	697.5	9.7	13.6	7.3	8.0	8.3
Current expenditures .....	1,804.6	23.5	-13.1	13.6	2.8	37.9
Consumption expenditures .....	470.6	.1	-9.2	13.1	-5.3	11.9
National defense .....	306.7	-1.2	-11.5	9.7	-1	3.8
Nondefense .....	164.0	1.3	2.3	3.3	-5.1	8.2
Transfer payments (net) .....	829.8	14.7	2.6	2.6	5.9	12.8
To persons .....	807.2	3.2	14.2	3.5	3.7	1.4
To the rest of the world .....	22.6	11.6	-11.6	-9	2.2	11.4
Grants-in-aid to State and local governments .....	237.4	7.4	-3.1	-1.8	4.5	6.0
Net interest paid .....	221.4	-1	-3.0	-5	-2.6	-4.3
Subsidies less current surplus of government enterprises .....	45.4	1.2	-3	.1	.5	11.4
Subsidies .....	42.4	-5	-9	-5	-4	11.8
Of which: Agricultural subsidies .....	19.4	-1	-2	-1	-1	11.8
Less: Current surplus of government enterprises .....	-3.0	-1.8	-5	-6	-9	.4
Less: Wage accruals less disbursements .....	0	0	0	0	0	0
Current surplus or deficit (-) .....	65.8	2.5	56.6	15.6	17.6	-26.2
Social insurance funds .....	105.4	8.0	3.6	6.1	5.8	9.0
Other .....	-39.6	-5.4	53.0	9.5	11.8	-35.2
<b>State and local governments</b>						
Receipts .....	1,183.1	15.7	6.8	10.5	18.5	30.8
Personal tax and nontax receipts .....	248.9	4.8	3.5	6.8	7.4	4.3
Corporate profits tax accruals .....	34.5	-8	-1.4	.3	.3	-1.2
Indirect business tax and nontax accruals .....	579.1	3.8	7.3	4.5	5.7	20.9
Contributions for social insurance .....	83.2	.4	.5	.6	.7	.8
Federal grants-in-aid .....	237.4	7.4	-3.1	-1.8	4.5	6.0
Current expenditures .....	1,012.6	10.8	7.9	9.5	11.1	9.0
Consumption expenditures .....	801.2	9.3	5.2	8.0	9.2	7.3
Transfer payments to persons .....	322.5	3.1	4.0	3.0	3.2	3.7
Net interest paid .....	-85.3	-1.3	-1.2	-1.5	-1.5	-1.6
Less: Dividends received by government .....	16.6	.4	.5	.3	0	.6
Subsidies less current surplus of government enterprises .....	-9.1	.2	.4	.3	.2	.3
Subsidies .....	.4	0	0	0	0	0
Less: Current surplus of government enterprises .....	9.5	-2	-4	-3	-2	-3
Less: Wage accruals less disbursements .....	0	0	0	0	0	0
Current surplus or deficit (-) .....	170.5	4.8	-1.2	1.1	7.4	21.8
Social insurance funds .....	67.9	-3	-1	.2	-3	.5
Other .....	102.6	5.1	-1.1	.9	7.7	21.3

NOTE.—Levels of these series are in NIPA tables 3.1-3.3.

Consumption expenditures increased \$11.9 billion after decreasing \$5.3 billion. The upturn was primarily accounted for by nondefense consumption expenditures, which increased \$8.2 billion after decreasing \$5.1 billion. Defense consumption expenditures increased \$3.8 billion after decreasing \$0.1 billion.

The upturn in nondefense spending was primarily accounted for by durable goods, which increased \$5.8 billion after decreasing \$6.1 billion. In the third quarter, the sale of the United States Enrichment Corporation reduced durable goods \$5.8 billion.<sup>16</sup> Services increased \$2.0 billion after increasing \$0.5 billion; the acceleration was mostly accounted for by a step-up in employee compensation that reflected additional hiring for the 2000 decennial census.

The upturn in defense spending was more than accounted for by services, which increased \$4.6 billion after decreasing \$2.0 billion. Within services, other services increased \$5.8 billion after decreasing \$1.8 billion, primarily reflecting upturns in personnel support, weapon support, and installation support. The upturn in services was partly offset by downturns in nondurable goods, mainly in ammunition, and in durable goods, mainly in missiles and other parts.

Subsidies less current surplus of government enterprises increased \$11.4 billion after increasing \$0.5 billion. The acceleration was more than accounted for by subsidies, which increased \$11.8 billion after decreasing \$0.4 billion. Within subsidies, agricultural subsidies increased \$11.8 billion after decreasing \$0.1 billion; the upturn reflected special payments to farmers after the enactment of the 1999 Omnibus Consolidated and Emergency Supplemental Appropriations Act that provided two forms of relief to the farmers who were already enrolled in the Federal farm program.

Transfer payments (net) increased \$12.8 billion after increasing \$5.9 billion. The acceleration was more than accounted for by transfer payments to the rest of the world, which increased \$11.4 billion after increasing \$2.2 billion; these payments were boosted by the yearly payment of \$3.0 billion (\$12.0 billion at an annual rate) to Israel for economic support and other payments. Transfer payments to persons increased \$1.4 billion after increasing \$3.7 billion. The deceleration was more than accounted for by a deceleration in social security (old-age, survivors, and dis-

16. Sales except those by government enterprises for goods and services that are similar to those provided by the private sector are treated as deductions from government consumption expenditures.

ability insurance) and by a downturn in Federal employee pensions.

Grants-in-aid to State and local governments increased \$6.0 billion after increasing \$4.5 billion. The acceleration was more than accounted for by upturns in grants for medicaid and community development. Grants for education turned down, and grants for highways decelerated.

Net interest paid decreased \$4.3 billion after decreasing \$2.6 billion. Gross interest paid decreased \$3.8 billion after decreasing \$2.6 billion.

### *State and local*

The State and local government current surplus increased \$21.8 billion, to \$170.5 billion, in the fourth quarter after increasing \$7.4 billion in the third. The acceleration was more than accounted for by an acceleration in receipts.

*Receipts.*—State and local government receipts increased \$30.8 billion after increasing \$18.5 billion. The acceleration was more than accounted for by accelerations in indirect business tax and nontax accruals and in Federal grants-in-aid.

Indirect business tax and nontax accruals increased \$20.9 billion after increasing \$5.7 billion. The acceleration reflected the settlement payments to the States by tobacco companies: In the fourth quarter, these payments amounted to \$3.4 billion (\$13.5 billion at an annual rate), including “up front” payments to 46 States of \$2.4 billion (\$9.6 billion at an annual rate); in the third quarter, these payments amounted to \$0.4 billion (\$1.7 billion at an annual rate).<sup>17</sup> Sales taxes increased \$5.5 billion after increasing \$0.7 billion; the acceleration was mostly attributable to general retail sales taxes.

Personal tax and nontax receipts increased \$4.3 billion after increasing \$7.4 billion. The deceleration was mostly accounted for by personal income taxes, which increased \$3.2 billion after increasing \$6.2 billion.

Corporate profits tax accruals decreased \$1.2 billion after increasing \$0.3 billion.

*Current expenditures.*—Current expenditures increased \$9.0 billion after increasing \$11.1 billion. A deceleration in consumption expenditures and an upturn in dividends received by government were partly offset by an acceleration in transfer payments.

Consumption expenditures increased by \$7.3 billion after increasing \$9.2 billion. The deceleration was mainly attributable to a deceleration in

services and to a downturn in expenditures for nondurable goods. Dividends received by government, which are deducted in the calculation of current expenditures, increased \$0.6 billion after remaining unchanged. Transfer payments to persons increased \$3.7 billion after increasing \$3.2 billion. The acceleration was mostly accounted for by an acceleration in payments for public assistance. Family assistance, which consists primarily of Aid to Families with Dependent Children and Temporary Assistance to Needy Families, decreased \$0.3 billion after a decrease of \$0.9 billion. In contrast, medical care increased \$2.0 billion after increasing \$2.4 billion.

### **The Government Sector in 1998**

The combined current surplus of the Federal Government and State and local governments increased \$109.9 billion, to \$223.0 billion, in 1998. The increase was mostly accounted for by a shift in the Federal fiscal position from a current deficit to a current surplus.<sup>18</sup>

The Federal fiscal position increased \$93.9 billion in 1998, from a current deficit of \$21.1 to a current surplus of \$72.8 billion. The increase in receipts was greater than the increase in expenditures.<sup>19</sup>

Federal receipts increased \$124.3 billion, to \$1,844.2 billion, in 1998. The increase was more than accounted for by personal tax and nontax receipts, which increased \$88.9 billion, and by contributions for social insurance, which increased \$38.4 billion. Indirect business tax and nontax accruals increased \$2.1 billion. These increases were partly offset by a decrease of \$5.1 billion in corporate profits tax accruals.

Federal current expenditures increased \$30.4 billion, to \$1,771.4 billion, in 1998. The increase was mainly attributable to transfer payments, which increased \$24.7 billion. Grants-in-aid to State and local governments increased \$6.1 billion, and subsidies less current surplus of government enterprises increased \$4.1 billion. Consumption expenditures increased \$0.6 billion; nondefense current expenditures increased \$5.4 billion, but defense current expenditures decreased \$4.8 billion. These increases were partly offset by a decrease of \$5.1 billion in net interest paid.

18. For NIPA estimates of government receipts and current expenditures for 1997 and 1998, see NIPA tables 3.1, 3.2, and 3.3 in this issue.


19. The NIPA budget estimates differ from the official Federal budget estimates in several respects, including the timing of transactions, the treatment of investment, and other coverage differences. For more information, see Kurt S. Bersani and Laura M. Bilenki, “Federal Budget Estimates, Fiscal Year 2000,” SURVEY 79 (March 1999): 12–21.

17. For more information, see the box “State Tobacco Settlements” on page 12 in this issue.



The State and local government current surplus increased \$16.1 billion, to \$150.2 billion, in 1998.<sup>20</sup> Increases in receipts exceeded increases in expenditures.

Receipts increased \$53.8 billion, to \$1,148.1 billion; the increase was mostly accounted for by indirect business tax and nontax accruals, which increased \$26.0 billion, and by personal tax and nontax payments, which increased \$20.4 billion. Federal grants-in-aid increased \$6.1 billion, and contributions for social insurance increased \$2.2 billion. In contrast, corporate profits tax accruals decreased \$0.8 billion.

State and local current expenditures increased \$37.8 billion, to \$997.9 billion, in 1998. The increase was more than accounted for by consumption expenditures, which increased \$30.3 billion, and by transfer payments to persons, which increased \$13.3 billion. Subsidies less current surplus of government enterprises increased \$1.1 billion. These increases were partly offset by a \$5.6 billion decrease in net interest paid and by a \$1.3 billion increase in dividends received by government; dividends received by government are deducted in the calculation of current expenditures. 

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20. For more information, see Janet H. Kmitch and Bruce E. Baker, "State and Local Government Fiscal Position in 1998" in this issue.

# BUSINESS SITUATION

Ralph W. Morris prepared the first section of this article, Daniel Larkins prepared the section on corporate profits, and Florence H. Campi prepared the section on the government sector.

**R**EAL GROSS domestic product (GDP) increased 6.0 percent in the fourth quarter of 1998, according to the "final" estimates of the national income and product accounts (NIPA's) (chart 1).<sup>1</sup> The step-up from a 3.7-percent increase in the third quarter was attributable to a sharp turnaround in motor vehicle output; motor vehicle output increased almost 90 percent after falling almost 11 percent, partly reflecting a rebound from a midsummer strike at a major

manufacturer. GDP less motor vehicles increased 3.8 percent after increasing 4.2 percent.

Exports of goods and services and business fixed investment turned up, and consumer spending for goods accelerated in the fourth quarter. In contrast, inventory investment turned down, imports of goods and services increased more than in the third quarter, and consumer spending for services increased less than in the third quarter (table 1).<sup>2</sup>

The largest contributors to the fourth-quarter increase in real GDP were exports of goods and services, consumer spending for durable goods, and business fixed investment (table 2). The increase in GDP was moderated by an increase in imports of goods and services and by a decrease in inventory investment.

The "final" estimate of the change in real GDP is 0.1 percentage point less than the 6.1-percent increase indicated by the "preliminary" estimate reported in the March "Business Situation" (table 3). The average revision is 0.3 percentage point—without regard to sign—from

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				1998			
		1998				I	II	III	IV
	IV	I	II	III	IV				
<b>Gross domestic product</b> .....	<b>7,677.7</b>	<b>100.1</b>	<b>33.9</b>	<b>67.9</b>	<b>111.2</b>	<b>5.5</b>	<b>1.8</b>	<b>3.7</b>	<b>6.0</b>
Less: Exports of goods and services .....	1,009.6	-6.9	-19.8	-6.8	44.3	-2.8	-7.7	-2.8	19.7
Plus: Imports of goods and services .....	1,259.6	42.6	26.9	7.0	35.3	15.7	9.3	2.3	12.0
<b>Equals: Gross domestic purchases</b> .....	<b>7,901.3</b>	<b>142.8</b>	<b>73.7</b>	<b>80.2</b>	<b>102.5</b>	<b>7.8</b>	<b>3.9</b>	<b>4.2</b>	<b>5.4</b>
Less: Change in business inventories .....	44.2	24.9	-53.2	17.5	-11.5	.....	.....	.....	.....
Nonfarm .....	37.5	23.2	-56.0	17.1	-9.5	.....	.....	.....	.....
Farm .....	7.2	1.6	3.4	.4	-1.9	.....	.....	.....	.....
<b>Equals: Final sales to domestic purchasers</b> .....	<b>7,852.5</b>	<b>120.1</b>	<b>124.2</b>	<b>63.4</b>	<b>112.7</b>	<b>6.6</b>	<b>6.7</b>	<b>3.3</b>	<b>6.0</b>
Personal consumption expenditures .....	5,246.0	74.1	75.1	51.6	64.2	6.1	6.1	4.1	5.0
Durable goods .....	775.0	25.5	19.1	4.3	41.3	15.8	11.2	2.4	24.5
Nondurable goods .....	1,565.1	26.9	19.7	8.2	16.0	7.4	5.3	2.1	4.2
Services .....	2,917.2	24.5	37.5	38.0	12.4	3.5	5.4	5.4	1.7
Gross private domestic fixed investment .....	1,311.0	55.4	39.2	6.8	40.1	20.4	13.4	2.2	13.2
Nonresidential fixed investment .....	991.9	45.7	28.5	-1.7	33.2	22.2	12.8	-7	14.6
Structures .....	205.0	-2.6	-1.2	.1	3.0	-4.9	-2.3	.2	6.0
Producers' durable equipment .....	801.5	52.4	32.5	-2.0	32.2	34.3	18.8	-1.0	17.8
Residential investment .....	324.1	10.6	10.6	7.4	7.6	15.6	15.0	9.9	10.0
Government consumption expenditures and gross investment .....	1,310.3	-6.2	11.8	4.8	10.7	-1.9	3.7	1.5	3.3
Federal .....	460.6	-10.4	8.0	-1.6	8.1	-8.8	7.3	-1.4	7.3
National defense .....	304.6	-15.4	7.0	3.2	1.1	-18.5	9.9	4.3	1.3
Nondefense .....	155.2	4.6	1.0	-4.5	6.8	13.1	2.6	-11.5	19.8
State and local .....	850.0	4.2	3.8	6.4	2.7	2.1	1.8	3.1	1.3
<b>Addendum: Final sales of domestic product</b> .....	<b>7,628.9</b>	<b>77.7</b>	<b>83.9</b>	<b>51.2</b>	<b>121.3</b>	<b>4.3</b>	<b>4.6</b>	<b>2.8</b>	<b>6.6</b>

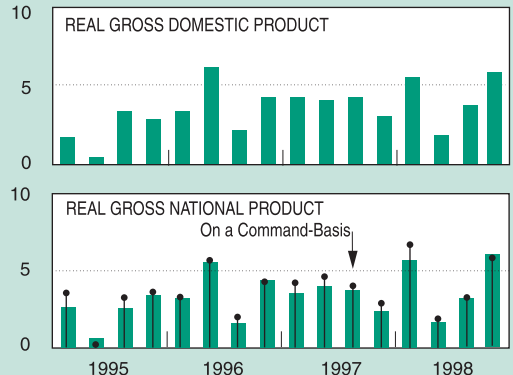
NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar 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.

2. Imports are subtracted in the calculation of GDP.

**CHART 1**

## Selected Product Measures: Change From Preceding Quarter

Percent



Note.—Percent change at annual rate from preceding quarter; based on seasonally adjusted estimates.

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

[Seasonally adjusted at annual rates]

	1998			
	I	II	III	IV
<b>Percent change at annual rate:</b>				
Gross domestic product .....	5.5	1.8	3.7	6.0
<b>Percentage points at annual rates:</b>				
Personal consumption expenditures .....	4.09	4.09	2.78	3.53
Durable goods .....	1.23	.91	.20	1.90
Nondurable goods .....	1.41	1.01	.42	.85
Services .....	1.40	2.14	2.15	.79
Gross private domestic investment .....	4.07	-.75	1.22	1.41
Fixed investment .....	2.82	1.95	.33	1.95
Nonresidential .....	2.21	1.35	-.08	1.50
Structures .....	-.15	-.07	.01	.16
Producers' durable equipment .....	2.36	1.42	-.09	1.34
Residential .....	.60	.60	.41	.44
Change in business inventories .....	1.22	-2.66	.89	-.54
Net exports of goods and services .....	-2.24	-2.08	-.62	.52
Exports .....	-.33	-.92	-.32	2.04
Goods .....	-.29	-.98	.04	1.78
Services .....	-.04	.06	-.36	.26
Imports .....	-1.94	-1.18	-.30	-1.53
Goods .....	-1.75	-1.19	-.32	-1.48
Services .....	-.19	.01	.01	-.05
Government consumption expenditures and gross investment .....	-.34	.64	.27	.56
Federal .....	-.57	.44	-.09	.47
National defense .....	-.84	.38	.17	.11
Nondefense .....	.26	.06	-.26	.36
State and local .....	.24	.20	.35	.09

NOTE.—NIPA table 8.2 also shows contributions for 1997:III and 1997:IV.

the preliminary estimate to the final estimate for 1978–97.

In general, revisions to the components of GDP were small. Downward revisions to inventory investment, business fixed investment, and State and local government spending offset an upward revision to consumer spending for durable goods. In inventory investment, the downward revision reflected newly available trade source data on used car stocks for the quarter. In business fixed investment, the downward revision was mostly to producers' durable equipment, reflecting the incorporation of revised December Census Bureau data for shipments of aircraft. In State and local government spending, the downward revision reflected the incorporation of revised Census Bureau data on the value of nonresidential construction put in place for November and December. In consumer spending, the upward revision reflected the incorporation of newly available trade source data on used car sales for the quarter.

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

[Seasonally adjusted at annual rates]

	Percent change from preceding quarter		Final estimate minus preliminary estimate		
	Preliminary estimate	Final estimate	Percentage points	Billions of chained (1992) dollars	Contribution to percent change in real GDP
					Percentage points
<b>Gross domestic product</b> .....	<b>6.1</b>	<b>6.0</b>	<b>-0.1</b>	<b>-0.8</b>	.....
<b>Less: Exports of goods and services</b> .....	<b>20.2</b>	<b>19.7</b>	<b>-.5</b>	<b>-1.0</b>	<b>-.01</b>
Goods .....	25.0	24.6	-.4	-.6	.03
Services .....	9.0	8.3	-.7	-.4	-.04
<b>Plus: Imports of goods and services</b> .....	<b>12.6</b>	<b>12.0</b>	<b>-.6</b>	<b>-1.5</b>	<b>.06</b>
Goods .....	14.5	14.1	-.4	-1.0	.06
Services .....	3.0	2.0	-1.0	-.4	.01
<b>Equals: Gross domestic purchases</b> .....	<b>5.4</b>	<b>5.4</b>	<b>0</b>	<b>-1.2</b>	.....
Change in business inventories .....	.....	.....	.....	-3.6	-.18
Nonfarm .....	.....	.....	.....	-3.2	.....
Farm .....	.....	.....	.....	-.4	.....
<b>Equals: Final sales to domestic purchasers</b> .....	<b>5.8</b>	<b>6.0</b>	<b>.2</b>	<b>2.1</b>	.....
Personal consumption expenditures .....	4.5	5.0	.5	6.5	.33
Durable goods .....	20.1	24.5	4.4	7.0	.31
Nondurable goods .....	4.1	4.2	.1	.6	.01
Services .....	1.7	1.7	0	-.1	.01
Fixed investment .....	14.4	13.2	-1.2	-3.4	-.20
Nonresidential .....	16.0	14.6	-1.4	-2.9	-.19
Structures .....	7.4	6.0	-1.4	-.7	-.07
Producers' durable equipment .....	19.2	17.8	-1.4	-2.3	-.12
Residential .....	10.6	10.0	-.6	-.4	-.02
Government consumption expenditures and gross investment .....	3.8	3.3	-.5	-1.4	-.05
Federal .....	7.3	7.3	0	0	0
National defense .....	1.3	1.3	0	.1	0
Nondefense .....	20.0	19.8	-.2	-.1	0
State and local .....	1.9	1.3	-.6	-1.3	-.06
<b>Addenda:</b>					
Final sales of domestic product .....	6.5	6.6	.1	2.3	.....
Gross domestic purchases price index <sup>1</sup> .....	.8	.9	.1	.....	.....
GDP price index <sup>1</sup> .....	.7	.8	.1	.....	.....

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

NOTE.—The final estimates for the fourth 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 December, hospital expenses for the quarter, residential gas usage for November, brokerage services for the quarter, and used car sales for the quarter.

*Nonresidential fixed investment:* Revised construction put in place for November and December and revised manufacturers' shipments of machinery and equipment for December.

*Residential fixed investment:* Revised construction put in place for November and December.

*Change in business inventories:* Revised manufacturing and trade inventories for December and

used car stocks for the quarter.

*Exports and imports of goods and services:* Revised data on exports and imports of goods for December and revised balance-of-payments data on exports and imports of services for the third and fourth quarters.

*Government consumption expenditures and gross investment:* Revised State and local construction put in place for November and December.

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

*GDP prices:* Revised export and import prices for October through December, revised values and quantities of petroleum imports for December, revised prices of single-family homes under construction for the fourth quarter, and prices of medical care services for the fourth quarter.

Real gross domestic purchases increased 5.4 percent, the same as the preliminary estimate; in the third quarter, it increased 4.2 percent.<sup>3</sup> Real final sales of domestic product increased 6.6 percent, 0.1 percentage point more than the preliminary estimate; in the third quarter, it increased 2.8 percent.<sup>4</sup>

The price index for gross domestic purchases increased 0.9 percent, 0.1 percentage point more than the preliminary estimate; in the third quarter, the index increased 0.7 percent. The price index for GDP increased 0.8 percent, 0.1 percentage point more than the preliminary estimate; in the third quarter, the index increased 1.0 percent.

Real disposable personal income (DPI) increased 4.3 percent, 0.1 percentage point more than the preliminary estimate. The upward revision to real DPI reflected an upward revision to personal income. The personal saving rate—personal saving as a percentage of current-dollar DPI—was 0.0 percent, 0.1 percentage point lower than the preliminary estimate; in the third quarter, the rate was 0.2 percent. These rates are the lowest since the quarterly series began in 1946; for additional information, see “Note on the Personal Saving Rate” in the February 1999 SURVEY OF CURRENT BUSINESS.

**Gross national product (GNP).**—In the fourth quarter, real GNP—goods and services produced by labor and property supplied by U.S. residents—increased 6.3 percent, 0.3 percentage

point more than real GDP (chart 1 and table 4).<sup>5</sup> Receipts of factor income from the rest of the world increased, and payments of factor income decreased; corporate profits more than accounted for the increase in receipts, and interest income accounted for the decrease in payments.

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 the same as real GNP—6.3 percent—reflecting little change in the terms of trade.<sup>6</sup> In the third quarter, real GNP on a command-basis increased more than real GNP—3.5 percent, compared with 3.3 percent—reflecting an improvement in the terms of trade.

**Corporate Profits**

Profits from current production decreased \$5.3 billion (or 0.6 percent at a quarterly rate) in the fourth quarter after increasing \$6.4 billion in the

5. 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.

6. 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.

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.

**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	1998				1998			
	IV	I	II	III	IV	I	II	III	IV
<b>Gross domestic product</b> .....	<b>7,677.7</b>	<b>100.1</b>	<b>33.9</b>	<b>67.9</b>	<b>111.2</b>	<b>5.5</b>	<b>1.8</b>	<b>3.7</b>	<b>6.0</b>
Plus: Receipts of factor income from the rest of the world .....	240.4	3.4	0	-5.3	4.7	5.9	0	-8.5	8.1
Less: Payments of factor income to the rest of the world .....	253.9	-9	3.2	1.8	-7	-1.4	5.2	2.9	-1.1
<b>Equals: Gross national product</b> .....	<b>7,663.3</b>	<b>104.5</b>	<b>30.7</b>	<b>60.8</b>	<b>116.6</b>	<b>5.8</b>	<b>1.7</b>	<b>3.3</b>	<b>6.3</b>
Less: Exports of goods and services and receipts of factor income from the rest of the world .....	1,249.2	-3.0	-19.1	-12.6	48.1	-1.0	-6.1	-4.1	17.0
Plus: Command-basis exports of goods and services and receipts of factor income .....	1,324.2	16.3	-13.1	-8.3	49.1	5.2	-4.0	-2.5	16.3
<b>Equals: Command-basis gross national product</b> .....	<b>7,738.2</b>	<b>123.8</b>	<b>36.7</b>	<b>65.1</b>	<b>117.5</b>	<b>6.9</b>	<b>2.0</b>	<b>3.5</b>	<b>6.3</b>
<b>Addendum:</b>									
Terms of trade <sup>1</sup> .....	106.0	1.6	.5	.5	-2	6.3	1.9	1.9	-8

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.

third (table 5).<sup>7</sup> A decrease in profits of domestic nonfinancial corporations more than offset a slight increase in profits of domestic financial corporations and an increase in profits from the rest of the world. Profits of domestic nonfinancial corporations decreased \$12.7 billion (2.1 percent) after increasing \$14.3 billion; the decrease was more than accounted for by a \$13.5 billion (annual rate) adjustment to reflect payments by tobacco companies to States under the terms of various settlement agreements. (For more information, see the box "State Tobacco Settlements" on page 12 in this issue.) Unit profits of domestic nonfinancial corporations decreased, reflecting a decrease in unit prices and an increase in unit costs. Profits of domestic financial corporations increased \$0.6 billion (0.5 percent) after decreasing \$0.6 billion. Profits from the rest of the world increased \$6.9 billion (7.6 percent) after decreasing \$7.4 billion; the increase was more than

accounted for by receipts of earnings from foreign affiliates.<sup>8</sup>

Cash flow from current production, a profits-related measure of internally generated funds available for investment, increased \$4.9 billion after increasing \$9.2 billion.<sup>9</sup> The ratio of cash flow to nonresidential fixed investment, an indicator of the share of the current level of investment that could be financed by internally generated funds, decreased to 84.9 percent from 86.7 percent. The ratio has decreased in five of the last six quarters; its average level for 1991–97 was 91.9 percent.

*Domestic industry profits and related measures.*—Domestic industry profits decreased \$17.5 billion after increasing \$8.3 billion.<sup>10</sup> Profits of domestic nonfinancial corporations decreased \$17.3 billion

7. 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.

8. 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.

9. Cash flow from current production is estimated as the sum of undistributed profits with inventory valuation adjustments and the consumption of fixed capital.

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

**Table 5.—Corporate Profits**  
[Quarterly estimates seasonally adjusted]

	Billions of dollars (annual rate)						Percent change from preceding period <sup>1</sup>				
	Level		Change from preceding period				1997	1998	1998		
	1998	1998 IV	1997	1998	1998				III	IV	
					III	IV					
<b>Profits from current production</b> .....	<b>824.6</b>	<b>821.7</b>	<b>67.5</b>	<b>6.7</b>	<b>6.4</b>	<b>-5.3</b>	<b>9.0</b>	<b>0.8</b>	<b>0.8</b>	<b>-0.6</b>	
Domestic industries .....	729.0	724.9	64.9	10.1	13.7	-12.1	9.9	1.4	1.9	-1.6	
Financial .....	130.3	130.1	19.2	5.6	-6	.6	18.2	4.5	-4	.5	
Nonfinancial .....	598.7	594.8	45.7	4.5	14.3	-12.7	8.3	.8	2.4	-2.1	
Rest of the world .....	95.7	96.8	2.6	-3.3	-7.4	6.9	2.7	-3.4	-7.6	7.6	
Receipts (inflows) .....	145.8	150.6	15.0	-3.7	-5.5	10.1	11.1	-2.5	-3.8	7.2	
Payments (outflows) .....	50.1	53.8	12.3	-3	1.8	3.3	32.4	-6	3.9	6.4	
IVA .....	14.5	13.4	8.1	7.6	3.9	1.7	.....	.....	.....	.....	
CCAadj .....	92.3	100.2	5.2	15.7	5.4	5.4	.....	.....	.....	.....	
Profits before tax .....	717.8	708.1	54.2	-16.6	-3.0	-12.4	8.0	-2.3	-4	-1.7	
Profits tax liability .....	240.1	235.6	20.0	-6.0	1.6	-7.6	8.8	-2.4	.6	-3.1	
Profits after tax .....	477.7	472.5	34.2	-10.6	-4.5	-4.8	7.5	-2.2	-1.0	-1.0	
Cash flow from current production .....	806.0	812.8	59.7	31.9	9.2	4.9	8.3	4.1	1.2	.6	
<b>Domestic industry profits:</b>											
Corporate profits of domestic industries with IVA .....	636.6	624.7	59.6	-5.6	8.3	-17.5	10.2	-9	1.3	-2.7	
Financial .....	134.2	133.0	19.3	4.2	-1.2	-2	17.4	3.3	-9	-1	
Nonfinancial .....	502.4	491.7	40.5	-9.9	9.5	-17.3	8.6	-1.9	1.9	-3.4	
Manufacturing .....	192.8	184.5	18.8	-21.6	.4	-10.5	9.6	-10.1	.2	-5.4	
Transportation and public utilities .....	90.4	89.7	-4.3	2.0	5.2	-3.0	-4.6	2.2	6.0	-3.2	
Wholesale trade .....	51.3	46.3	11.9	1.5	.4	-7.6	31.3	3.1	.7	-14.1	
Retail trade .....	67.2	66.8	9.4	6.0	-3	-3	18.2	9.8	-4	-6	
Other .....	100.7	104.4	4.7	2.2	3.7	4.2	5.0	2.3	3.9	4.2	
	Dollars										
Unit price, costs, and profits of nonfinancial corporations:											
Unit price .....	1.061	1.060	0.007	-0.002	0.001	-0.002	.....	.....	.....	.....	
Unit labor cost .....	.699	.700	.006	.008	0	.001	.....	.....	.....	.....	
Unit nonlabor cost .....	.226	.228	-.003	-.002	-.001	-.003	.....	.....	.....	.....	
Unit profits from current production .....	.136	.133	.003	-.007	.002	-.005	.....	.....	.....	.....	

1. Quarterly percent changes are not annualized.

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  
CCAadj Capital consumption adjustment

after increasing \$9.5 billion, reflecting downturns in manufacturing, in the transportation and public utility group (which includes communications), and in wholesale trade. In manufacturing, the downturn was more than accounted for by the adjustment for payments under the various tobacco settlement agreements; excluding the adjustment, manufacturing profits increased after little change. Profits of domestic financial corporations decreased \$0.2 billion after decreasing \$1.2 billion.

Profits before tax decreased \$12.4 billion after decreasing \$3.0 billion. Most of the difference between the fourth-quarter decrease and the \$5.3 billion decrease in profits from current production was accounted for by a \$5.4 billion increase in the capital consumption adjustment.<sup>11</sup> The rest of the difference was accounted for by somewhat larger inventory losses, as reflected in a \$1.7 billion increase in the inventory valuation adjustment.<sup>12</sup>

*The year 1998.*—For the year 1998, profits from current production increased \$6.7 billion (or 0.8 percent), to \$824.6 billion; in 1997, the increase was \$67.5 billion (9.0 percent). Profits of domestic corporations increased less than in 1997, and profits from the rest of the world turned down. Profits of nonfinancial domestic corporations increased \$4.5 billion after increasing \$45.7 billion; profits per unit turned down, reflecting a downturn in unit prices and a step-up in unit labor costs. Profits of domestic financial corporations increased \$5.6 billion after increasing \$19.2 billion. Profits from the rest of the world decreased \$3.3 billion after increasing \$2.6 billion, as receipts turned down more sharply than payments.

Domestic industry profits decreased \$5.6 billion after increasing \$59.6 billion, as profits of domestic nonfinancial corporations turned down, and profits of domestic financial corporations increased less than in 1997. In nonfinancial corporations, the downturn mainly reflected a

downturn in manufacturing profits and a sharp slowdown in wholesale trade profits.

Profits before tax decreased \$16.6 billion after increasing \$54.2 billion.

## Government Sector

The current surplus of the Federal Government and of State and local governments—the NIPA measure of net saving by government—decreased \$4.4 billion, to \$236.3 billion, in the fourth quarter after increasing \$25.0 billion in the third (table 6).<sup>13</sup> The downturn was attributable to a downturn in the Federal Government current surplus. The State and local government current surplus accelerated.<sup>14</sup>

### Federal

The Federal Government current surplus decreased \$26.2 billion, to \$65.8 billion, in the fourth quarter after increasing \$17.6 billion in the third. The downturn resulted from a sharp acceleration in current expenditures and a deceleration in receipts.

*Receipts.*—Federal receipts increased \$11.6 billion in the fourth quarter after increasing \$20.5 billion in the third. The deceleration was more than accounted for by downturns in corporate profits tax accruals and in indirect business tax and nontax accruals. In contrast, personal tax and nontax receipts and contributions for social insurance accelerated.

Corporate profits tax accruals decreased \$6.5 billion after increasing \$1.3 billion, reflecting the pattern of domestic corporate profits before tax.

Indirect business tax and nontax accruals decreased \$2.3 billion after increasing \$3.1 billion. The downturn was partly accounted for by customs duties, which decreased \$1.5 billion after increasing \$1.4 billion. Excise taxes increased \$0.2 billion after increasing \$1.9 billion; within excise taxes, taxes on gasoline were unchanged after increasing \$0.7 billion, and taxes on alcoholic beverages were unchanged after increasing \$0.8 billion.

Personal tax and nontax receipts increased \$12.1 billion after increasing \$8.1 billion. Within personal taxes, estate and gift taxes increased \$3.0 billion after decreasing \$2.4 billion.

13. Net saving equals gross saving less consumption of fixed capital (CFC); the estimates of government gross saving, CFC, and net saving are shown in NIPA table 5.1.

14. The NIPA estimates for the government sector are based on financial statements for the Federal Government and for State and local governments, but they differ from them in several respects. For the major differences, see NIPA tables 3.18B on page 10 and 3.19 on page 11 of the October 1998 SURVEY.

adjustment do not exist at a detailed industry level; they are available only for total financial and total nonfinancial industries.

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):69-92.

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 removed from business incomes by the inventory valuation adjustment (IVA); a negative IVA removes inventory profits, and a positive IVA removes inventory losses.

Contributions for social insurance increased \$8.3 billion after increasing \$8.0 billion.

**Current expenditures.**—Current expenditures increased \$37.9 billion in the fourth quarter after increasing \$2.8 billion in the third.<sup>15</sup> The acceleration was mostly accounted for by an upturn in consumption expenditures and by accelerations in subsidies less the current surplus of government enterprises and in transfer payments (net).

15. For information on the definition of current expenditures and other major NIPA components, see Eugene P. Seskin and Robert P. Parker, "A Guide to the NIPAs," SURVEY 78 (March 1998): 26–36.

**Table 6.—Government Sector Receipts and Current Expenditures**

[Billions of dollars, seasonally adjusted at annual rates]

	Level		Change from preceding quarter			
	1998	1997	1998			
	IV	IV	I	II	III	IV
Receipts .....	2,816.2	34.3	53.3	41.6	34.5	36.5
Current expenditures .....	2,579.8	26.9	-2.1	24.9	9.4	40.9
Current surplus or deficit (-) .....	236.3	7.4	55.4	16.7	25.0	-4.4
Social insurance funds .....	173.3	7.7	3.5	6.3	5.5	9.5
Other .....	63.0	-3	51.9	10.4	19.5	-13.9
<b>Federal Government</b>						
Receipts .....	1,870.4	25.9	43.6	29.2	20.5	11.6
Personal tax and nontax receipts .....	875.9	21.7	37.9	19.2	8.1	12.1
Corporate profits tax accruals .....	201.0	-4.2	-8.0	1.4	1.3	-6.5
Indirect business tax and nontax accruals .....	96.0	-1.3	.1	1.3	3.1	-2.3
Contributions for social insurance .....	697.5	9.7	13.6	7.3	8.0	8.3
Current expenditures .....	1,804.6	23.5	-13.1	13.6	2.8	37.9
Consumption expenditures .....	470.6	.1	-9.2	13.1	-5.3	11.9
National defense .....	306.7	-1.2	-11.5	9.7	-1	3.8
Nondefense .....	164.0	1.3	2.3	3.3	-5.1	8.2
Transfer payments (net) .....	829.8	14.7	2.6	2.6	5.9	12.8
To persons .....	807.2	3.2	14.2	3.5	3.7	1.4
To the rest of the world .....	22.6	11.6	-11.6	-9	2.2	11.4
Grants-in-aid to State and local governments .....	237.4	7.4	-3.1	-1.8	4.5	6.0
Net interest paid .....	221.4	-1	-3.0	-5	-2.6	-4.3
Subsidies less current surplus of government enterprises .....	45.4	1.2	-3	.1	.5	11.4
Subsidies .....	42.4	-5	-9	-5	-4	11.8
Of which: Agricultural subsidies .....	19.4	-1	-2	-1	-1	11.8
Less: Current surplus of government enterprises .....	-3.0	-1.8	-5	-6	-9	.4
Less: Wage accruals less disbursements .....	0	0	0	0	0	0
Current surplus or deficit (-) .....	65.8	2.5	56.6	15.6	17.6	-26.2
Social insurance funds .....	105.4	8.0	3.6	6.1	5.8	9.0
Other .....	-39.6	-5.4	53.0	9.5	11.8	-35.2
<b>State and local governments</b>						
Receipts .....	1,183.1	15.7	6.8	10.5	18.5	30.8
Personal tax and nontax receipts .....	248.9	4.8	3.5	6.8	7.4	4.3
Corporate profits tax accruals .....	34.5	-8	-1.4	.3	.3	-1.2
Indirect business tax and nontax accruals .....	579.1	3.8	7.3	4.5	5.7	20.9
Contributions for social insurance .....	83.2	.4	.5	.6	.7	.8
Federal grants-in-aid .....	237.4	7.4	-3.1	-1.8	4.5	6.0
Current expenditures .....	1,012.6	10.8	7.9	9.5	11.1	9.0
Consumption expenditures .....	801.2	9.3	5.2	8.0	9.2	7.3
Transfer payments to persons .....	322.5	3.1	4.0	3.0	3.2	3.7
Net interest paid .....	-85.3	-1.3	-1.2	-1.5	-1.5	-1.6
Less: Dividends received by government .....	16.6	.4	.5	.3	0	.6
Subsidies less current surplus of government enterprises .....	-9.1	.2	.4	.3	.2	.3
Subsidies .....	.4	0	0	0	0	0
Less: Current surplus of government enterprises .....	9.5	-2	-4	-3	-2	-3
Less: Wage accruals less disbursements .....	0	0	0	0	0	0
Current surplus or deficit (-) .....	170.5	4.8	-1.2	1.1	7.4	21.8
Social insurance funds .....	67.9	-3	-1	.2	-3	.5
Other .....	102.6	5.1	-1.1	.9	7.7	21.3

NOTE.—Levels of these series are in NIPA tables 3.1-3.3.

Consumption expenditures increased \$11.9 billion after decreasing \$5.3 billion. The upturn was primarily accounted for by nondefense consumption expenditures, which increased \$8.2 billion after decreasing \$5.1 billion. Defense consumption expenditures increased \$3.8 billion after decreasing \$0.1 billion.

The upturn in nondefense spending was primarily accounted for by durable goods, which increased \$5.8 billion after decreasing \$6.1 billion. In the third quarter, the sale of the United States Enrichment Corporation reduced durable goods \$5.8 billion.<sup>16</sup> Services increased \$2.0 billion after increasing \$0.5 billion; the acceleration was mostly accounted for by a step-up in employee compensation that reflected additional hiring for the 2000 decennial census.

The upturn in defense spending was more than accounted for by services, which increased \$4.6 billion after decreasing \$2.0 billion. Within services, other services increased \$5.8 billion after decreasing \$1.8 billion, primarily reflecting upturns in personnel support, weapon support, and installation support. The upturn in services was partly offset by downturns in nondurable goods, mainly in ammunition, and in durable goods, mainly in missiles and other parts.

Subsidies less current surplus of government enterprises increased \$11.4 billion after increasing \$0.5 billion. The acceleration was more than accounted for by subsidies, which increased \$11.8 billion after decreasing \$0.4 billion. Within subsidies, agricultural subsidies increased \$11.8 billion after decreasing \$0.1 billion; the upturn reflected special payments to farmers after the enactment of the 1999 Omnibus Consolidated and Emergency Supplemental Appropriations Act that provided two forms of relief to the farmers who were already enrolled in the Federal farm program.

Transfer payments (net) increased \$12.8 billion after increasing \$5.9 billion. The acceleration was more than accounted for by transfer payments to the rest of the world, which increased \$11.4 billion after increasing \$2.2 billion; these payments were boosted by the yearly payment of \$3.0 billion (\$12.0 billion at an annual rate) to Israel for economic support and other payments. Transfer payments to persons increased \$1.4 billion after increasing \$3.7 billion. The deceleration was more than accounted for by a deceleration in social security (old-age, survivors, and dis-

16. Sales except those by government enterprises for goods and services that are similar to those provided by the private sector are treated as deductions from government consumption expenditures.

ability insurance) and by a downturn in Federal employee pensions.

Grants-in-aid to State and local governments increased \$6.0 billion after increasing \$4.5 billion. The acceleration was more than accounted for by upturns in grants for medicaid and community development. Grants for education turned down, and grants for highways decelerated.

Net interest paid decreased \$4.3 billion after decreasing \$2.6 billion. Gross interest paid decreased \$3.8 billion after decreasing \$2.6 billion.

### *State and local*

The State and local government current surplus increased \$21.8 billion, to \$170.5 billion, in the fourth quarter after increasing \$7.4 billion in the third. The acceleration was more than accounted for by an acceleration in receipts.

*Receipts.*—State and local government receipts increased \$30.8 billion after increasing \$18.5 billion. The acceleration was more than accounted for by accelerations in indirect business tax and nontax accruals and in Federal grants-in-aid.

Indirect business tax and nontax accruals increased \$20.9 billion after increasing \$5.7 billion. The acceleration reflected the settlement payments to the States by tobacco companies: In the fourth quarter, these payments amounted to \$3.4 billion (\$13.5 billion at an annual rate), including “up front” payments to 46 States of \$2.4 billion (\$9.6 billion at an annual rate); in the third quarter, these payments amounted to \$0.4 billion (\$1.7 billion at an annual rate).<sup>17</sup> Sales taxes increased \$5.5 billion after increasing \$0.7 billion; the acceleration was mostly attributable to general retail sales taxes.

Personal tax and nontax receipts increased \$4.3 billion after increasing \$7.4 billion. The deceleration was mostly accounted for by personal income taxes, which increased \$3.2 billion after increasing \$6.2 billion.

Corporate profits tax accruals decreased \$1.2 billion after increasing \$0.3 billion.

*Current expenditures.*—Current expenditures increased \$9.0 billion after increasing \$11.1 billion. A deceleration in consumption expenditures and an upturn in dividends received by government were partly offset by an acceleration in transfer payments.

Consumption expenditures increased by \$7.3 billion after increasing \$9.2 billion. The deceleration was mainly attributable to a deceleration in

services and to a downturn in expenditures for nondurable goods. Dividends received by government, which are deducted in the calculation of current expenditures, increased \$0.6 billion after remaining unchanged. Transfer payments to persons increased \$3.7 billion after increasing \$3.2 billion. The acceleration was mostly accounted for by an acceleration in payments for public assistance. Family assistance, which consists primarily of Aid to Families with Dependent Children and Temporary Assistance to Needy Families, decreased \$0.3 billion after a decrease of \$0.9 billion. In contrast, medical care increased \$2.0 billion after increasing \$2.4 billion.

### **The Government Sector in 1998**

The combined current surplus of the Federal Government and State and local governments increased \$109.9 billion, to \$223.0 billion, in 1998. The increase was mostly accounted for by a shift in the Federal fiscal position from a current deficit to a current surplus.<sup>18</sup>

The Federal fiscal position increased \$93.9 billion in 1998, from a current deficit of \$21.1 to a current surplus of \$72.8 billion. The increase in receipts was greater than the increase in expenditures.<sup>19</sup>

Federal receipts increased \$124.3 billion, to \$1,844.2 billion, in 1998. The increase was more than accounted for by personal tax and nontax receipts, which increased \$88.9 billion, and by contributions for social insurance, which increased \$38.4 billion. Indirect business tax and nontax accruals increased \$2.1 billion. These increases were partly offset by a decrease of \$5.1 billion in corporate profits tax accruals.

Federal current expenditures increased \$30.4 billion, to \$1,771.4 billion, in 1998. The increase was mainly attributable to transfer payments, which increased \$24.7 billion. Grants-in-aid to State and local governments increased \$6.1 billion, and subsidies less current surplus of government enterprises increased \$4.1 billion. Consumption expenditures increased \$0.6 billion; nondefense current expenditures increased \$5.4 billion, but defense current expenditures decreased \$4.8 billion. These increases were partly offset by a decrease of \$5.1 billion in net interest paid.

18. For NIPA estimates of government receipts and current expenditures for 1997 and 1998, see NIPA tables 3.1, 3.2, and 3.3 in this issue.


19. The NIPA budget estimates differ from the official Federal budget estimates in several respects, including the timing of transactions, the treatment of investment, and other coverage differences. For more information, see Kurt S. Bersani and Laura M. Bilenki, “Federal Budget Estimates, Fiscal Year 2000,” SURVEY 79 (March 1999): 12–21.

17. For more information, see the box “State Tobacco Settlements” on page 12 in this issue.



The State and local government current surplus increased \$16.1 billion, to \$150.2 billion, in 1998.<sup>20</sup> Increases in receipts exceeded increases in expenditures.

Receipts increased \$53.8 billion, to \$1,148.1 billion; the increase was mostly accounted for by indirect business tax and nontax accruals, which increased \$26.0 billion, and by personal tax and nontax payments, which increased \$20.4 billion. Federal grants-in-aid increased \$6.1 billion, and contributions for social insurance increased \$2.2 billion. In contrast, corporate profits tax accruals decreased \$0.8 billion.

State and local current expenditures increased \$37.8 billion, to \$997.9 billion, in 1998. The increase was more than accounted for by consumption expenditures, which increased \$30.3 billion, and by transfer payments to persons, which increased \$13.3 billion. Subsidies less current surplus of government enterprises increased \$1.1 billion. These increases were partly offset by a \$5.6 billion decrease in net interest paid and by a \$1.3 billion increase in dividends received by government; dividends received by government are deducted in the calculation of current expenditures. 

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20. For more information, see Janet H. Kmitch and Bruce E. Baker, "State and Local Government Fiscal Position in 1998" in this issue.

## 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]

	1998		1998					1999
	III	IV	Aug.	Sep.	Oct. <sup>r</sup>	Nov. <sup>r</sup>	Dec. <sup>r</sup>	Jan. <sup>p</sup>
<b>Manufacturing and trade</b> .....	<b>1,032.0</b>	<b>1,039.3</b>	<b>1,027.3</b>	<b>1,032.0</b>	<b>1,035.7</b>	<b>1,041.6</b>	<b>1,039.3</b>	<b>1,041.1</b>
<b>Manufacturing</b> .....	<b>453.5</b>	<b>455.1</b>	<b>453.2</b>	<b>453.5</b>	<b>456.6</b>	<b>458.2</b>	<b>455.1</b>	<b>454.8</b>
Durable goods .....	288.9	289.8	288.7	288.9	291.2	291.6	289.8	288.9
Primary metal industries .....	23.6	23.7	23.4	23.6	23.6	23.7	23.6	23.6
Fabricated metal products .....	29.2	29.3	29.0	29.2	29.3	29.4	29.3	29.6
Industrial machinery and equipment .....	64.7	64.7	64.5	64.7	64.6	65.0	64.7	65.0
Electronic and other electric equipment .....	42.2	42.2	42.5	42.2	42.7	42.6	42.2	42.0
Transportation equipment .....	70.5	70.9	70.6	70.5	71.8	71.4	70.9	69.3
Motor vehicles and equipment .....	14.9	15.6	14.7	14.9	15.0	15.5	15.6	15.4
Other transportation equipment .....	55.6	55.2	55.8	55.6	56.8	55.9	55.2	53.9
Other durable goods <sup>1</sup> .....	59.3	59.6	59.1	59.3	59.7	60.0	59.6	60.1
Nondurable goods .....	164.8	165.4	164.7	164.8	165.6	166.7	165.4	166.1
Food and kindred products .....	34.9	35.1	34.8	34.9	35.2	35.1	35.1	35.4
Paper and allied products .....	15.1	15.1	15.1	15.1	15.1	15.1	15.1	15.0
Chemicals and allied products .....	43.5	43.4	43.8	43.5	43.5	44.1	43.4	43.7
Petroleum and coal products .....	12.4	12.2	12.6	12.4	12.5	13.1	12.2	12.8
Rubber and miscellaneous plastic products .....	15.5	15.8	15.5	15.5	15.6	15.9	15.8	15.8
Other nondurable goods <sup>2</sup> .....	43.1	43.3	42.6	43.1	43.3	43.3	43.3	43.1
<b>Merchant wholesalers</b> .....	<b>275.7</b>	<b>278.8</b>	<b>272.1</b>	<b>275.7</b>	<b>275.6</b>	<b>277.3</b>	<b>278.8</b>	<b>278.3</b>
Durable goods .....	177.0	179.8	175.3	177.0	177.8	178.5	179.8	180.1
Nondurable goods .....	99.0	99.2	97.0	99.0	98.0	99.1	99.2	98.5
Groceries and farm products .....	31.3	30.1	29.7	31.3	30.5	30.5	30.1	30.0
Other nondurable goods .....	68.1	69.5	67.7	68.1	67.8	68.9	69.5	68.9
<b>Retail trade</b> .....	<b>302.9</b>	<b>305.7</b>	<b>302.2</b>	<b>302.9</b>	<b>303.8</b>	<b>306.3</b>	<b>305.7</b>	<b>308.2</b>
Durable goods .....	155.6	158.4	155.4	155.6	157.5	159.7	158.4	160.0
Motor vehicle dealers <sup>3</sup> .....	73.0	73.8	72.4	73.0	74.5	75.8	73.8	74.3
Other durable goods <sup>3</sup> .....	82.8	84.8	83.2	82.8	83.1	84.0	84.8	85.8
Nondurable goods .....	147.2	147.1	146.6	147.2	146.1	146.4	147.1	148.0
Food stores .....	29.2	29.1	29.3	29.2	29.2	29.3	29.1	29.5
Other nondurable goods .....	118.1	118.0	117.4	118.1	116.9	117.1	118.0	118.5

<sup>p</sup> Preliminary.

<sup>r</sup> Revised.

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]

	1998		1998					1999
	III	IV	Aug.	Sep.	Oct. <sup>r</sup>	Nov. <sup>r</sup>	Dec. <sup>r</sup>	Jan. <sup>p</sup>
<b>Manufacturing and trade</b> .....	<b>757.3</b>	<b>772.8</b>	<b>755.6</b>	<b>762.7</b>	<b>765.3</b>	<b>771.6</b>	<b>781.4</b>	<b>778.8</b>
<b>Manufacturing</b> .....	<b>323.8</b>	<b>330.2</b>	<b>323.4</b>	<b>327.0</b>	<b>327.5</b>	<b>329.5</b>	<b>333.5</b>	<b>330.7</b>
Durable goods .....	189.2	195.6	188.9	192.7	194.3	195.6	196.8	196.4
Primary metal industries .....	13.9	13.5	13.9	13.9	13.6	13.5	13.5	13.7
Fabricated metal products .....	18.4	18.5	18.3	18.4	18.4	18.6	18.7	18.5
Industrial machinery and equipment .....	49.5	50.2	49.3	49.6	50.2	49.9	50.6	50.3
Electronic and other electric equipment .....	32.8	33.9	32.4	33.6	33.5	33.9	34.3	34.6
Transportation equipment .....	40.9	44.7	41.6	43.3	44.6	44.9	44.6	44.5
Motor vehicles and equipment .....	27.5	29.5	28.2	28.8	29.3	29.3	29.9	30.0
Other transportation equipment .....	13.4	15.2	13.4	14.4	15.3	15.6	14.6	14.5
Other durable goods <sup>1</sup> .....	37.1	37.8	36.6	37.2	37.2	37.9	38.3	38.0
Nondurable goods .....	135.4	135.7	135.3	135.3	134.3	135.0	137.7	135.3
Food and kindred products .....	37.5	38.1	37.6	37.7	38.0	38.0	38.4	38.0
Paper and allied products .....	12.1	12.1	12.1	12.0	12.0	12.1	12.3	12.2
Chemicals and allied products .....	27.6	28.1	27.4	27.8	27.4	27.9	28.9	27.6
Petroleum and coal products .....	14.7	14.5	14.8	14.7	14.0	14.0	15.6	14.1
Rubber and miscellaneous plastic products .....	12.3	12.4	12.3	12.4	12.4	12.3	12.5	12.3
Other nondurable goods <sup>2</sup> .....	31.4	30.6	31.4	30.9	30.6	30.7	30.5	31.0
<b>Merchant wholesalers</b> .....	<b>209.8</b>	<b>213.1</b>	<b>209.0</b>	<b>211.2</b>	<b>210.2</b>	<b>212.7</b>	<b>216.3</b>	<b>213.6</b>
Durable goods .....	111.8	111.8	111.7	111.3	110.8	111.4	113.2	113.3
Nondurable goods .....	98.0	101.2	97.3	99.8	99.4	101.3	103.0	100.2
Groceries and farm products .....	35.3	35.9	35.3	36.1	35.6	36.0	35.9	34.4
Other nondurable goods .....	62.9	65.6	62.3	64.0	64.0	65.5	67.3	66.0
<b>Retail trade</b> .....	<b>224.3</b>	<b>230.1</b>	<b>223.9</b>	<b>225.3</b>	<b>228.1</b>	<b>230.0</b>	<b>232.2</b>	<b>235.1</b>
Durable goods .....	92.0	96.0	91.8	92.8	94.9	95.7	97.3	99.0
Motor vehicle dealers <sup>3</sup> .....	45.9	48.2	45.7	46.3	47.6	47.9	49.0	49.6
Other durable goods <sup>3</sup> .....	47.0	48.5	46.9	47.3	48.0	48.5	49.0	50.3
Nondurable goods .....	132.0	133.9	131.9	132.3	133.0	134.1	134.7	135.9
Food stores .....	34.1	34.3	34.2	34.2	34.2	34.4	34.4	34.1
Other nondurable goods .....	97.9	99.6	97.7	98.1	98.8	99.7	100.3	101.9

<sup>p</sup> Preliminary.

<sup>r</sup> Revised.

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					1999
	III	IV	Aug.	Sep.	Oct. <sup>r</sup>	Nov. <sup>r</sup>	Dec. <sup>r</sup>	Jan. <sup>p</sup>
<b>Manufacturing and trade</b> .....	<b>1.36</b>	<b>1.35</b>	<b>1.36</b>	<b>1.35</b>	<b>1.35</b>	<b>1.35</b>	<b>1.33</b>	<b>1.34</b>
<b>Manufacturing</b> .....	<b>1.40</b>	<b>1.38</b>	<b>1.40</b>	<b>1.39</b>	<b>1.39</b>	<b>1.39</b>	<b>1.37</b>	<b>1.38</b>
Durable goods .....	1.53	1.48	1.53	1.50	1.50	1.49	1.47	1.47
Primary metal industries .....	1.70	1.75	1.68	1.70	1.73	1.76	1.76	1.72
Fabricated metal products .....	1.59	1.58	1.59	1.59	1.59	1.59	1.57	1.60
Industrial machinery and equipment .....	1.31	1.29	1.31	1.31	1.29	1.30	1.28	1.29
Electronic and other electric equipment .....	1.29	1.25	1.31	1.26	1.28	1.26	1.23	1.21
Transportation equipment .....	1.72	1.59	1.70	1.63	1.61	1.59	1.59	1.56
Motor vehicles and equipment .....	.54	.53	.52	.52	.51	.53	.52	.51
Other transportation equipment .....	4.14	3.64	4.18	3.87	3.72	3.59	3.77	3.72
Other durable goods <sup>1</sup> .....	1.60	1.58	1.62	1.60	1.60	1.58	1.56	1.58
Nondurable goods .....	1.22	1.22	1.22	1.22	1.23	1.23	1.20	1.23
Food and kindred products .....	.93	.92	.93	.92	.93	.92	.92	.93
Paper and allied products .....	1.24	1.24	1.25	1.26	1.26	1.25	1.23	1.23
Chemicals and allied products .....	1.58	1.55	1.60	1.57	1.59	1.58	1.50	1.58
Petroleum and coal products .....	.85	.84	.85	.84	.89	.94	.79	.90
Rubber and miscellaneous plastic products .....	1.26	1.28	1.26	1.25	1.26	1.29	1.27	1.29
Other nondurable goods <sup>2</sup> .....	1.37	1.42	1.36	1.40	1.41	1.41	1.42	1.39
<b>Merchant wholesalers</b> .....	<b>1.31</b>	<b>1.31</b>	<b>1.30</b>	<b>1.31</b>	<b>1.31</b>	<b>1.30</b>	<b>1.29</b>	<b>1.30</b>
Durable goods .....	1.58	1.61	1.57	1.59	1.61	1.60	1.59	1.59
Nondurable goods .....	1.01	.98	1.00	.99	.99	.98	.96	.98
Groceries and farm products .....	.89	.84	.84	.87	.86	.85	.84	.87
Other nondurable goods .....	1.08	1.06	1.09	1.06	1.06	1.05	1.03	1.04
<b>Retail trade</b> .....	<b>1.35</b>	<b>1.33</b>	<b>1.35</b>	<b>1.35</b>	<b>1.33</b>	<b>1.33</b>	<b>1.32</b>	<b>1.31</b>
Durable goods .....	1.69	1.65	1.69	1.68	1.66	1.67	1.63	1.62
Motor vehicle dealers <sup>3</sup> .....	1.59	1.53	1.59	1.58	1.56	1.58	1.51	1.50
Other durable goods <sup>3</sup> .....	1.76	1.75	1.77	1.75	1.73	1.73	1.71	1.71
Nondurable goods .....	1.12	1.10	1.11	1.11	1.10	1.09	1.09	1.09
Food stores .....	.86	.85	.86	.85	.85	.85	.85	.86
Other nondurable goods .....	1.21	1.18	1.20	1.20	1.18	1.17	1.18	1.16

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

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					1999
	III	IV	Aug.	Sep.	Oct. <sup>r</sup>	Nov. <sup>r</sup>	Dec. <sup>r</sup>	Jan. <sup>p</sup>
<b>Materials and supplies</b> .....								
<b>Manufacturing</b> .....	<b>150.6</b>	<b>149.8</b>	<b>150.0</b>	<b>150.6</b>	<b>150.9</b>	<b>151.3</b>	<b>149.8</b>	<b>150.3</b>
Durable goods .....	89.9	89.1	89.6	89.9	90.2	90.3	89.1	89.4
Primary metal industries .....	8.1	8.1	8.0	8.1	8.1	8.1	8.1	7.9
Fabricated metal products .....	10.3	10.0	10.1	10.3	10.2	10.2	10.0	10.1
Industrial machinery and equipment .....	19.2	19.3	19.1	19.2	19.1	19.3	19.3	19.6
Electronic and other electric equipment .....	15.9	15.9	16.1	15.9	16.3	16.1	15.9	15.9
Motor vehicles and equipment .....	7.2	7.0	6.9	7.2	7.2	7.0	7.0	7.1
Other transportation equipment .....	7.3	7.1	7.5	7.3	7.3	7.5	7.1	7.1
Other durable goods <sup>1</sup> .....	22.1	22.0	22.0	22.1	22.3	22.3	22.0	22.1
Nondurable goods .....	60.8	60.8	60.5	60.8	60.8	61.1	60.8	60.9
Food and kindred products .....	11.1	10.9	11.0	11.1	11.0	10.9	10.9	11.2
Paper and allied products .....	7.4	7.4	7.5	7.4	7.4	7.4	7.4	7.4
Chemicals and allied products .....	14.0	14.2	13.9	14.0	14.0	14.0	14.2	14.2
Petroleum and coal products .....	3.8	3.7	3.9	3.8	3.7	4.4	3.7	3.8
Rubber and miscellaneous plastic products .....	6.3	6.5	6.3	6.3	6.4	6.5	6.5	6.5
Other nondurable goods <sup>2</sup> .....	18.0	17.9	17.8	18.0	18.1	17.9	17.9	17.7
<b>Work-in-process</b> .....								
<b>Manufacturing</b> .....	<b>147.4</b>	<b>148.0</b>	<b>148.2</b>	<b>147.4</b>	<b>149.3</b>	<b>149.3</b>	<b>148.0</b>	<b>146.9</b>
Durable goods .....	119.3	119.6	120.0	119.3	121.0	120.4	119.6	118.1
Primary metal industries .....	7.8	7.9	7.8	7.8	7.8	7.9	7.9	7.9
Fabricated metal products .....	8.5	8.7	8.5	8.5	8.6	8.8	8.7	8.7
Industrial machinery and equipment .....	24.8	24.7	25.1	24.8	24.8	24.9	24.7	24.7
Electronic and other electric equipment .....	15.2	14.8	15.3	15.2	15.2	15.1	14.8	14.9
Motor vehicles and equipment .....	4.2	5.1	4.2	4.2	4.1	4.7	5.1	4.6
Other transportation equipment .....	44.2	43.4	44.4	44.2	45.5	44.0	43.4	42.2
Other durable goods <sup>1</sup> .....	14.8	15.1	14.9	14.8	14.9	15.1	15.1	15.1
Nondurable goods .....	28.0	28.3	28.1	28.0	28.2	28.7	28.3	28.7
Food and kindred products .....	5.0	5.4	5.1	5.0	5.2	5.3	5.4	5.5
Paper and allied products .....	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Chemicals and allied products .....	8.0	8.0	8.0	8.0	8.1	8.5	8.0	8.1
Petroleum and coal products .....	3.1	2.9	2.9	3.1	3.1	3.0	2.9	2.9
Rubber and miscellaneous plastic products .....	2.1	2.2	2.1	2.1	2.1	2.2	2.2	2.2
Other nondurable goods <sup>2</sup> .....	8.4	8.4	8.4	8.4	8.3	8.3	8.4	8.4
<b>Finished goods</b> .....								
<b>Manufacturing</b> .....	<b>155.4</b>	<b>157.3</b>	<b>155.0</b>	<b>155.4</b>	<b>156.5</b>	<b>157.6</b>	<b>157.3</b>	<b>157.6</b>
Durable goods .....	79.5	81.1	79.0	79.5	80.0	80.9	81.1	81.2
Primary metal industries .....	7.6	7.8	7.6	7.6	7.7	7.7	7.8	7.7
Fabricated metal products .....	10.4	10.6	10.4	10.4	10.4	10.5	10.6	10.8
Industrial machinery and equipment .....	20.8	20.8	20.4	20.8	20.8	21.0	20.8	20.7
Electronic and other electric equipment .....	11.1	11.4	11.1	11.1	11.2	11.4	11.4	11.1
Motor vehicles and equipment .....	3.5	3.6	3.6	3.5	3.7	3.7	3.6	3.7
Other transportation equipment .....	4.1	4.7	4.0	4.1	4.1	4.4	4.7	4.6
Other durable goods <sup>1</sup> .....	22.3	22.4	22.1	22.3	22.4	22.5	22.4	22.7
Nondurable goods .....	76.0	76.4	76.1	76.0	76.6	76.9	76.4	76.6
Food and kindred products .....	18.8	18.8	18.7	18.8	19.0	18.9	18.8	18.8
Paper and allied products .....	6.2	6.2	6.2	6.2	6.3	6.3	6.2	6.1
Chemicals and allied products .....	21.6	21.3	21.9	21.6	21.5	21.6	21.3	21.4
Petroleum and coal products .....	5.5	5.7	5.7	5.5	5.7	5.7	5.7	6.1
Rubber and miscellaneous plastic products .....	7.0	7.2	7.1	7.0	7.1	7.2	7.2	7.2
Other nondurable goods <sup>2</sup> .....	16.7	17.1	16.4	16.7	16.9	17.0	17.1	17.0

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

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

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

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

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.

## 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]

	1998		1998					1999
	III	IV	Aug.	Sep.	Oct. <sup>r</sup>	Nov. <sup>r</sup>	Dec. <sup>r</sup>	Jan. <sup>p</sup>
<b>Manufacturing and trade</b> .....	<b>1,032.0</b>	<b>1,039.3</b>	<b>1,027.3</b>	<b>1,032.0</b>	<b>1,035.7</b>	<b>1,041.6</b>	<b>1,039.3</b>	<b>1,041.1</b>
<b>Manufacturing</b> .....	<b>453.5</b>	<b>455.1</b>	<b>453.2</b>	<b>453.5</b>	<b>456.6</b>	<b>458.2</b>	<b>455.1</b>	<b>454.8</b>
Durable goods .....	288.9	289.8	288.7	288.9	291.2	291.6	289.8	288.9
Primary metal industries .....	23.6	23.7	23.4	23.6	23.6	23.7	23.6	23.6
Fabricated metal products .....	29.2	29.3	29.0	29.2	29.3	29.4	29.3	29.6
Industrial machinery and equipment .....	64.7	64.7	64.5	64.7	64.6	65.0	64.7	65.0
Electronic and other electric equipment .....	42.2	42.2	42.5	42.2	42.7	42.6	42.2	42.0
Transportation equipment .....	70.5	70.9	70.6	70.5	71.8	71.4	70.9	69.3
Motor vehicles and equipment .....	14.9	15.6	14.7	14.9	15.0	15.5	15.6	15.4
Other transportation equipment .....	55.6	55.2	55.8	55.6	56.8	55.9	55.2	53.9
Other durable goods <sup>1</sup> .....	59.3	59.6	59.1	59.3	59.7	60.0	59.6	60.1
Nondurable goods .....	164.8	165.4	164.7	164.8	165.6	166.7	165.4	166.1
Food and kindred products .....	34.9	35.1	34.8	34.9	35.2	35.1	35.1	35.4
Paper and allied products .....	15.1	15.1	15.1	15.1	15.1	15.1	15.1	15.0
Chemicals and allied products .....	43.5	43.4	43.8	43.5	43.5	44.1	43.4	43.7
Petroleum and coal products .....	12.4	12.2	12.6	12.4	12.5	13.1	12.2	12.8
Rubber and miscellaneous plastic products .....	15.5	15.8	15.5	15.5	15.6	15.9	15.8	15.8
Other nondurable goods <sup>2</sup> .....	43.1	43.3	42.6	43.1	43.3	43.3	43.3	43.1
<b>Merchant wholesalers</b> .....	<b>275.7</b>	<b>278.8</b>	<b>272.1</b>	<b>275.7</b>	<b>275.6</b>	<b>277.3</b>	<b>278.8</b>	<b>278.3</b>
Durable goods .....	177.0	179.8	175.3	177.0	177.8	178.5	179.8	180.1
Nondurable goods .....	99.0	99.2	97.0	99.0	98.0	99.1	99.2	98.5
Groceries and farm products .....	31.3	30.1	29.7	31.3	30.5	30.5	30.1	30.0
Other nondurable goods .....	68.1	69.5	67.7	68.1	67.8	68.9	69.5	68.9
<b>Retail trade</b> .....	<b>302.9</b>	<b>305.7</b>	<b>302.2</b>	<b>302.9</b>	<b>303.8</b>	<b>306.3</b>	<b>305.7</b>	<b>308.2</b>
Durable goods .....	155.6	158.4	155.4	155.6	157.5	159.7	158.4	160.0
Motor vehicle dealers <sup>3</sup> .....	73.0	73.8	72.4	73.0	74.5	75.8	73.8	74.3
Other durable goods <sup>3</sup> .....	82.8	84.8	83.2	82.8	83.1	84.0	84.8	85.8
Nondurable goods .....	147.2	147.1	146.6	147.2	146.1	146.4	147.1	148.0
Food stores .....	29.2	29.1	29.3	29.2	29.2	29.3	29.1	29.5
Other nondurable goods .....	118.1	118.0	117.4	118.1	116.9	117.1	118.0	118.5

<sup>p</sup> Preliminary.

<sup>r</sup> Revised.

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]

	1998		1998					1999
	III	IV	Aug.	Sep.	Oct. <sup>r</sup>	Nov. <sup>r</sup>	Dec. <sup>r</sup>	Jan. <sup>p</sup>
<b>Manufacturing and trade</b> .....	<b>757.3</b>	<b>772.8</b>	<b>755.6</b>	<b>762.7</b>	<b>765.3</b>	<b>771.6</b>	<b>781.4</b>	<b>778.8</b>
<b>Manufacturing</b> .....	<b>323.8</b>	<b>330.2</b>	<b>323.4</b>	<b>327.0</b>	<b>327.5</b>	<b>329.5</b>	<b>333.5</b>	<b>330.7</b>
Durable goods .....	189.2	195.6	188.9	192.7	194.3	195.6	196.8	196.4
Primary metal industries .....	13.9	13.5	13.9	13.9	13.6	13.5	13.5	13.7
Fabricated metal products .....	18.4	18.5	18.3	18.4	18.4	18.6	18.7	18.5
Industrial machinery and equipment .....	49.5	50.2	49.3	49.6	50.2	49.9	50.6	50.3
Electronic and other electric equipment .....	32.8	33.9	32.4	33.6	33.5	33.9	34.3	34.6
Transportation equipment .....	40.9	44.7	41.6	43.3	44.6	44.9	44.6	44.5
Motor vehicles and equipment .....	27.5	29.5	28.2	28.8	29.3	29.3	29.9	30.0
Other transportation equipment .....	13.4	15.2	13.4	14.4	15.3	15.6	14.6	14.5
Other durable goods <sup>1</sup> .....	37.1	37.8	36.6	37.2	37.2	37.9	38.3	38.0
Nondurable goods .....	135.4	135.7	135.3	135.3	134.3	135.0	137.7	135.3
Food and kindred products .....	37.5	38.1	37.6	37.7	38.0	38.0	38.4	38.0
Paper and allied products .....	12.1	12.1	12.1	12.0	12.0	12.1	12.3	12.2
Chemicals and allied products .....	27.6	28.1	27.4	27.8	27.4	27.9	28.9	27.6
Petroleum and coal products .....	14.7	14.5	14.8	14.7	14.0	14.0	15.6	14.1
Rubber and miscellaneous plastic products .....	12.3	12.4	12.3	12.4	12.4	12.3	12.5	12.3
Other nondurable goods <sup>2</sup> .....	31.4	30.6	31.4	30.9	30.6	30.7	30.5	31.0
<b>Merchant wholesalers</b> .....	<b>209.8</b>	<b>213.1</b>	<b>209.0</b>	<b>211.2</b>	<b>210.2</b>	<b>212.7</b>	<b>216.3</b>	<b>213.6</b>
Durable goods .....	111.8	111.8	111.7	111.3	110.8	111.4	113.2	113.3
Nondurable goods .....	98.0	101.2	97.3	99.8	99.4	101.3	103.0	100.2
Groceries and farm products .....	35.3	35.9	35.3	36.1	35.6	36.0	35.9	34.4
Other nondurable goods .....	62.9	65.6	62.3	64.0	64.0	65.5	67.3	66.0
<b>Retail trade</b> .....	<b>224.3</b>	<b>230.1</b>	<b>223.9</b>	<b>225.3</b>	<b>228.1</b>	<b>230.0</b>	<b>232.2</b>	<b>235.1</b>
Durable goods .....	92.0	96.0	91.8	92.8	94.9	95.7	97.3	99.0
Motor vehicle dealers <sup>3</sup> .....	45.9	48.2	45.7	46.3	47.6	47.9	49.0	49.6
Other durable goods <sup>3</sup> .....	47.0	48.5	46.9	47.3	48.0	48.5	49.0	50.3
Nondurable goods .....	132.0	133.9	131.9	132.3	133.0	134.1	134.7	135.9
Food stores .....	34.1	34.3	34.2	34.2	34.2	34.4	34.4	34.1
Other nondurable goods .....	97.9	99.6	97.7	98.1	98.8	99.7	100.3	101.9

<sup>p</sup> Preliminary.

<sup>r</sup> Revised.

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					1999
	III	IV	Aug.	Sep.	Oct. <sup>r</sup>	Nov. <sup>r</sup>	Dec. <sup>r</sup>	Jan. <sup>p</sup>
<b>Manufacturing and trade</b> .....	<b>1.36</b>	<b>1.35</b>	<b>1.36</b>	<b>1.35</b>	<b>1.35</b>	<b>1.35</b>	<b>1.33</b>	<b>1.34</b>
<b>Manufacturing</b> .....	<b>1.40</b>	<b>1.38</b>	<b>1.40</b>	<b>1.39</b>	<b>1.39</b>	<b>1.39</b>	<b>1.37</b>	<b>1.38</b>
Durable goods .....	1.53	1.48	1.53	1.50	1.50	1.49	1.47	1.47
Primary metal industries .....	1.70	1.75	1.68	1.70	1.73	1.76	1.76	1.72
Fabricated metal products .....	1.59	1.58	1.59	1.59	1.59	1.59	1.57	1.60
Industrial machinery and equipment .....	1.31	1.29	1.31	1.31	1.29	1.30	1.28	1.29
Electronic and other electric equipment .....	1.29	1.25	1.31	1.26	1.28	1.26	1.23	1.21
Transportation equipment .....	1.72	1.59	1.70	1.63	1.61	1.59	1.59	1.56
Motor vehicles and equipment .....	.54	.53	.52	.52	.51	.53	.52	.51
Other transportation equipment .....	4.14	3.64	4.18	3.87	3.72	3.59	3.77	3.72
Other durable goods <sup>1</sup> .....	1.60	1.58	1.62	1.60	1.60	1.58	1.56	1.58
Nondurable goods .....	1.22	1.22	1.22	1.22	1.23	1.23	1.20	1.23
Food and kindred products .....	.93	.92	.93	.92	.93	.92	.92	.93
Paper and allied products .....	1.24	1.24	1.25	1.26	1.26	1.25	1.23	1.23
Chemicals and allied products .....	1.58	1.55	1.60	1.57	1.59	1.58	1.50	1.58
Petroleum and coal products .....	.85	.84	.85	.84	.89	.94	.79	.90
Rubber and miscellaneous plastic products .....	1.26	1.28	1.26	1.25	1.26	1.29	1.27	1.29
Other nondurable goods <sup>2</sup> .....	1.37	1.42	1.36	1.40	1.41	1.41	1.42	1.39
<b>Merchant wholesalers</b> .....	<b>1.31</b>	<b>1.31</b>	<b>1.30</b>	<b>1.31</b>	<b>1.31</b>	<b>1.30</b>	<b>1.29</b>	<b>1.30</b>
Durable goods .....	1.58	1.61	1.57	1.59	1.61	1.60	1.59	1.59
Nondurable goods .....	1.01	.98	1.00	.99	.99	.98	.96	.98
Groceries and farm products .....	.89	.84	.84	.87	.86	.85	.84	.87
Other nondurable goods .....	1.08	1.06	1.09	1.06	1.06	1.05	1.03	1.04
<b>Retail trade</b> .....	<b>1.35</b>	<b>1.33</b>	<b>1.35</b>	<b>1.35</b>	<b>1.33</b>	<b>1.33</b>	<b>1.32</b>	<b>1.31</b>
Durable goods .....	1.69	1.65	1.69	1.68	1.66	1.67	1.63	1.62
Motor vehicle dealers <sup>3</sup> .....	1.59	1.53	1.59	1.58	1.56	1.58	1.51	1.50
Other durable goods <sup>3</sup> .....	1.76	1.75	1.77	1.75	1.73	1.73	1.71	1.71
Nondurable goods .....	1.12	1.10	1.11	1.11	1.10	1.09	1.09	1.09
Food stores .....	.86	.85	.86	.85	.85	.85	.85	.86
Other nondurable goods .....	1.21	1.18	1.20	1.20	1.18	1.17	1.18	1.16

<sup>p</sup> Preliminary.

<sup>r</sup> Revised.

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					1999
	III	IV	Aug.	Sep.	Oct. <sup>r</sup>	Nov. <sup>r</sup>	Dec. <sup>r</sup>	Jan. <sup>p</sup>
<b>Materials and supplies</b> .....								
<b>Manufacturing</b> .....	<b>150.6</b>	<b>149.8</b>	<b>150.0</b>	<b>150.6</b>	<b>150.9</b>	<b>151.3</b>	<b>149.8</b>	<b>150.3</b>
Durable goods .....	89.9	89.1	89.6	89.9	90.2	90.3	89.1	89.4
Primary metal industries .....	8.1	8.1	8.0	8.1	8.1	8.1	8.1	7.9
Fabricated metal products .....	10.3	10.0	10.1	10.3	10.2	10.2	10.0	10.1
Industrial machinery and equipment .....	19.2	19.3	19.1	19.2	19.1	19.3	19.3	19.6
Electronic and other electric equipment .....	15.9	15.9	16.1	15.9	16.3	16.1	15.9	15.9
Motor vehicles and equipment .....	7.2	7.0	6.9	7.2	7.2	7.0	7.0	7.1
Other transportation equipment .....	7.3	7.1	7.5	7.3	7.3	7.5	7.1	7.1
Other durable goods <sup>1</sup> .....	22.1	22.0	22.0	22.1	22.3	22.3	22.0	22.1
Nondurable goods .....	60.8	60.8	60.5	60.8	60.8	61.1	60.8	60.9
Food and kindred products .....	11.1	10.9	11.0	11.1	11.0	10.9	10.9	11.2
Paper and allied products .....	7.4	7.4	7.5	7.4	7.4	7.4	7.4	7.4
Chemicals and allied products .....	14.0	14.2	13.9	14.0	14.0	14.0	14.2	14.2
Petroleum and coal products .....	3.8	3.7	3.9	3.8	3.7	4.4	3.7	3.8
Rubber and miscellaneous plastic products .....	6.3	6.5	6.3	6.3	6.4	6.5	6.5	6.5
Other nondurable goods <sup>2</sup> .....	18.0	17.9	17.8	18.0	18.1	17.9	17.9	17.7
<b>Work-in-process</b> .....								
<b>Manufacturing</b> .....	<b>147.4</b>	<b>148.0</b>	<b>148.2</b>	<b>147.4</b>	<b>149.3</b>	<b>149.3</b>	<b>148.0</b>	<b>146.9</b>
Durable goods .....	119.3	119.6	120.0	119.3	121.0	120.4	119.6	118.1
Primary metal industries .....	7.8	7.9	7.8	7.8	7.8	7.9	7.9	7.9
Fabricated metal products .....	8.5	8.7	8.5	8.5	8.6	8.8	8.7	8.7
Industrial machinery and equipment .....	24.8	24.7	25.1	24.8	24.8	24.9	24.7	24.7
Electronic and other electric equipment .....	15.2	14.8	15.3	15.2	15.2	15.1	14.8	14.9
Motor vehicles and equipment .....	4.2	5.1	4.2	4.2	4.1	4.7	5.1	4.6
Other transportation equipment .....	44.2	43.4	44.4	44.2	45.5	44.0	43.4	42.2
Other durable goods <sup>1</sup> .....	14.8	15.1	14.9	14.8	14.9	15.1	15.1	15.1
Nondurable goods .....	28.0	28.3	28.1	28.0	28.2	28.7	28.3	28.7
Food and kindred products .....	5.0	5.4	5.1	5.0	5.2	5.3	5.4	5.5
Paper and allied products .....	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Chemicals and allied products .....	8.0	8.0	8.0	8.0	8.1	8.5	8.0	8.1
Petroleum and coal products .....	3.1	2.9	2.9	3.1	3.1	3.0	2.9	2.9
Rubber and miscellaneous plastic products .....	2.1	2.2	2.1	2.1	2.1	2.2	2.2	2.2
Other nondurable goods <sup>2</sup> .....	8.4	8.4	8.4	8.4	8.3	8.3	8.4	8.4
<b>Finished goods</b> .....								
<b>Manufacturing</b> .....	<b>155.4</b>	<b>157.3</b>	<b>155.0</b>	<b>155.4</b>	<b>156.5</b>	<b>157.6</b>	<b>157.3</b>	<b>157.6</b>
Durable goods .....	79.5	81.1	79.0	79.5	80.0	80.9	81.1	81.2
Primary metal industries .....	7.6	7.8	7.6	7.6	7.7	7.7	7.8	7.7
Fabricated metal products .....	10.4	10.6	10.4	10.4	10.4	10.5	10.6	10.8
Industrial machinery and equipment .....	20.8	20.8	20.4	20.8	20.8	21.0	20.8	20.7
Electronic and other electric equipment .....	11.1	11.4	11.1	11.1	11.2	11.4	11.4	11.1
Motor vehicles and equipment .....	3.5	3.6	3.6	3.5	3.7	3.7	3.6	3.7
Other transportation equipment .....	4.1	4.7	4.0	4.1	4.1	4.4	4.7	4.6
Other durable goods <sup>1</sup> .....	22.3	22.4	22.1	22.3	22.4	22.5	22.4	22.7
Nondurable goods .....	76.0	76.4	76.1	76.0	76.6	76.9	76.4	76.6
Food and kindred products .....	18.8	18.8	18.7	18.8	19.0	18.9	18.8	18.8
Paper and allied products .....	6.2	6.2	6.2	6.2	6.3	6.3	6.2	6.1
Chemicals and allied products .....	21.6	21.3	21.9	21.6	21.5	21.6	21.3	21.4
Petroleum and coal products .....	5.5	5.7	5.7	5.5	5.7	5.7	5.7	6.1
Rubber and miscellaneous plastic products .....	7.0	7.2	7.1	7.0	7.1	7.2	7.2	7.2
Other nondurable goods <sup>2</sup> .....	16.7	17.1	16.4	16.7	16.9	17.0	17.1	17.0

<sup>p</sup> Preliminary.

<sup>r</sup> Revised.

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

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

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

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.

# State and Local Government Fiscal Position in 1998

By Janet H. Kmitch and Bruce E. Baker

**T**HE CURRENT surplus of State and local governments, which is a measure of the net saving by these governments, increased \$16.1 billion, to \$150.2 billion, in 1998 from \$134.1 billion in 1997 (table 1, chart 1).<sup>1</sup> As in recent years, the increase was mainly accounted for by a larger increase in receipts than in current expenditures; the increase in receipts mainly reflected an increase in “general own-source receipts.”

The increase in the current surplus came about despite a decline in the social insurance fund surplus. The “other funds” surplus increased \$16.5 billion, to \$82.5 billion, while the social insurance funds surplus decreased \$0.5 billion, to \$67.6 billion.<sup>2</sup>

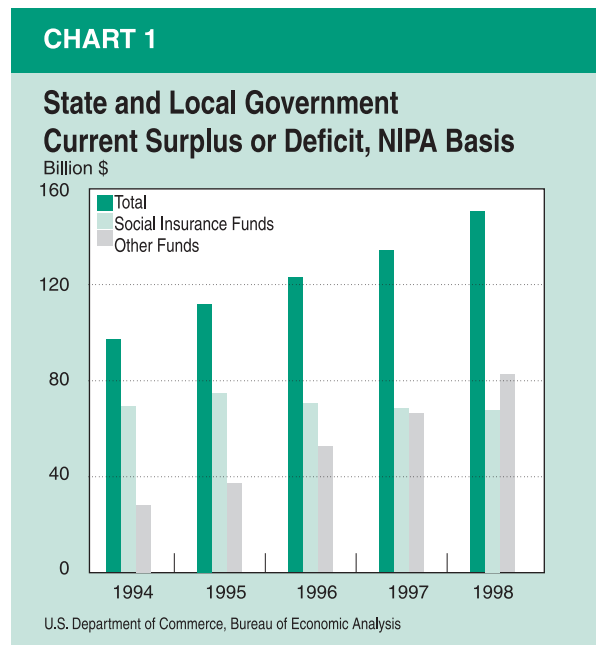
## Receipts

State and local government receipts increased 4.9 percent, to \$1,148.1 billion, in 1998 after increasing 4.7 percent in 1997 (table 2). General own-source receipts—that is, receipts excluding contributions for social insurance and Federal grants-in-aid—increased 5.8 percent in 1998, compared with a 5.4-percent increase in 1997. All of the major components of receipts except corporate profits tax accruals, contributions to social insurance, and Federal grants-in-aid increased.

1. Since its introduction in January 1996, current expenditures has included (1) consumption of fixed capital for general government in consumption expenditures, and (2) consumption of fixed capital for government enterprises as an expense in the calculation of the current surplus of government enterprises. Gross investment in fixed assets by general government and government enterprises is an expenditure over the service life of the asset. Before 1996, no distinction was made between current expenditures and government investment. See “Preview of the Comprehensive Revision of the National Income and Product Accounts: Recognition of Government Investment and Incorporation of a New Methodology for Calculating Depreciation,” SURVEY OF CURRENT BUSINESS 75 (September 1995): 33–41 and Florence H. Campi, “State and Local Government Fiscal Position, 1995,” SURVEY 76 (September 1996): 42–47.

2. Social insurance funds are funds administered by State and local government to provide benefits from compulsory payments that are called contributions. The social insurance fund surplus is calculated as the sum of receipts from personal contributions and employer contributions for social insurance plus interest and dividends received less transfer payments and administrative expenses (consumption expenditures) of social insurance funds. The detailed estimates of social insurance funds receipts and current expenditures are shown annually in NIPA table 3.14, most recently in the August 1998 SURVEY.

**Personal tax and nontax receipts.**—Personal tax and nontax receipts, which accounted for about 21 percent of total State and local government receipts, increased 9.3 percent, to \$240.3 billion in 1998, an acceleration from an 8.0-percent increase in 1997. Personal income tax receipts increased 9.9 percent, to \$180.7 billion, after an 8.2-percent increase, while personal income decelerated to a 5.0-percent increase from a 5.6-percent increase. The acceleration in personal income taxes and the deceleration in personal income is within the normal range of variation and may reflect



**Table 1.—State and Local Government Receipts, Current Expenditures, and Current Surplus or Deficit, NIPA Basis**  
 [Billions of dollars]

	Calendar years				
	1994	1995	1996	1997	1998
Receipts .....	949.2	997.7	1,045.2	1,094.3	1,148.1
Current expenditures .....	852.3	866.0	922.6	960.1	997.9
Current surplus or deficit (-) .....	96.8	111.7	122.6	134.1	150.2
Social insurance funds .....	68.9	74.6	70.4	68.1	67.6
Other funds .....	27.9	37.0	52.2	66.0	82.5

NOTE.—The estimates for 1997–98 are in NIPA table 3.3 of this issue of the SURVEY OF CURRENT BUSINESS; the estimates for 1994–96 are in NIPA table 3.3 of the August 1998 issue. NIPA National income and product accounts

increases in taxes on other types of income, such as capital gains. State legislative actions reduced income tax receipts by \$3.6 billion in 1998; excluding these actions, income tax receipts would have increased 12.1 percent.

Personal nontax receipts (mainly fines, donations, and unclaimed bank deposits) increased 8.1 percent after an 8.3-percent increase. "Other"

personal tax receipts increased 6.2 percent after a 6.6-percent increase.<sup>3</sup>

*Corporate profits tax accruals.*—Corporate profits tax accruals, which accounted for about 3 percent of total receipts, decreased 2.4 percent in 1998 af-

3. The detailed estimates of personal tax and nontax receipts are shown annually in NIPA table 3.4, most recently in the August 1998 SURVEY.

Table 2.—State and Local Government Receipts, NIPA Basis

	Calendar years									
	Billions of dollars					Percent change				
	1994	1995	1996	1997	1998	1995	1996	1997	1998	
<b>Receipts</b> .....	<b>949.2</b>	<b>997.7</b>	<b>1,045.2</b>	<b>1,094.3</b>	<b>1,148.1</b>	<b>5.1</b>	<b>4.8</b>	<b>4.7</b>	<b>4.9</b>	
General own-source receipts .....	676.5	709.3	748.5	789.3	834.9	4.8	5.5	5.5	5.8	
Personal tax and nontax receipts .....	176.8	188.9	203.5	219.9	240.3	6.9	7.7	8.0	9.3	
Income taxes .....	131.2	140.4	151.9	164.3	180.7	7.0	8.2	8.2	9.9	
Nontaxes .....	24.8	27.1	29.5	32.0	34.5	9.5	8.9	8.3	8.1	
Other .....	20.8	21.4	22.1	23.6	25.0	2.5	3.5	6.6	6.2	
Corporate profits tax accruals .....	29.9	31.7	33.1	36.0	35.2	5.8	4.4	9.0	-2.4	
Indirect business tax and nontax accruals .....	469.8	488.7	511.9	533.4	559.4	4.0	4.8	4.2	4.9	
Sales taxes .....	228.2	239.5	252.0	261.5	271.6	4.9	5.2	3.8	3.9	
Property taxes .....	191.4	196.9	202.7	209.1	217.4	2.9	3.0	3.2	4.0	
Other .....	50.2	52.3	57.2	62.8	70.4	4.2	9.3	9.8	12.0	
Contributions for social insurance .....	73.4	76.5	77.8	79.9	82.1	4.3	1.7	2.8	2.7	
Federal grants-in-aid .....	199.2	212.0	218.9	225.0	231.1	6.4	3.2	2.8	2.7	

NIPA National income and product accounts

## State Tobacco Settlements

During the mid-1990's, 40 States filed suits against the tobacco industry. Four States—Mississippi, Florida, Texas, and Minnesota—reached out-of-court settlements with the tobacco companies. In mid-1997, Mississippi and Florida reached out-of-court settlements, and each received its first payment in the third quarter of 1997. Over the next 25 years, Mississippi will receive total payments of \$3.4 billion and Florida will receive total payments of \$13.0 billion.<sup>1</sup>

In January 1998, Texas reached an out-of-court settlement and received a first payment in the first quarter of 1998. Texas will receive total payments of \$15.3 billion over 25 years.<sup>1</sup>

In May 1998, Minnesota reached an out-of-court settlement and received a first payment in the third quarter of 1998. Minnesota will receive total payments of \$6.1 billion over the next 25 years.<sup>1</sup> The settlement also provided that Blue Cross and Blue Shield of Minnesota will receive payments of \$469 million over the next 5 years.

In November 1998, attorneys general of eight States reached a tentative settlement, the Master Settlement Agreement, with the tobacco companies, and the terms of this settlement were accepted by the remaining 38 States and by Puerto Rico, the U.S. Virgin Islands, Guam, the Northern Mariana Islands, and the District of Columbia. The payments will total \$206 billion over the next 25 years; additional payments include \$1.5 billion for a national public education campaign, \$0.3 billion for a foundation dedicated to the reduction of teen smoking, and \$3.6 billion for a strategic fund. Under the terms of this agreement, the States that sued the tobacco companies dropped their lawsuits, and the other States received approvals of this

settlement agreement from their State courts by the end of December 1998.

In implementing this agreement, the National Association of Attorneys General established a general escrow account. In December 1998, the tobacco companies made an "up front" payment of \$2.4 billion to the account. Distributions from the escrow account to each State will be based on formulas established in the agreement.

### Total Payments to the States

1997 .....	\$0.9 billion
1998 .....	\$4.2 billion
1999 .....	\$1.0 billion
2000 .....	\$7.8 billion
2001 .....	\$8.6 billion
2002 .....	\$10.0 billion
2003 .....	\$9.9 billion
2004–2007 .....	\$9.3 billion per year
2008–2017 .....	\$9.4 billion per year
2018–2025 .....	\$10.3 billion per year

In the national income and product accounts (NIPA's), these payments are classified as business nontaxes, a component of receipts that includes rents and royalties, regulatory and inspection fees, special assessments, fines, and miscellaneous payments, such as awards to State and local governments from the settlement of civil lawsuits. The payments through the end of 1998 from the tobacco settlements have been deducted in the calculation of corporate profits in the NIPA's. Business nontaxes are chargeable to business expenses in the calculation of profit-type incomes in the NIPA's.

1. The payments exclude annual adjustments that are equal to the greater of the percentage change in the consumer price index or 3 percent.

ter a 9.0-percent increase in 1997. The downturn reflected the pattern of corporate profits before tax, which decreased 2.3 percent after increasing 8.0 percent.

*Indirect business tax and nontax accruals.*—Indirect business tax and nontax accruals, which accounted for about 49 percent of total receipts, accelerated in 1998; they increased 4.9 percent, to \$559.4 billion, after an increase of 4.2 percent in 1997.<sup>4</sup> Sales taxes, which accounted for about 49 percent of indirect business tax and nontax accruals, increased 3.9 percent, about the same rate as in 1997. All the components of sales taxes except taxes on gasoline and on tobacco increased. Tobacco and gasoline sales taxes each decreased \$0.5 billion in 1998. Legislative actions reduced sales taxes \$0.4 billion in 1998.

Property taxes, which accounted for about 39 percent of indirect business tax and nontax accruals, accelerated in 1998. They increased 4.0 percent, to \$217.4 billion, following an increase of 3.2 percent.

“Other” indirect business tax and nontax accruals increased 12.0 percent, to \$70.4 billion, in 1998 after increasing 9.8 percent in 1997. The acceleration was in indirect business nontax accruals, which increased 20.4 percent, to \$30.1 billion, in 1998 after an increase of 13.1 percent in 1997. The acceleration in nontaxes was attributable to \$4.2 billion in payments to States

by tobacco companies as a result of out-of-court settlements of lawsuits, after payments of \$0.9 billion in 1997 (see the box “*State Tobacco Settlements*”). “Other” indirect business taxes increased 6.5 percent in 1998 after an increase of 7.7 percent in 1997; these taxes include severance taxes and motor vehicle licenses.

*Contributions for social insurance.*—Contributions for social insurance, which accounted for about 7 percent of total receipts, increased 2.7 percent in 1998, about the same as in 1997. A deceleration in employer contributions, which increased 1.4 percent in 1998 after an increase of 2.8 percent in 1997, was offset by an acceleration in employee contributions, which increased 6.0 percent in 1998 after an increase of 2.7 percent in 1997. The deceleration in employer contributions was largely due to a deceleration in contributions to employee retirement systems, and the acceleration in employee contributions was largely due to an acceleration in contributions for temporary disability insurance.

*Federal grants-in-aid.*—Federal grants-in-aid to State and local governments, which accounted for about 20 percent of total receipts, increased 2.7 percent in 1998, about the same as in 1997. Most categories of grants—including education, Medicaid, and community development—increased, but grants for cash benefits and social benefits

4. The detailed estimates of indirect business tax and nontax accruals are shown annually in NIPA table 3.5, most recently in the August 1998 SURVEY.

Table 3.—State and Local Government Current Expenditures, NIPA Basis

	Calendar years								
	Billions of dollars					Percent change			
	1994	1995	1996	1997	1998	1995	1996	1997	1998
<b>Current expenditures</b> .....	<b>852.3</b>	<b>866.0</b>	<b>922.6</b>	<b>960.1</b>	<b>997.9</b>	<b>1.6</b>	<b>6.5</b>	<b>4.1</b>	<b>3.9</b>
Consumption expenditures .....	663.8	695.2	724.7	758.8	789.1	4.7	4.2	4.7	4.0
Transfer payments to persons .....	264.3	281.2	293.5	304.1	317.4	6.4	4.4	3.6	4.4
Benefits from social insurance funds .....	71.1	77.3	82.7	89.4	95.3	8.7	7.0	8.1	6.6
Medical care .....	141.7	151.3	159.9	165.1	174.1	6.7	5.7	3.3	5.4
Family assistance .....	24.3	23.3	21.6	19.7	17.6	-4.2	-7.2	-8.8	-10.5
All other .....	27.2	29.3	29.3	29.9	30.4	7.9	.1	1.8	1.7
Net interest paid .....	-55.1	-68.2	-71.3	-77.4	-83.0	.....	.....	.....	.....
Interest paid .....	63.7	63.9	63.3	63.3	63.9	.3	-9	0	1.0
Less: Interest received by government .....	118.8	132.0	134.5	140.6	146.9	11.1	1.9	4.5	4.4
Social insurance funds .....	61.4	69.9	69.3	71.1	73.9	13.9	-9	2.5	3.9
Other .....	57.4	62.1	65.2	69.5	73.0	8.1	5.0	6.6	5.0
Less: Dividends received by government .....	11.4	12.5	13.7	14.8	16.1	9.5	9.5	8.2	8.8
Social insurance funds .....	11.2	12.3	13.5	14.6	15.9	9.6	9.7	8.3	8.8
Other .....	.2	.2	.2	.2	.2	1.6	1.5	3.0	2.0
Subsidies less current surplus of government enterprises .....	-9.3	-9.7	-10.7	-10.6	-9.5	.....	.....	.....	.....
Subsidies .....	.4	.3	.4	.4	.4	-5.1	5.7	5.4	3.0
Less: Current surplus of government enterprises .....	9.7	10.1	11.0	10.9	9.9	4.4	9.6	-1.1	-9.4
Less: Wage accruals less disbursements .....	0	0	0	0	0	.....	.....	.....	.....



(public assistance), highways, and mass transit decreased.<sup>5</sup>

### Current expenditures

Current expenditures increased 3.9 percent, to \$997.9 billion, in 1998 after an increase of 4.1 percent in 1997 (table 3). Consumption expenditures slowed and transfer payments to persons stepped up.

**Consumption expenditures.**—Consumption expenditures increased 4.0 percent, to \$789.1 billion, in 1998 after increasing 4.7 percent in 1997 (table 4). The deceleration was largely due to a downturn in expenditures for nondurable goods

that largely reflected decreases in the prices of petroleum and of drugs and pharmaceuticals.

Compensation of general government employees, which accounted for about 75 percent of consumption expenditures, increased 4.3 percent in 1998, about the same as in 1997 (table 4). Within compensation, wages and salaries increased 4.7 percent in 1998 and 4.6 percent in 1997, and supplements decelerated.<sup>6</sup> Education employment increased 2.1 percent after an increase of 1.9 percent, and noneducation employment increased 1.4 percent after an increase of 0.5 percent.

Government sales, which are subtracted in the estimation of consumption expenditures, in-

5. The detailed estimates of Federal grants-in-aid are shown annually in NIPA table 3.16, most recently in the October 1998 SURVEY. See also Kurt S. Bersani and Laura M. Belenki, "Federal Budget Estimates, Fiscal Year 2000," SURVEY 79 (March 1999): 12-21.

6. Supplements include employer contributions for social insurance, unemployment compensation, other retirement plans, workers' compensation, and other labor income. Other labor income includes employer payments to private pensions, group health insurance and group life insurance and several minor categories of employee compensation, such as compensation of prison inmates and judicial fees to jurors and witnesses.

Table 4.—State and Local Government Consumption Expenditures and Gross Investment, NIPA Basis

	Calendar years									
	1994	1995	1996	1997	1998	1995	1996	1997	1998	
	Billions of dollars					Percent change				
<b>Consumption expenditures and gross investment</b> .....	<b>802.8</b>	<b>847.3</b>	<b>886.8</b>	<b>934.4</b>	<b>966.5</b>	<b>5.6</b>	<b>4.7</b>	<b>5.4</b>	<b>3.4</b>	
Consumption expenditures .....	663.8	695.2	724.7	758.8	789.1	4.7	4.2	4.7	4.0	
Durable goods .....	13.9	14.8	15.6	16.2	16.8	6.6	4.9	3.8	4.2	
Nondurable goods .....	67.8	72.7	77.7	79.7	78.1	7.3	6.9	2.5	-1.9	
Services .....	582.1	607.7	631.4	662.9	694.2	4.4	3.9	5.0	4.7	
Compensation of general government employees except force-account construction <sup>1</sup> .....	502.6	524.0	542.9	566.7	590.9	4.2	3.6	4.4	4.3	
Consumption of general government fixed capital .....	51.3	54.4	57.4	60.5	63.5	6.0	5.5	5.4	5.0	
Other services .....	28.1	29.3	31.1	35.7	39.8	4.2	6.0	15.0	11.3	
Gross investment .....	138.9	152.1	162.1	175.6	177.4	9.5	6.6	8.3	1.0	
Structures .....	113.4	123.1	130.9	142.4	141.9	8.6	6.3	8.8	-4	
Equipment .....	25.6	29.0	31.2	33.2	35.5	13.2	7.6	6.4	7.0	
	Billions of chained (1992) dollars									
<b>Consumption expenditures and gross investment</b> .....	<b>765.7</b>	<b>783.9</b>	<b>802.7</b>	<b>827.1</b>	<b>843.8</b>	<b>2.4</b>	<b>2.4</b>	<b>3.1</b>	<b>2.0</b>	
Consumption expenditures .....	633.4	644.0	656.8	672.3	689.3	1.7	2.0	2.4	2.5	
Durable goods .....	13.6	14.0	14.6	15.1	15.6	3.0	4.3	3.5	3.4	
Nondurable goods .....	67.4	69.0	71.1	73.4	75.7	2.3	3.1	3.3	3.2	
Services .....	552.5	561.1	571.3	583.9	598.1	1.6	1.8	2.2	2.4	
Compensation of general government employees except force-account construction <sup>1</sup> .....	471.6	477.8	484.5	492.8	501.9	1.3	1.4	1.7	1.8	
Consumption of general government fixed capital .....	49.4	50.9	52.7	54.8	57.0	3.1	3.6	3.9	4.0	
Other services .....	32.1	33.1	35.0	37.7	41.2	3.0	5.8	7.7	9.3	
Gross investment .....	132.2	139.9	145.8	154.8	154.4	5.8	4.2	6.2	-2	
Structures .....	107.1	111.5	114.9	121.0	117.5	4.1	3.1	5.2	-2.9	
Equipment .....	25.2	28.6	31.1	34.3	38.3	13.7	8.8	10.1	11.6	
Residual .....	-6	-9	-1.3	-1.9	-3.3					
	Index numbers, 1992=100									
<b>Addenda:</b> <sup>2</sup>										
Consumption expenditures:										
Quantity index .....	104.94	106.69	108.82	111.38	114.20	1.7	2.0	2.4	2.5	
Price index .....	104.80	107.96	110.33	112.86	114.48	3.0	2.2	2.3	1.4	
Gross investment:										
Quantity index .....	100.06	105.87	110.31	117.11	116.84	5.8	4.2	6.2	-2	
Price index .....	105.06	108.70	111.18	113.46	114.88	3.5	2.3	2.1	1.3	

1. Compensation of government employees engaged in new force-account construction and related expenditures for goods and services are classified as investment in structures.

2. Quantity and price indexes are chain-type indexes. The indexes are shown in NIPA table 7.11. For a discussion of the indexes, see "Preview of the Comprehensive Revision of the National Income and Product Accounts: BEA's New Featured Measures of Output and Prices," in the July 1995 Survey.

NOTES.—The current-dollar estimates are shown in NIPA table 3.7.

Real estimates are expressed in chained (1992) dollars, which are shown in NIPA table 3.8. 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.

NIPA National income and product accounts

creased 4.9 percent, about the same rate in 1998 as in 1997.<sup>7</sup>

Consumption of general government fixed capital—a measure of the value of the services of general government fixed assets—increased 5.0 percent in 1998, compared with a 5.4-percent increase in 1997.

In real terms, consumption expenditures increased 2.5 percent in 1998 after increasing 2.4 percent in 1997 (table 4). Services increased 2.4 percent after an increase of 2.2 percent.

*Transfer payments to persons.*—Transfer payments to persons increased 4.4 percent, to \$317.4 billion, in 1998 after increasing 3.6 percent in 1997 (table 3). The acceleration was largely due to payments from social insurance funds and medicaid.

Benefits from social insurance funds—which consist of payments for employee retirement, temporary disability insurance, and workers compensation funds—increased 6.6 percent, to \$95.3 billion, in 1998 after an 8.1-percent increase in 1997. State and local government employee retirement payments increased 7.3 percent after an increase of 9.2 percent, workers' compensation payments increased 2.8 percent after increasing 1.0 percent, and temporary disability insurance payments decreased 2.9 percent after declining since 1995. Medical care transfer payments (primarily medicaid), which accounted for about 55 percent of transfer payments to persons, increased 5.4 percent, to \$174.1 billion after increasing 3.3 percent.<sup>8</sup> Family assistance, which has been decreasing since 1994, decreased 10.5 percent, to \$17.6 billion, in 1998.<sup>9</sup> By 1998, all States had phased out Aid to Families with Dependent Children and were operating under the new Temporary Assistance for Needy Families program.

*Net interest paid.*—Net interest paid (interest paid by State and local governments less interest received) has become more negative each year since 1995 because interest received has increased more than interest paid. In 1998, interest received increased 4.4 percent, and interest paid increased 1.0 percent. Interest received by social insurance

funds increased 3.9 percent; general government interest received increased 5.0 percent. Dividends received, primarily by State and local government pension funds, increased 8.8 percent after an increase of 8.2 percent.

*The current surplus of government enterprises.*—The current surplus of government enterprises decreased to \$9.9 billion in 1998.<sup>10</sup> The decrease reflected a decrease in Federal subsidies that were paid to housing and urban renewal enterprises and to public transit enterprises.<sup>11</sup> Other enterprise revenues and current expenditures decreased in 1998, compared with those in 1997.

### Gross investment

In the NIPA's, government expenditures for structures and equipment are treated as "gross investment" (see footnote 1), and they are included in the calculation of gross domestic product. State and local government gross investment increased 1.0 percent, to \$177.4 billion, in 1998 after an increase of 8.3 percent in 1997 (table 4).<sup>12</sup> The deceleration reflected a downturn in investment in structures that was partly offset by an acceleration in investment in equipment.

Gross investment in structures decreased 0.4 percent, to \$141.9 billion, in 1998 after an 8.8-percent increase in 1997. All components contributed to the downturn. Construction of buildings, which accounted for about 41 percent of total State and local construction, increased 0.8 percent in 1998 after increasing 10.7 percent. The sharp deceleration was primarily accounted for by the construction of educational buildings, which increased 0.1 percent after increasing 12.2 percent; construction of hospitals decreased 2.4 percent after increasing 3.6 percent.

Investment in highways and streets, which accounted for about 35 percent of total State and local construction, increased 0.4 percent, to \$48.3 billion, after increasing 9.6 percent. Construction of water systems, which accounted for about 6 percent of total State and local construction, increased 2.4 percent after increasing 7.1 percent.

7. In the NIPA's, consumption expenditures are recorded net of receipts for certain goods and services that are defined as government sales; the largest components of government sales are tuition charges and health and hospital charges. The detailed estimates of government sales are shown annually in NIPA table 3.9, most recently in the August 1998 SURVEY.

8. The detailed estimates of government transfer payments to persons are shown annually in NIPA table 3.12, most recently in the August 1998 SURVEY.

9. Through 1995, family assistance consists of aid to families with dependent children; beginning in 1996, it also includes additional programs under the Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

10. Government enterprises are certain government agencies that cover a substantial proportion of their operating costs by selling goods and services to the public, such as water and sewerage facilities, public utilities, lotteries, and public transit. The detailed estimates of current surplus of government enterprises are shown annually in NIPA table 3.13, most recently in the August 1998 SURVEY.

11. In the NIPA's, the Federal Government subsidy payments to State and local government enterprises are included in enterprise revenues.

12. The detailed estimates of gross government investment by type are shown annually in NIPA tables 5.14 and 5.15, most recently in the August 1998 SURVEY.

Most of the other components of structures decreased; the largest decreases were in conservation and development (natural resources and water transport), and other construction (which consists primarily of airfields, parks and recreation, and parking).

Gross investment in equipment increased 7.0 percent, to \$35.5 billion, in 1998 after a 6.4-percent increase in 1997. The acceleration largely reflected increased expenditures for computers, which increased 35.5 percent, and for motor vehicles, which increased 18.2 percent.

In real terms, gross investment decreased 0.2 percent in 1998 after an increase of 6.2 percent in 1997. Real investment in structures decreased 2.9 percent after an increase of 5.2 percent. Real investment in equipment increased 11.6 percent after an increase of 10.1 percent.

### *Fiscal position in 1999*

The first quarter of each year, BEA prepares projections of the State and local government fiscal position for that year.<sup>13</sup> In 1999, a major factor affecting the State and local fiscal position will be the pace of overall economic activity. In the *Economic Report of the President*, real gross domestic product is projected to grow about 2 percent in 1999, a slowdown from the 3.9-percent growth in 1998. In addition, the unemployment rate is projected to rise slightly, and the rate of inflation, to step up slightly.<sup>14</sup>

*Receipts.*—In State and local government receipts, the growth of the economy will have the largest effect on personal income taxes, corporate profits tax accruals, and sales taxes, which together account for about two-fifths of total receipts. Federal grants-in-aid, which account for about one-fifth of total receipts, are determined by the Federal Government.<sup>15</sup> Property taxes account for about one-fifth of total receipts, and other taxes, nontaxes, and contributions for social insurance account for the remaining one-fifth.

13. These projections—which are prepared by BEA from economic forecasts in the *Economic Report of the President*, budget projections, industry sources, information on changes in tax laws, and judgmental trends—provide users with insights into likely developments in the State and local sector of the NIPA's in 1999. BEA also uses some of these projections to prepare the NIPA estimates of a number of components of State and local government receipts and expenditures for which source data are not available at the time the estimates are prepared. For these components, estimates are prepared using indicator series or judgmental trends that are partly based on the projections described in this article. For more information, see Eugene P. Seskin and Robert P. Parker, "A Guide to the NIPA's," SURVEY 78 (March 1998): 56–61.

14. *Economic Report of the President* (Washington, DC: U.S. Government Printing Office, February 1999).

15. Grants-in-aid have been appropriated for fiscal year 1999 and estimated for fiscal year 2000; see the *Budget of the United States Government, Fiscal Year 2000: Appendix* (Washington DC: U.S. Government Printing Office, 1999) and Bersani and Bilenki, "Federal Budget Estimates."

Total receipts in 1999 are expected to increase about \$45 billion, to about \$1,195 billion, a deceleration from 1998.<sup>16</sup> Slower projected growth in nominal GDP is expected to reduce the growth rate of personal income taxes. State tax law changes that have already been enacted are expected to reduce receipts less in 1999 than they had in 1998, partly offsetting the effects of the slower economic growth. Other personal taxes—which include estate and gift taxes, personal property taxes, and motor vehicle licenses—and personal nontaxes are less sensitive to the economy and are projected to increase at about the same rate as in 1998. Sales tax receipts are expected to decelerate slightly in 1999; tax law changes that have already been enacted are expected to have little effect on the change in receipts in 1999. Corporate tax accruals are expected to decrease again in 1999. Property tax accruals, which are affected by property values and by changes in investment and in the national economy, are expected to increase at about the same rate as in 1998. Indirect business nontaxes are expected to decrease; payments of out-of-court settlements by tobacco companies, which were \$4.2 billion in 1998, are expected to be \$1.0 billion in 1999. Reflecting all these changes, general own-source receipts are expected to decelerate in 1999.

Federal grants-in-aid are expected to increase about 10 percent in 1999, according to the Federal budget transmitted to Congress in early February 1999. This increase represents an acceleration after 2 years of deceleration. Almost all of the grants programs are expected to increase; the largest increases are expected in the programs for public assistance, highways, health-care, education, and "all other."<sup>17</sup> State and local contributions for social insurance are assumed to increase at about the same rate in 1999 as in 1998.

*Current expenditures.*—Evidence from State and local budgets suggests that expenditures for current operations will accelerate in 1999. Current expenditures are likely to increase about \$45 billion, to about \$1,045 billion. Consumption expenditures are likely to accelerate; the acceleration is expected to be widespread among

16. Forecasting is an inherently risky process. Unforeseen economic developments, new legislation, weather, and other factors could cause forecasts to miss their targets. The projections of receipts and expenditures presented here could be in error by more than 1 percent.

17. "All other" grants consists of a variety of programs; the largest programs are human development services, employment training, unemployment insurance trust fund administrative expenditures, disaster relief, justice assistance, and atomic energy defense activities.


the components. Investment in structures is expected to increase in 1999.

Transfer payments, which are partly funded by Federal grants-in-aid, are likely to accelerate because payments for medical care are projected to grow more quickly than in 1998. Other transfer payments are expected to accelerate because the decline in family assistance payments is expected to stop and because benefits for social insurance funds are likely to accelerate.

Net interest paid in 1999 will be affected by the refinancing of debt and by the new borrowing at lower rates. Overall, interest paid and interest received are likely to again increase slowly; dividends received are likely to increase at a slightly slower rate than in 1998.

*Current surplus or deficit.*—These changes in receipts and in current expenditures would result

in a NIPA surplus of about \$150 billion in 1999, the same as in 1998. The social insurance funds surplus and the “other funds” surplus are both expected to remain about the same.

*Gross investment.*—Gross investment is expected to increase in 1999. New borrowing by State and local governments, which is used to finance gross investment, increased in 1998. Most categories of structures are expected to turn around in 1999. The largest increases are expected in highways. The Transportation Equity Act of the 21st Century was signed into law in 1998 and will increase Federal funding for State and local government investment in transportation facilities, including highways and mass transit. Educational and “other” buildings (including offices, police and fire stations, courthouses, and prisons) and water and sewer facilities are likely to increase. Investment in equipment is expected to accelerate. 

# U.S. International Transactions, Fourth Quarter and Year 1998

By Christopher L. Bach

## FOURTH QUARTER 1998

**T**HE U.S. current-account deficit decreased to \$63.8 billion in the fourth quarter of 1998 from \$65.7 billion (revised) in the third quarter (table A).<sup>1</sup> The decrease was attributable to a decrease in the deficit on goods, a decrease in the deficit on investment income, and an increase in the surplus on services. Net unilateral transfers increased.

In the capital account, net recorded inflows—the difference between changes in U.S. assets abroad and changes in foreign assets in the United States—were \$94.3 billion in the fourth

quarter, compared with inflows of \$38.3 billion in the third. The step-up in the increase in foreign assets in the United States was larger than the step-up in the increase in U.S. assets abroad.

The statistical discrepancy—that is, errors and omissions in recorded transactions—was a negative \$30.6 billion in the fourth quarter, compared with a positive \$27.3 billion in the third. The substantial swing in the discrepancy is believed to reflect the imperfect recording of short-term capital flows during a period of heightened uncertainty in financial markets and rapidly changing perceptions of risk exposure.

The following are highlights for the fourth quarter of 1998:

- Goods exports increased substantially, following decreases in the previous three

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.

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

[Millions of dollars, seasonally adjusted]

Line	Lines in tables 1 and 10 in which transactions are included are indicated in ( )	1997	1998 <sup>P</sup>	Change: 1997-98	1997				1998				Change: 1998 III-IV
					I	II	III	IV	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>P</sup>	
1	Exports of goods, services, and income (1) .....	1,179,380	1,174,055	-5,325	283,765	295,287	300,481	299,843	298,740	292,165	285,837	297,312	11,475
2	Goods, adjusted, excluding military (2) .....	679,325	671,055	-8,270	163,499	169,240	172,302	174,284	171,190	164,543	163,414	171,908	8,494
3	Services (3) .....	258,268	260,385	2,117	62,685	64,776	65,628	65,175	65,004	65,697	63,943	65,741	1,798
4	Income receipts on U.S. assets abroad (11) .....	241,787	242,615	828	57,581	61,271	62,551	60,384	62,546	61,925	58,480	59,663	1,183
5	Imports of goods, services, and income (15) .....	-1,294,904	-1,365,648	-70,744	-311,881	-321,342	-329,130	-332,549	-336,330	-339,746	-341,499	-348,076	-6,577
6	Goods, adjusted, excluding military (16) .....	-877,279	-919,040	-41,761	-213,222	-218,336	-221,598	-224,123	-227,223	-229,321	-228,313	-234,183	-5,870
7	Services (17) .....	-170,520	-181,514	-10,994	-41,092	-42,195	-43,437	-43,795	-44,343	-45,154	-45,541	-46,476	-935
8	Income payments on foreign assets in the United States (25) .....	-247,105	-265,094	-17,989	-57,567	-60,811	-64,095	-64,631	-64,764	-65,271	-67,645	-67,417	228
9	Unilateral transfers, net (29) .....	-39,691	-41,855	-2,164	-8,874	-9,035	-9,445	-12,337	-9,428	-9,390	-10,032	-13,001	-2,969
10	U.S. assets abroad, net (increase/capital outflow (-)) (33) .....	-478,502	-305,385	173,117	-145,139	-86,606	-123,317	-123,441	-46,025	-110,164	-60,395	-88,798	-28,403
11	U.S. official reserve assets, net (34) .....	-1,010	-6,784	-5,774	4,480	-236	-730	-4,524	-444	-1,945	-2,026	-2,369	-343
12	U.S. Government assets, other than official reserve assets, net (39) .....	174	-836	-1,010	-22	-269	436	29	-388	-433	174	-189	-363
13	U.S. private assets, net (43) .....	-477,666	-297,765	179,901	-149,597	-86,101	-123,023	-118,946	-45,193	-107,786	-58,543	-86,240	-27,697
14	Foreign assets in the United States, net (increase/capital inflow (+)) (48) .....	733,441	542,482	-190,959	181,735	149,773	181,438	220,491	95,637	164,967	98,742	183,136	84,394
15	Foreign official assets in the United States, net (49) .....	15,817	-22,112	-37,929	26,949	-5,411	21,258	-26,979	11,324	-10,274	-46,347	23,185	69,532
16	Other foreign assets in the United States, net (56) .....	717,624	564,594	-153,030	154,786	155,184	160,180	247,470	84,313	175,241	145,089	159,951	14,862
17	Allocations of special drawing rights (63) .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
18	Statistical discrepancy (64) .....	-99,724	-3,649	96,075	394	-28,077	-20,027	-52,007	-2,594	2,168	27,347	-30,573	-57,920
Memoranda:													
19	Balance on goods (65) .....	-197,954	-247,985	-50,031	-49,723	-49,096	-49,296	-49,839	-56,033	-64,778	-64,899	-62,275	2,624
20	Balance on goods and services (67) .....	-110,206	-169,114	-58,908	-28,130	-26,515	-27,105	-28,459	-35,372	-44,235	-46,497	-43,010	3,487
21	Balance on investment income (68) .....	-5,318	-22,479	-17,161	14	460	-1,544	-4,247	-2,218	-3,346	-9,165	-7,754	1,411
22	Balance on current account (71) .....	-155,215	-233,448	-78,233	-36,990	-35,090	-38,094	-45,043	-47,018	-56,971	-65,694	-63,765	1,929
23	Net capital flows (33 and 48) .....	254,939	237,097	-17,842	36,596	63,167	58,121	97,050	49,612	54,803	38,347	94,338	55,991

<sup>r</sup> Revised.

<sup>P</sup> Preliminary.

quarters. Goods imports also increased substantially.

- Two exceptionally large acquisitions of U.S. corporations by foreign firms affected both foreign direct investment capital flows to the United States and net U.S. purchases of foreign securities.
- Excluding the two large acquisitions mentioned above, net U.S. sales of foreign securities continued, reflecting a reluctance to assume the risk inherent in holding foreign securities. Net foreign purchases of U.S. securities, including U.S. Treasury securities, increased.
- U.S. banks' claims on foreigners decreased, as U.S. banks withdrew outstanding loans and extended few new loans. U.S. banks' liabilities to foreigners decreased, as foreigners sharply reduced their deposits in U.S. banks and as most U.S. banks had little need to borrow from abroad.

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

In the fourth quarter, the U.S. dollar depreciated 5 percent on a trade-weighted quarterly average basis against the currencies of 10 industrial countries. The depreciation was 5–6 percent against the currencies of most European countries, 15 percent against the Japanese yen, and 3–6 percent against the currencies of most developing countries in Asia (table B, chart 1).

Uncertainties created by the declaration of a debt moratorium by Russia and the devaluation of the Russian ruble, by sharply declining equity prices and interest rates throughout the world, and by renewed instability in key developing countries, especially Brazil in the last half of the third quarter, carried into the fourth quarter.

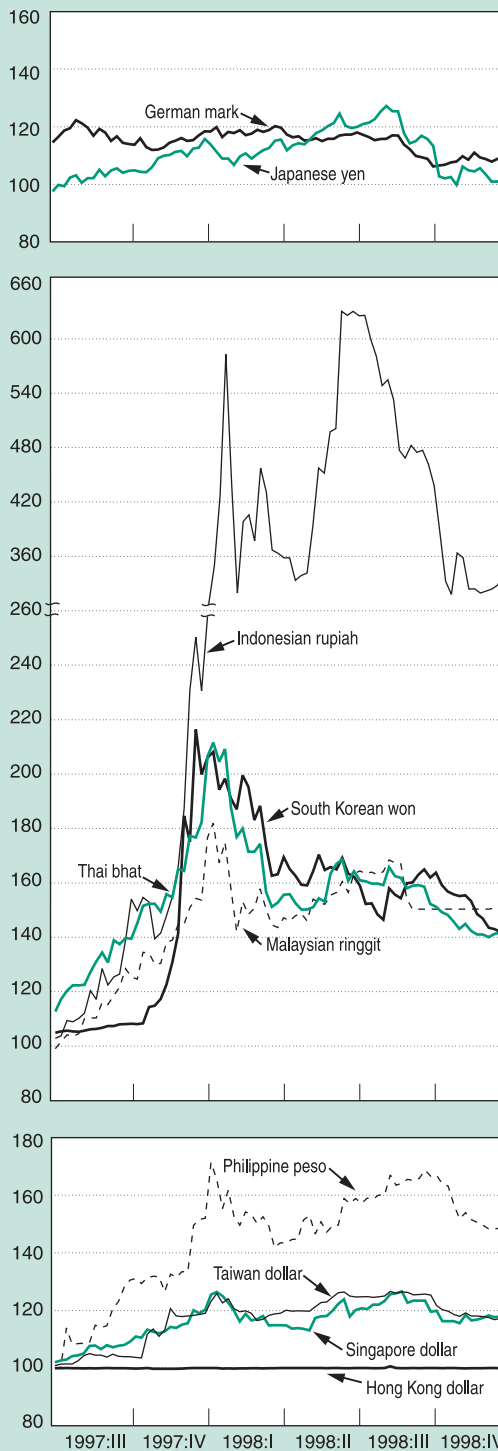
**Annual Revision of the U.S. International Transactions Accounts**

In June 1999, BEA will release its annual revision of the U.S. international transactions accounts; an article describing the revision will be published in the July issue of the SURVEY OF CURRENT BUSINESS. As usual, a number of methodological and statistical revisions will be incorporated; of particular note, the treatment of unilateral transfers will be changed to bring the accounts into closer alignment with international guidelines. (For more information, see "Upcoming Changes in the Classification of Current and Capital Transactions in the U.S. International Accounts," SURVEY 79 (February 1999): 10–11.)

**CHART 1**

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

December 31, 1996=100



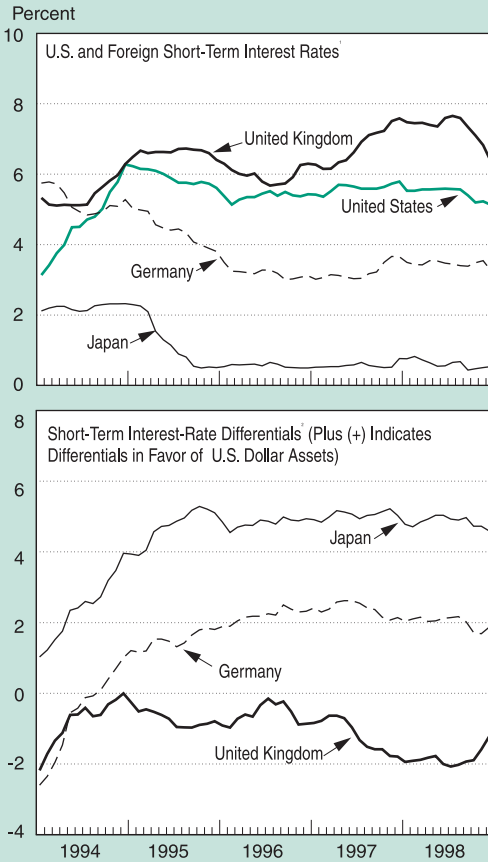
Indexes prepared by BEA from weekly data.  
Data: Federal Reserve Board and The Wall Street Journal  
U.S. Department of Commerce, Bureau of Economic Analysis

Early in the fourth quarter, conditions in emerging market countries deteriorated further, partly as asset prices continued to fall, which prompted continued large-scale liquidations of emerging market debt by highly leveraged investors in order

to limit losses and meet margin calls, and partly as concerns continued about several countries' ability to make debt service payments, because of weak prospects for economic recovery in those countries. Some of these unsettled conditions

**CHART 2**

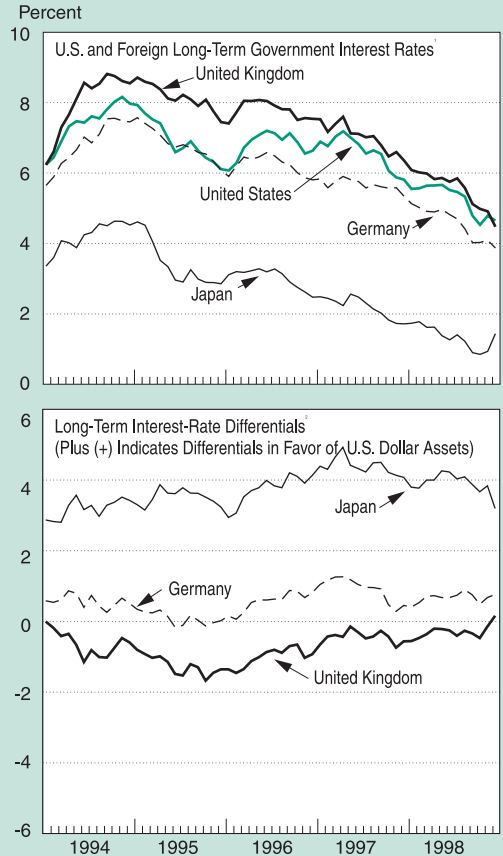
**Short-Term Interest Rates**



1. Three-month interest rates.  
 2. U.S. interest rates less respective foreign interest rates.  
 Data: Federal Reserve Board.  
 U.S. Department of Commerce, Bureau of Economic Analysis

**CHART 3**

**Long-Term Interest Rates**



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

[March 1973=100]

	1997	1998				1997	1998											
	IV	I	II	III	IV	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Trade-weighted average against 10 currencies <sup>1</sup> .....	97.4	100.3	100.3	100.1	94.6	98.8	100.5	99.9	100.5	100.3	99.6	100.9	101.4	101.8	97.2	93.7	95.5	94.6
Selected currencies: <sup>2</sup>																		
Canada .....	141.3	143.5	145.2	152.0	154.8	143.2	144.6	143.8	142.1	143.5	145.0	147.0	149.2	154.0	152.7	155.0	154.6	154.8
European currencies:																		
Belgium .....	92.0	95.3	93.9	92.2	87.1	93.3	95.3	94.9	95.7	95.0	92.9	93.8	94.1	93.5	89.0	85.8	88.1	87.4
France .....	130.3	135.0	133.2	130.8	123.5	131.9	134.7	134.5	135.7	134.6	131.8	133.1	133.5	132.7	126.2	121.6	124.9	124.0
Germany .....	62.4	64.7	63.8	62.6	59.1	63.2	64.6	64.4	65.0	64.5	63.1	63.7	63.9	63.5	60.4	58.2	59.8	59.4
Italy .....	302.8	315.3	311.4	305.9	289.8	306.9	314.7	314.7	316.6	315.3	308.1	310.9	311.9	310.3	295.5	285.3	293.0	291.0
Netherlands .....	68.9	71.4	70.4	69.2	65.3	69.8	71.3	71.2	71.7	71.1	69.8	70.4	70.6	70.2	66.8	64.4	66.1	65.5
Switzerland .....	44.5	45.9	46.4	45.6	42.3	44.7	45.8	45.5	46.3	46.8	46.0	46.5	47.0	46.4	43.5	41.6	43.1	42.3
United Kingdom .....	148.9	150.2	149.5	149.6	147.6	149.0	151.2	150.7	148.8	147.8	150.9	149.8	150.4	151.3	147.0	145.9	148.8	148.0
Japan .....	47.9	48.9	51.8	53.4	45.6	49.5	49.5	48.0	49.3	50.3	51.5	53.6	53.8	55.2	51.3	46.2	45.9	44.7

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.

were reflected in the reluctance of market participants to assume additional cross-border risks with little near-term improvement expected in equity prices; in rising bid-ask spreads in the Eurodollar interbank market; in a rise in the spread between interest rates on U.S. corporate debt and interest rates on U.S. Treasury securities; and in a sharp rise in the spread between interest rates of emerging market debt and interest rates on U.S. Treasury securities. Only corporate and government borrowers with the highest credit ratings were able to raise funds in international bond markets. Indirectly, these uncertainties had a negative impact on the dollar, and early in the quarter the dollar was sold heavily against the Japanese yen, as well as against the European currencies. Some dollar sales may have been attributable to the unwinding of speculative positions taken against the yen.

In this environment, a strong desire for liquid financial instruments was partly evidenced by large net foreign purchases in November of U.S. Treasury securities and the resultant decline in U.S. Treasury interest rates across all maturity ranges. The U.S. Federal Reserve System moved to ease unsettled market conditions with reductions in the target federal funds rate on September 29, October 15, and November 17. Other factors that eased concerns over cross-border risk were the passage by Congress of additional funding of the International Monetary Fund (IMF), including the New Arrangements to Borrow lending facility, and the completion in mid-November of an IMF rescue package for Brazil.

In November and December, the dollar rebounded, as market participants focused more on conditions in industrial countries. Strong economic growth and low inflation in the U.S. economy were seen as sources of stability, and by the end of November, U.S. stock prices had returned to levels exceeding their midsummer peaks. In addition, indications of slower economic growth in many European countries, interest rate declines there, and the coordinated reduction in interest rates in Europe on December 3 before the commencement of the European Monetary Union (EMU) on January 1 contributed to some rebound of the dollar against the European currencies.

## Current Account

### *Goods and services*

The deficit on goods and services decreased to \$43.0 billion in the fourth quarter from \$46.5 billion in the third. The deficit on goods decreased \$2.6 billion, to \$62.3 billion, and the surplus on services increased \$0.9 billion, to \$19.3 billion.

**Goods.**—The deficit on goods decreased to \$62.3 billion in the fourth quarter from \$64.9 billion in the third. The decrease resulted from a larger increase in exports than in imports (table A).

**Exports.**—Exports increased a record \$8.5 billion, or 5 percent, to \$171.9 billion following three consecutive quarterly declines. Quantities increased 6 percent, and prices decreased 1 percent.<sup>2</sup>

Nonagricultural goods increased \$7.2 billion, or 5 percent, to \$158.3 billion. Quantities increased 5 percent, and prices were unchanged. In value, capital goods accounted for nearly 60 percent of the increase. Gains included large deliveries of civilian aircraft to Saudi Arabia and the United Arab Emirates. In addition, semiconductors, mainly to the Republic of Korea and Western Europe, telecommunications equipment to Mexico, and computers, peripherals, and parts to Western Europe all jumped from their third-quarter levels. Automotive products increased strongly, all to Canada, following two consecutive quarters of decline; the increase was attributable to the resumption of full production following a North American auto strike that depressed production in June and July. Nonagricultural industrial supplies and materials also increased, reflecting an increase in nonmonetary gold to Switzerland and in chemicals to China.

Agricultural exports increased \$1.3 billion, or 10 percent, to \$13.6 billion. Quantities increased 13 percent, and prices decreased 3 percent. In value, the increase was largely in soybeans, corn, and wheat.

**Imports.**—Imports increased \$5.9 billion, or 3 percent, to \$234.2 billion. This was the largest quarterly increase since the first quarter of 1997. Quantities increased 3 percent, and prices were unchanged.

The increase was more than accounted for by nonpetroleum products, which increased \$6.5 billion, or 3 percent, to \$222.5 billion. Quantities

2. 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.



increased 3 percent, and prices were unchanged. In value, nearly 80 percent of the increase was attributable to automotive products, largely from Canada and Mexico, reflecting strong U.S. auto sales in the fourth quarter and a resumption of normal automotive trade following the North American auto strike in June and July. Capital goods increased, reflecting substantial increases in computers, peripherals, and parts, largely from Asia, excluding Japan, and Mexico, and in civilian aircraft, parts, and engines, largely from Western Europe. Nonpetroleum industrial supplies and materials decreased, partly as a result of sizable reductions in iron and steel products.

Petroleum imports decreased \$0.6 billion, or 5 percent, to \$11.7 billion. This was the eighth consecutive quarterly decline and brought imports to their lowest level since the first quarter of 1994. The average price per barrel declined to \$11.38 from \$11.59, the lowest quarterly level since the first quarter of 1974. The average number of barrels imported daily decreased to 11.27 million from 11.62 million.

**Balances by area.**—The deficit on goods decreased \$2.6 billion, to \$62.3 billion, in the fourth quarter.<sup>3</sup> The deficit with Asia, excluding Japan, decreased \$9.2 billion, to \$27.5 billion; the decrease was largely with China and with the newly industrialized countries in Asia. The deficit with the industrial countries increased \$5.9 billion, to \$31.8 billion; the largest increase—\$3.0 billion—was with Japan, and there were smaller increases with Canada and Germany.

**Services.**—The surplus on services increased to \$19.3 billion in the fourth quarter from \$18.4 billion in the third (table A). Most major categories of services exports increased. Within services imports, the largest increases were in travel and “other” transportation.

Foreign visitors spent \$18.1 billion on travel to the United States, up 7 percent. Receipts from overseas visitors (excluding Canada and Mexico) were \$15.7 billion, up 7 percent. Receipts from Asia remained severely depressed because of financial problems in the region, but receipts from the rest of the world continued to grow. Receipts from Canada were up 8 percent, and

receipts from Mexico, up 3 percent. U.S. travelers spent \$13.7 billion abroad, up 3 percent. Payments by U.S. travelers overseas (excluding Canada and Mexico) were \$10.7 billion, up 4 percent. Payments to Canada were up 5 percent, and payments to Mexico were down 5 percent.

Passenger fare exports were \$5.0 billion, up 4 percent, and passenger fare imports were \$4.8 billion, up 2 percent.

“Other” transportation exports increased \$0.4 billion, to \$6.7 billion; both port expenditure receipts and freight receipts increased, mostly because of a higher volume of traffic. “Other” transportation imports increased \$0.3 billion, to \$8.0 billion; as with exports, both port expenditure payments and freight payments increased, mostly because of a higher volume of traffic.

Royalties and license fees exports increased \$0.4 billion, to \$8.9 billion, and royalties and license fees imports were virtually unchanged at \$2.5 billion.

“Other” private services exports decreased \$0.4 billion, to \$22.8 billion, as a result of a decrease in affiliated services (transactions between affiliated companies). Within unaffiliated services, financial services exports were held down by reduced foreign activity in U.S. financial markets. “Other” private services imports decreased \$0.1 billion, to \$13.4 billion; affiliated services (transactions between affiliated companies) more than accounted for the decrease. Within unaffiliated services, financial services payments were held down because U.S. residents remained reluctant to invest abroad, given the turmoil in world financial markets.

Transfers under U.S. military sales agency sales contracts were up slightly to \$4.0 billion. Direct defense expenditures abroad were \$3.4 billion, up from \$3.2 billion, reflecting increased activity in the Persian Gulf in response to tensions with Iraq.

### *Investment income*

The deficit on investment income decreased to \$7.8 billion in the fourth quarter from \$9.2 billion in the third (table A).

**Direct investment income.**—Receipts of income on U.S. direct investment abroad increased to \$25.3 billion in the fourth quarter from \$22.8 billion in the third. Third-quarter earnings had been depressed by a North American auto strike, large losses by banks and brokerage houses on their securities operations, and a large decline in manufacturing earnings in Europe. Fourth-quarter earnings rebounded with the cessation of

3. 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.

losses by banks and brokerage houses. Manufacturing earnings were unchanged, and petroleum earnings continued to decrease, reflecting the continued decline of petroleum prices in world markets.

Payments of income on foreign direct investment in the United States increased to \$12.6 billion in the fourth quarter from \$11.7 billion in the third. Earnings of petroleum affiliates fell, reflecting the continued decline in petroleum prices in world markets. Earnings of manufacturing affiliates continued to rise, reflecting the expansion in the U.S. economy. Earnings of "other" affiliates were essentially unchanged, as a decrease in depository institutions (particularly of Japanese and Western European bank affiliates) was offset by increases in finance and in wholesale trade.

*"Other" private and U.S. Government income.*—Receipts of income on "other" private investment decreased to \$33.4 billion in the fourth quarter from \$34.8 billion in the third. Lower average interest rates on U.S. banks' claims and a decline in average yields on stock and bond holdings both contributed to the decrease; they more than offset an increase in outstanding stocks. Payments of income on "other" private investment decreased to \$32.5 billion from \$33.2 billion. Lower average interest rates on U.S. bank liabilities and a decline in average yields on stock and bond holdings more than offset increases in outstanding bank liabilities and in outstanding stocks and bonds.

Receipts of income on U.S. Government assets were virtually unchanged at \$0.9 billion in the fourth quarter. Payments of income on U.S. Government liabilities decreased to \$22.3 billion from \$22.8 billion.

### *Unilateral transfers*

Net unilateral transfers were \$13.0 billion in the fourth quarter, up from \$10.0 billion in the third (table A). Nearly all of the increase was attributable to U.S. Government grants, which rose to \$5.5 billion from \$2.7 billion as a result of cash grants to Israel—\$1.8 billion under the credit waiver program to finance military purchases and \$1.2 billion to finance economic purchases.

## Capital Account

Net recorded capital inflows—the difference between changes in net U.S. assets abroad and changes in net foreign assets in the United States—were \$94.3 billion in the fourth quarter, compared with \$38.3 billion (revised) in the third.

The step-up in the increase of foreign assets in the United States was greater than the step-up in the increase in U.S. assets abroad. Two exceptionally large acquisitions, described below, of U.S. corporations by foreign firms increased both outflows and inflows. In the accounts, these transactions are recorded as changes in both foreign assets in the United States (direct investment) and in U.S. assets abroad (foreign securities) and hence have no effect on net capital flows.

### *U.S. assets abroad*

U.S. assets abroad increased \$88.8 billion in the fourth quarter, compared with an increase of \$60.4 billion in the third. Exceptionally large outflows occurred for foreign securities, which include offsetting entries to the two exceptionally large foreign acquisitions of U.S. companies referred to above. Partly offsetting was a substantial swing to inflows by U.S. banks.

*U.S. official reserve assets.*—U.S. official reserve assets increased \$2.4 billion in the fourth quarter, compared with a \$2.0 billion increase in the third (table C). In the fourth quarter, the U.S. reserve position with the International Monetary Fund (IMF) increased \$1.9 billion, as foreigners, including Brazil, borrowed U.S. dollars from the IMF through its General Resources Account and the newly created New Arrangements to Borrow account.

*Claims reported by banks.*—U.S. claims on foreigners reported by U.S. banks decreased \$22.5 billion in the fourth quarter, in contrast to an increase of \$32.0 billion in the third. In the fourth quarter, U.S. banks reduced their dollar lending and risk exposure in response to financial problems encountered by Russia, Brazil, and other developing countries in Asia and Latin America. Few new credits were extended, except by U.S.-owned banks to their own foreign offices abroad to meet yearend bookkeeping needs. U.S. securities dealers also sharply reduced their outstanding loans to international bond mutual funds in the Caribbean in reaction to the near failure of a large U.S. hedge fund in August. U.S. banks' lending in foreign currencies resumed, largely as a result of a rebooking of foreign currency assets late in the quarter.

*Foreign securities.*—Net U.S. purchases of foreign securities soared to \$71.6 billion in the fourth quarter, following net sales of \$17.1 billion in the third. Fourth-quarter transactions

included offsetting entries for the two exceptionally large acquisitions of U.S. companies by foreign companies through exchanges of stock. (These acquisitions are also recorded as foreign direct investment in the United States in line 57 of table 1.) Excluding the two large exchanges of stock, net U.S. sales of foreign securities were \$14.0 billion, following net sales of \$17.1 billion. Net sales of foreign stocks slowed to \$5.8 billion from \$8.2 billion, and net sales of foreign bonds slowed to \$8.2 billion from \$8.8 billion.

Net sales of foreign stocks slowed to \$5.8 billion from net sales of \$8.2 billion. Stock prices in most markets (including many emerging markets in developing countries) rebounded strongly in the fourth quarter, partly as repercussions from continuing financial problems in Russia, Asia, and Brazil lessened. Stock prices in emerging markets gained an average of 17 percent after a decline of 23 percent, and prices in Europe gained an average of 20 percent after a decline of 20 percent. Nonetheless, U.S. investors remained cautious and were net sellers of stocks; net sales to the United Kingdom slowed slightly, and net sales to Canada were one-half of third-quarter sales. Trading activity in foreign stocks—that is, gross purchases plus gross sales—decreased 6 percent in the fourth quarter.

Net U.S. sales of foreign bonds slowed to \$8.2 billion from \$8.8 billion. New issues were \$11.6 billion, compared with \$11.3 billion—both well below the \$22.9 billion in new issues in the second quarter. Uncertainties created by the large changes in bond prices in the third quarter carried into the fourth quarter. Therefore, despite falling U.S. long-term interest rates, only the highest-rated corporate and government borrowers were able to raise funds in the U.S. market.

The risk premium for emerging market issues was sharply higher early in the quarter, but it declined as the quarter progressed. New issues picked up toward the end of the quarter as global market turmoil subsided. By the end of the quarter, a few emerging market borrowers were able to successfully place new issues. Net sales of outstanding bonds were \$15.6 billion, up slightly from the third quarter. Trading activity in bonds was half that in the third quarter.

*Direct investment.*—Net capital outflows for U.S. direct investment abroad were \$33.0 billion in the fourth quarter, compared with \$23.3 billion in the third. Reinvested earnings were sharply higher at \$16.8 billion, after being severely depressed at \$11.7 billion; much of the rebound reflected a recovery from sizable losses related to operations of banks and brokerage houses and a small increase in manufacturing earnings. Intercompany debt shifted to net outflows of \$2.9 billion from net inflows of \$0.8 billion. Net equity capital outflows were \$13.3 billion, up from \$12.4 billion.

#### Foreign assets in the United States

Foreign assets in the United States increased \$183.1 billion in the fourth quarter, compared with an increase of \$98.7 billion in the third. An exceptionally large inflow for foreign direct investment in the United States was accompanied by a resumption of inflows for U.S. Treasury securities and for foreign official assets in the United States and by larger inflows for U.S. securities other than U.S. Treasury securities. These changes were partly offset by a substantial swing to outflows by U.S. banks.

*Foreign official assets.*—Foreign official assets in the United States increased \$23.2 billion in the

Table C.—Selected Transactions with Official Agencies

[Millions of dollars]

	1997	1998 <sup>r</sup>	Change: 1997-98	1997				1998				Change: 1998 III-IV
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>p</sup>	
Changes in foreign official assets in the United States, net (decrease -) (table 1, line 49) .....	15,817	-22,112	-37,929	26,949	-5,411	21,258	-26,979	11,324	-10,274	-46,347	23,185	69,532
Industrial countries <sup>1</sup> .....	11,888	-9,145	-21,033	17,872	6,642	4,751	-17,377	-254	-9,666	-6,219	6,994	13,213
Members of OPEC <sup>2</sup> .....	10,822	-7,511	-18,333	7,103	1,970	3,031	-1,282	-968	-494	-9,647	3,598	13,245
Other countries .....	-6,893	-5,456	1,437	1,974	-14,023	13,476	-8,320	12,546	-114	-30,481	12,593	43,074
Changes in U.S. official reserve assets, net (increase -) (table 1, line 34) .....	-1,010	-6,784	-5,774	4,480	-236	-730	-4,524	-444	-1,945	-2,026	-2,369	-343
Activity under U.S. official reciprocal currency arrangements with foreign monetary authorities: <sup>3</sup>												
Foreign drawings, or repayments (-), net .....	-3,500		3,500	-3,500								
Drawings .....												
Repayments .....	-3,500		3,500	-3,500								

<sup>r</sup> Revised.

<sup>p</sup> Preliminary.

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

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

Ecuador beginning January 1993 and Gabon beginning January 1995.

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

fourth quarter, in contrast to a decrease of \$46.4 billion in the third. In the fourth quarter, assets of developing countries increased; they had decreased substantially in the third quarter, especially those of Latin American countries. Assets of industrial countries, especially those of Western European countries, also increased in the fourth quarter. The increase by Western European countries was perhaps a reflection of a desire to maintain fixed parities within the framework of the European Monetary System prior to the beginning of the European Monetary Union (table C).

*Liabilities reported by banks.*—U.S. liabilities reported by U.S. banks, excluding U.S. Treasury securities, decreased \$21.6 billion in the fourth quarter, in contrast to a \$77.0 billion increase in the third. In the fourth quarter, foreigners sharply reduced their deposits in the United States, partly to invest in U.S. Treasury securities, and U.S. banks borrowed little from abroad, except for Japanese-owned banks in the United States, which borrowed heavily from their Japanese parents. Some of the reduction in deposits was associated with the withdrawal of deposits by international bond mutual funds in the Caribbean and United Kingdom. The borrowing by Japanese-owned banks in the United States resulted from the sharp runup in October in the risk premiums charged to Japanese banks in the Eurodollar interbank market and the sizable advantage in borrowing from parent banks in Japan in order to fund activities of U.S. offices.

*U.S. Treasury securities.*—Net foreign purchases of U.S. Treasury securities were \$24.3 billion in the fourth quarter, following net sales of \$1.4 billion in the third. There were sharp fluctuations within the quarter. In October, there were large sales from the United Kingdom, partly to cover losses by international bond mutual funds. In November and December, when concerns about risk exposure lessened, net foreign purchases resumed. The net purchases were encouraged partly by an interest-rate differential in favor of U.S. Treasury securities over most foreign government bonds. Trading activity in U.S. Treasury securities—that is, gross purchases plus gross sales—decreased 16 percent in the fourth quarter.

*U.S. currency flows.*—Net outflows of U.S. currency were \$6.3 billion in the fourth quarter, down from \$7.3 billion in the third. Outflows in the fourth quarter were predominantly to

Latin America. Elsewhere, the demand for U.S. banknotes was relatively stable.

*Other U.S. securities.*—Net foreign purchases of U.S. securities other than U.S. Treasury securities were \$49.2 billion in the fourth quarter, more than double the \$20.0 billion in net purchases in the third quarter. Fourth-quarter transactions include a small amount of net sales of U.S. securities by foreigners as part of equity exchanges related to the exceptionally large acquisitions recorded in line 57, “Foreign direct investment in the United States,” and line 45, “Foreign securities,” of table 1.

Excluding these special transactions, net foreign purchases of U.S. stocks were \$14.5 billion in the fourth quarter, in contrast to net sales of \$5.5 billion in the third. Transactions had shifted sharply to net sales in the third quarter, particularly by the Caribbean and by Asian countries, as a result of the concurrent sharp decline in U.S. stock prices and near failure of a large U.S. hedge fund. In the fourth quarter, as U.S. stock prices returned to their early August levels and concerns about risk partially subsided, net purchases by the Caribbean and Asia resumed; in addition, Western European purchases continued, though at a much slower pace than in the third quarter. Trading activity in U.S. stocks decreased 8 percent in the fourth quarter.

Net foreign purchases of U.S. bonds recovered to \$40.9 billion in the fourth quarter from \$25.5 billion in the third but remained well below quarterly purchases in the first half of the year. Net purchases of outstanding bonds from Western Europe and Japan increased sharply. New issues sold abroad by U.S. corporations were lower in the fourth quarter than in the third quarter and were limited to only the highest rated corporate and U.S. Government agency issuers. Straight fixed-rate issues continued to dominate the market; most were by nonbank financial corporations. Reflecting the uncertainty in the bond markets and the emergence of substantial risk premiums on bonds, trading activity in bonds decreased 16 percent in the fourth quarter.

*Direct investment.*—Net capital inflows for foreign direct investment in the United States were \$120.6 billion in the fourth quarter, compared with \$30.3 billion in the third. Fourth-quarter net equity inflows, at \$109.7 billion, were dominated by two exceptionally large foreign acquisitions of U.S. petroleum and manufacturing companies by exchanges of stock in U.S. firms for stock in the newly established foreign parent firms. The

offsets to these transactions appear mostly in line 45, "Foreign securities," and to a small extent in line 60, "U.S. securities other than U.S. Treasury securities," in table 1. Excluding these transactions, net equity capital inflows were slightly lower than the \$24.9 billion in the third quarter; however, equity inflows in both quarters were especially strong. Net intercompany debt inflows were \$4.9 billion, up from \$0.3 billion, and reinvested earnings were \$6.0 billion, up from \$5.1 billion.

### Revisions

Preliminary current-account balance and component estimates for the third quarter were revised to incorporate more complete source data. The current-account deficit for the third quarter was revised to \$65.7 billion from \$61.3 billion. The goods deficit was revised to \$64.9 billion from \$64.4 billion (based on updated Census data); the services surplus was revised to \$18.4 billion from \$18.6 billion (based on updated survey data); the deficit on investment income was revised to \$9.2 billion from \$5.5 billion (based on updated survey data and capital flow data); and net unilateral transfers was revised to \$10.0 billion from \$10.1 billion (based on updated U.S. Government agency reports).

Net capital inflows and their components were revised to \$38.3 billion from \$64.8 billion (based on updated survey data and capital flow data).

## THE YEAR 1998

The U.S. current-account deficit increased to \$233.4 billion in 1998 from \$155.2 billion in 1997. Much of the increase was attributable to an increase in the goods deficit; however, the deficit on investment income increased substantially, and the surplus on services decreased (table D).

In the capital account, net capital inflows were lower in 1998 than in 1997—\$236.9 billion, compared with \$254.9 billion—reflecting a larger step-down in the increase in foreign assets in the United States than the step-down in the increase in U.S. assets abroad.

The statistical discrepancy—errors and omissions in recorded transactions—was a negative \$3.6 billion in 1998, compared with a negative \$99.7 billion in 1997. The sizable shift in the discrepancy from the third to the fourth quarter is believed to reflect the difficulty of the statistical reporting system in capturing short-term capital flows during periods of heightened financial uncertainty and rapidly changing perceptions of risk.

The following are highlights for 1998:

- The U.S. current-account deficit was substantially higher, largely as a result of a sizable increase in the deficit on goods. In addition, the deficit on investment income was markedly higher, and the surplus on services fell.
- Gross capital flows were sharply lower. Much, but certainly not all, of the slow-down occurred in the second half of the year, when unsettled conditions in world financial markets led to a substantial slowing in cross-border flows.
- U.S. banks supplied far fewer funds to the international banking market and borrowed far less from foreign markets. On balance, there were small net bank inflows from abroad.
- Excluding two exceptionally large acquisitions, U.S. residents sharply curtailed their net purchases of foreign securities, particularly as financial risks inherent in holding foreign securities mounted in the second half of the year. Foreigners continued to purchase U.S. securities other than U.S. Treasury

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

(Millions of dollars, quarters seasonally adjusted)

	1996	1997	1998 <sup>P</sup>	1998			
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>P</sup>
Balance on goods .....	-191,337	-197,954	-247,985	-56,033	-64,778	-64,899	-62,275
Balance on services .....	82,763	87,748	78,871	20,661	20,543	18,402	19,265
Balance on investment income .....	14,236	-5,318	-22,479	-2,218	-3,346	-9,165	-7,754
Direct, net .....	66,161	63,733	54,651	15,630	15,216	11,114	12,687
Other private, net .....	10,832	14,886	10,040	4,017	3,461	1,609	953
U.S. Government, net .....	-62,757	-83,937	-87,170	-21,865	-22,023	-21,888	-21,394
Unilateral transfers, net .....	-40,577	-39,691	-41,855	-9,428	-9,390	-10,032	-13,001
Balance on current account .....	-134,915	-155,215	-233,448	-47,018	-56,971	-65,694	-63,765

<sup>r</sup> Revised.

<sup>P</sup> Preliminary.

securities at a strong pace, but net purchases in the second half of the year were only one-half as much as in the first half.

- Even excluding two exceptionally large acquisitions, capital inflows for foreign direct investment in the United States were substantially higher, continuing the pattern of sizable increases in each of the last 6 years.

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

The U.S. dollar appreciated 3 percent on a trade-weighted basis against the currencies of 10 industrial countries in 1998. The dollar appreciated 1 percent against the European currencies, 8 percent against the Japanese yen, and 16–40 percent against the key currencies of developing countries in Asia (table B, chart 1).

Most of the dollar's appreciation against the European currencies came early in the first quarter. Thereafter, through early August, the dollar traded in a narrow range against the German mark and other continental European currencies, mainly because little change was expected in business conditions and monetary policies in either the United States or in Germany and the other major European economies. In Europe, agreement on the details of membership in the European Monetary Union (EMU) was proceeding approximately on schedule, and the expectation that interest rates in key EMU countries would converge to the level of German interest rates enhanced the stability between the dollar and the major European currencies. In the United States, continued expansion, low inflation, declining short-term interest rates, and no expected change in monetary policy were also seen as sources of stability. Partly as a result of these positive economic conditions, stock prices in both the United States and most European countries rose strongly.

In contrast, the economic situation in Japan deteriorated sharply. The Japanese economy continued to be burdened by weak domestic demand and by problems in the financial sector. Several plans announced by the Japanese Government failed to stimulate domestic demand, to restore the health of the financial sector, or to raise the value of the Japanese yen in exchange markets. On June 17, U.S. and Japanese authorities intervened in the exchange market to support the yen, but the yen's decline was only temporarily halted.

Also by June, there were renewed concerns that the continued sharp depreciation of the Japanese yen might make exports of other Asian countries less competitive than Japanese exports in

world markets. Moreover, there was apprehension that economic conditions in some Asian countries might deteriorate further, despite the implementation of IMF support programs for the Republic of Korea and for Thailand and the initiation of business and commercial reforms in some countries late in 1997 and early in 1998. Concerns also began to arise about the ability of Russia and some Asian and Latin American countries to make service payments on their external debt obligations and to overcome various internal political problems.

In mid-August, Russia declared a debt moratorium and a devaluation of the ruble. In the aftermath of these actions, there were heightened concerns about the extent of cross-border risk exposure, particularly to assets of emerging market countries. In these countries, asset prices declined sharply, which led to large-scale liquidations by highly leveraged investors in order to limit losses and to meet margin calls. The situation was exacerbated in late August when a large U.S. hedge fund incurred sizable losses and nearly failed, which also led to large-scale liquidations of assets by other highly leveraged investors. Meanwhile, Asian countries took measures to control currency instability. In Malaysia, currency controls were imposed and floating exchange rates were replaced by fixed rates. In Hong Kong, official intervention in equity markets 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.

By the end of the third quarter, these financial developments had a negative impact on the dollar, and the dollar was sold especially heavily against the Japanese yen as well as the European currencies. Some of the sales against the yen were probably related to the unwinding of speculative positions taken against the yen. These sales continued through early October when heightened concerns over cross-border risk exposure further unsettled financial markets; bid-ask spreads in the interbank market increased quickly and sharply, and the spread of emerging market debt over U.S. Treasury yields increased substantially. Partly to ease unsettled market conditions and counter the effects of weak economic conditions abroad, the U.S. Federal Reserve System lowered the federal funds target rate in three steps in late September through mid-November. In mid-October, Congress passed legislation authorizing additional funding to the International Monetary Fund (IMF), including its New Arrangements to

Borrow lending facility. Also by mid-October, concerns over emerging market countries' debts had intensified in Latin America, particularly in Brazil. In mid-November, the IMF approved an international rescue package for Brazil. In November and December, the dollar rebounded from recent lows against the European currencies, bolstered by renewed awareness of the strength of the U.S. economy and relatively high yields on U.S. bonds.

## Current Account

### Goods and services

The deficit on goods and services increased to \$169.1 billion in 1998 from \$110.2 billion in 1997. A record annual increase in the goods deficit was augmented by the first annual decline in the services surplus since 1985 (table D).

**Goods.**—The deficit on goods increased to \$248.0 billion in 1998 from \$198.0 billion in 1997. Imports increased, but by a smaller amount than in 1997, and exports fell for the first time since 1985.

Goods exports decreased \$8.3 billion, or 1 percent, in 1998 after increasing \$67.3 billion, or 11 percent, in 1997. Capital goods growth slowed sharply, and industrial supplies and materials shifted to a decrease, as a result of financial problems in Southeast Asia and Japan and of the concurrent, and not totally unrelated, slow-downs in growth in industrial countries (tables E and F).

Goods imports increased \$41.8 billion, or 5 percent, in 1998, down from an increase of \$74.0 billion, or 9 percent, in 1997. Petroleum imports decreased \$20.6 billion, or 29 percent, as a result of the sharp decline in oil prices, following a 1-percent decrease. Nonpetroleum imports increased \$62.4 billion, or 8 percent, following a 10-percent increase; their strength was maintained in large part by continued strong expansion in the U.S. economy.

**Table F.—Percent Changes in U.S. Trade in Goods, Current and Chained (1992) Dollars**

[Balance of payments basis]

	Current dollars			Chained (1992) dollars		
	1996	1997	1998 <sup>p</sup>	1996	1997	1998 <sup>p</sup>
<b>Exports</b> .....	<b>6.3</b>	<b>11.0</b>	<b>-1.2</b>	<b>10.1</b>	<b>15.1</b>	<b>2.1</b>
Agricultural products .....	7.4	-5.0	-9.1	-2.1	1.6	-1
Nonagricultural products .....	6.1	12.8	-5	11.5	16.6	2.3
Foods, feeds, and beverages .....	10.0	-7.2	-10.0	-1.4	0	-1.3
Industrial supplies and materials ...	1.1	7.0	-6.5	6.0	7.4	-1.3
Capital goods, except automotive ...	8.3	16.6	1.6	18.1	25.0	4.6
Automotive vehicles, parts, and engines .....	5.2	13.9	-1.8	4.0	12.9	-2.0
Consumer goods (nonfood), except automotive .....	8.9	10.4	2.7	7.4	9.6	2.7
Exports, n.e.c. ....	6.3	12.9	7.9	8.5	16.1	10.5
<b>Imports</b> .....	<b>7.2</b>	<b>9.2</b>	<b>4.8</b>	<b>10.3</b>	<b>14.1</b>	<b>11.3</b>
Petroleum and products .....	29.5	-1.3	-28.7	7.6	4.6	7.5
Nonpetroleum products .....	5.4	10.3	7.7	10.6	15.0	11.6
Foods, feeds, and beverages .....	7.6	11.2	3.9	10.0	10.2	7.0
Industrial supplies and materials ...	13.2	3.7	-6.5	7.3	5.9	9.6
Capital goods, except automotive ...	3.4	11.0	6.4	20.1	25.8	14.3
Automotive vehicles, parts, and engines .....	4.2	9.2	7.1	3.5	8.9	6.9
Consumer goods (nonfood), except automotive .....	6.9	12.8	11.7	6.5	14.1	13.2
Imports, n.e.c., and U.S. goods returned .....	11.1	11.2	17.0	10.8	11.8	17.6

<sup>p</sup> Preliminary.  
n.e.c. Not elsewhere classified.

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

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

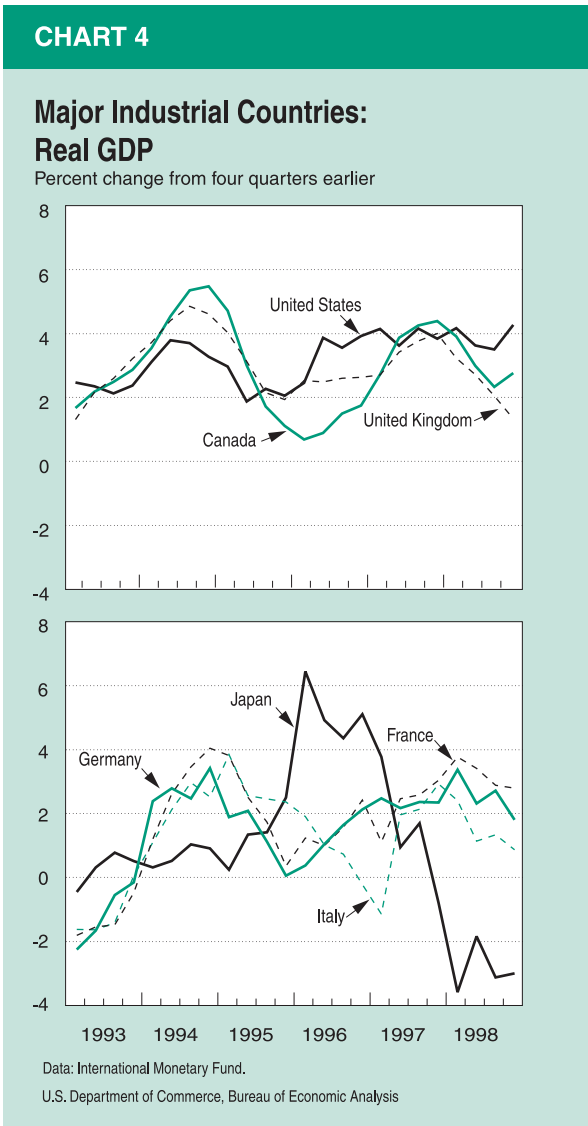
	Current dollars							Chained (1992) dollars <sup>1</sup>						
	1996	1997	1998 <sup>p</sup>	1998				1996	1997	1998 <sup>p</sup>	1998			
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
<b>Exports</b> .....	<b>611,983</b>	<b>679,325</b>	<b>671,055</b>	<b>171,190</b>	<b>164,543</b>	<b>163,414</b>	<b>171,908</b>	<b>622,868</b>	<b>716,928</b>	<b>731,846</b>	<b>184,472</b>	<b>178,657</b>	<b>179,182</b>	<b>189,535</b>
Agricultural products .....	61,487	58,425	53,080	14,154	13,064	12,301	13,561	48,482	49,256	49,199	12,774	11,952	11,496	12,977
Nonagricultural products .....	550,496	620,900	617,975	157,036	151,479	151,113	158,347	575,806	671,365	686,877	172,567	167,751	168,841	177,718
Foods, feeds, and beverages .....	55,533	51,507	46,379	12,505	11,269	10,645	11,960	43,899	43,912	43,361	11,431	10,463	10,033	11,434
Industrial supplies and materials .....	147,980	158,274	147,951	38,451	37,083	35,820	36,597	127,879	137,363	135,577	34,362	33,620	33,167	34,428
Capital goods, except automotive .....	253,143	295,288	299,975	75,146	71,746	74,453	78,630	310,860	388,648	406,674	100,867	96,954	101,435	107,418
Automotive vehicles, parts, and engines .....	65,021	74,029	72,697	19,526	18,152	16,426	18,593	62,384	70,435	69,037	18,561	17,255	15,614	17,607
Consumer goods (nonfood), except automotive .....	70,136	77,445	79,502	19,519	19,952	20,020	20,011	67,258	73,721	75,700	18,519	19,002	19,085	19,094
Exports, n.e.c. ....	20,170	22,782	24,571	6,043	6,341	6,053	6,134	19,463	22,597	24,964	6,079	6,405	6,180	6,300
<b>Imports</b> .....	<b>803,320</b>	<b>877,279</b>	<b>919,040</b>	<b>227,223</b>	<b>229,321</b>	<b>228,313</b>	<b>234,183</b>	<b>818,700</b>	<b>933,847</b>	<b>1,039,641</b>	<b>251,910</b>	<b>258,244</b>	<b>260,929</b>	<b>268,558</b>
Petroleum and products .....	72,743	71,771	51,173	13,714	13,472	12,290	11,697	63,815	66,729	71,758	17,057	18,608	18,316	17,777
Nonpetroleum products .....	730,577	805,508	867,867	213,509	215,849	216,023	222,486	753,586	866,288	967,164	234,883	239,566	242,450	250,265
Foods, feeds, and beverages .....	35,711	39,694	41,229	10,422	10,432	10,109	10,266	32,245	35,538	38,042	9,544	9,562	9,430	9,506
Industrial supplies and materials .....	209,469	217,304	203,272	51,505	51,667	51,005	49,095	189,354	200,597	219,942	53,098	55,259	56,484	55,101
Capital goods, except automotive .....	229,050	254,175	270,371	67,216	67,611	66,736	68,808	296,641	373,258	426,780	103,409	106,140	106,607	110,624
Automotive vehicles, parts, and engines .....	128,938	140,778	150,714	37,075	36,578	35,950	41,111	118,782	129,392	138,363	33,951	33,558	33,103	37,751
Consumer goods (nonfood), except automotive .....	171,115	193,042	215,671	52,332	54,383	54,303	54,653	165,422	188,770	213,763	51,559	53,898	54,033	54,273
Imports, n.e.c., and U.S. goods returned .....	29,037	32,286	37,783	8,673	8,650	10,210	10,250	26,955	30,134	35,438	8,159	8,077	9,596	9,606

<sup>r</sup> Revised.  
<sup>p</sup> Preliminary.  
1. Because chain indexes use weights of more than one period, the corresponding chained-dollar estimates are usually not additive.  
n.e.c. Not elsewhere classified.

U.S. exports fell in 1998, reflecting substantially slower expansion abroad in industrial countries, in Latin America, and in Asia. Economic expansion slowed sharply in Canada and the United Kingdom, slowed more moderately in the major countries of Western Europe, and was negative in Japan. Latin American and other Asian countries encountered slower growth and continuing financial problems (chart 4).

U.S. import growth slowed substantially in 1998; however, nonpetroleum imports slowed only moderately, as the U.S. economy continued to grow strongly. Growth in U.S. real gross domestic product (GDP) was 3.9 percent, following growth of 3.9 percent in 1997 and 3.4 percent in 1996.<sup>4</sup>

4. Changes in real GDP estimates are shown in table 8.1 on page D-24 in this issue.



Domestic prices of exports decreased in 1998; the largest declines were in capital goods (in computers, peripherals, and parts), in foods, and in industrial supplies and materials. Prices of capital goods excluding computers, automotive products, and consumer goods increased slightly (table G). However, prices increased somewhat for capital goods excluding computers, automotive products, and consumer goods when converted into foreign currencies, as depreciation of foreign currencies added to the slight increases in domestic prices; depreciation also offset some of the price declines in capital goods (in computers, peripherals, and parts), in foods, and in industrial supplies and materials (table H).

Dollar prices of most imports decreased or changed little. Prices of many capital goods, in-

**Table G.—Percent Changes in U.S. Goods Trade Chain-Weighted Price Indexes**  
[Based on index numbers (1992=100)]

	1996	1997	1998 <sup>P</sup>
<b>Exports</b> .....	-3.5	-3.6	-3.2
Agricultural products .....	9.8	-6.5	-9.0
Nonagricultural products .....	-4.8	-3.2	-2.7
Foods, feeds, and beverages .....	11.6	-7.3	-8.9
Industrial supplies and materials .....	-4.6	-4	-5.3
Capital goods, except automotive .....	-8.3	-6.6	-2.9
Computers, peripherals, and parts .....	-25.7	-23.1	-14.0
Civilian aircraft, engines, and parts .....	4.0	3.5	1.4
Other capital goods .....	-5.5	-4.1	-1.2
Automotive vehicles, parts, and engines .....	1.2	.8	.2
Consumer goods (nonfood), except automotive .....	1.4	.7	0
Exports, n.e.c. ....	-2.1	-2.7	-2.5
<b>Imports</b> .....	-2.9	-4.3	-5.9
Petroleum and products .....	20.4	-5.7	-33.7
Nonpetroleum products .....	-4.7	-4.1	-3.5
Foods, feeds, and beverages .....	-2.2	.9	-3.0
Industrial supplies and materials .....	5.6	-2.2	-14.7
Capital goods, except automotive .....	-13.8	-11.8	-6.9
Computers, peripherals, and parts .....	-19.7	-15.0	-16.6
Civilian aircraft, engines, and parts .....	4.3	3.9	1.6
Other capital goods .....	-12.8	-11.8	-3.6
Automotive vehicles, parts, and engines .....	.6	.2	.1
Consumer goods (nonfood), except automotive .....	.3	-1.2	-1.3
Imports, n.e.c., and U.S. goods returned .....	.2	-6	-5

<sup>P</sup> Preliminary.  
n.e.c. Not elsewhere classified.

**Table H.—Percent Changes in Foreign Currency Cost of U.S. Exports of Goods**  
[Based on index numbers (1992=100)]

	1996	1997	1998 <sup>P</sup>
<b>Exports</b> .....	-0.1	6.4	-0.6
Agricultural products .....	13.7	3.2	-6.6
Nonagricultural products .....	-1.4	6.7	-2
Foods, feeds, and beverages .....	15.6	2.3	-6.5
Industrial supplies and materials .....	-1.2	9.8	-2.8
Capital goods, except automotive .....	-5.0	3.0	-4
Computers, peripherals, and parts .....	-23.0	-15.2	-11.8
Civilian aircraft, engines, and parts .....	7.8	14.2	4.0
Other capital goods .....	-2.1	5.8	1.4
Automotive vehicles, parts, and engines .....	4.8	11.2	2.8
Consumer goods (nonfood), except automotive .....	5.0	11.1	2.6
Exports, n.e.c. ....	1.4	7.3	.1

<sup>P</sup> Preliminary.  
NOTE.—Chain-weighted price indexes multiplied by trade-weighted exchange rate index of the currencies of Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Sweden, Switzerland, and United Kingdom.  
n.e.c. Not elsewhere classified.



dustrial supplies and materials, and foods were all lower (table G).

**Exports.**—Nonagricultural exports decreased \$2.9 billion, or less than 1 percent, to \$618.0 billion in 1998, down sharply from a 13-percent increase in 1997. Quantities increased 2 percent after a 17-percent increase, and prices decreased 3 percent after a 3-percent decrease. In value, capital goods increased \$4.7 billion, down from a \$42.1 billion increase; nonagricultural industrial supplies and materials decreased \$9.5 billion after a \$9.7 billion increase; and automotive products decreased \$1.3 billion after a \$9.0 billion increase (chart 5).

Capital goods increased \$4.7 billion, or 2 percent, to \$300.0 billion in 1998, down sharply from an increase of \$42.1 billion, or 17 percent, in 1997. Civilian aircraft, engines, and parts more than accounted for the increase in 1998, despite the production problems of a major manufacturer in midsummer; deliveries increased \$12.2 billion in 1998, compared with an increase of \$10.6 billion in 1997. Higher deliveries of complete aircraft, particularly to Asia and Western Europe, accounted for two-thirds of the increase in 1998. Higher deliveries of engines and parts, mainly to Western Europe, accounted for the remaining one-third of the increase (table I).

Excluding civilian aircraft, engines, and parts, capital goods fell \$7.5 billion, or 3 percent, to \$246.4 billion in 1998; the decrease was attributable to weak demand, particularly from the troubled Asian economies, to earlier dollar appreciation, and to falling export prices. The decrease was led by high technology products; computers, peripherals, and parts decreased \$4.0 billion, mainly to Asia and Japan, and semiconductors decreased \$1.2 billion, more than accounted for by Japan and Western Europe. "Other" industrial, agricultural, and service machinery decreased \$2.9 billion. Industrial engines, pumps, and compressors decreased for the first time since 1986, and electric generating machinery, electric apparatus, and parts decreased for the first time since 1985.

Nonagricultural industrial supplies and materials decreased \$9.5 billion, or 6 percent, to \$138.2 billion in 1998, following a 7-percent increase in 1997. Energy products decreased \$3.4 billion, or 21 percent. Textile supplies and materials, chemicals, building materials, and metals and nonmetallic products each decreased more than \$1.5 billion. For nearly all categories, lower shipments to Asia, including Japan, accounted for most of the decrease (table J).

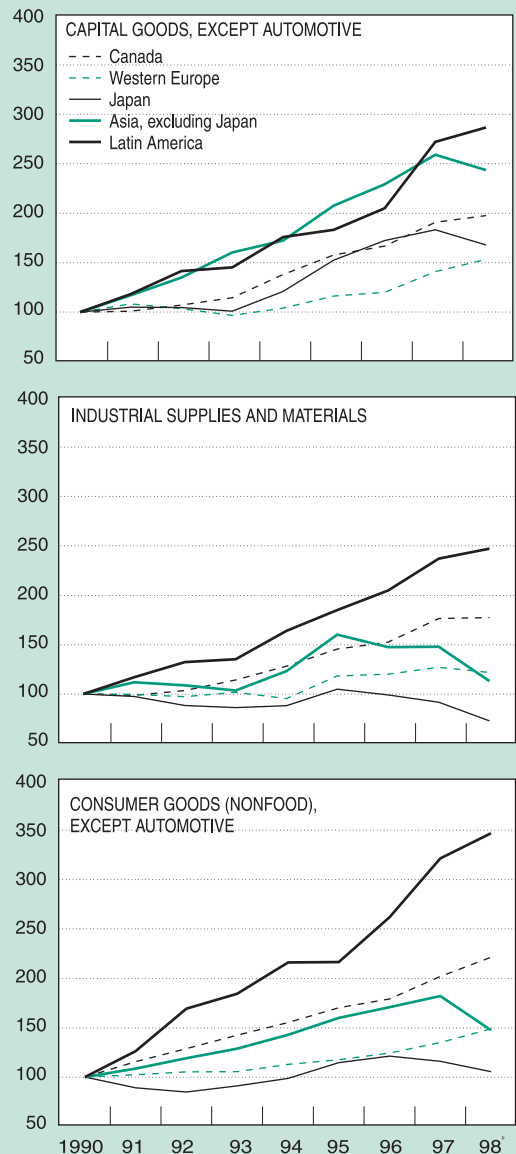
Automotive products decreased \$1.3 billion, or 2 percent, to \$72.7 billion in 1998, following a 14-percent increase in 1997. Complete automobiles accounted for two-thirds of the decrease, and parts and assemblies, for one-third. By area, the decrease was more than accounted for by shipments to Asia.

Consumer goods increased \$2.1 billion, or 3 percent, to \$79.5 billion in 1998, following a 10-percent increase. Nondurable goods increased

CHART 5

Growth in Exports by Selected Commodity Categories and Areas

1990=100



P Preliminary

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

\$1.3 billion, or 3 percent; gains to Mexico, Canada, and Western Europe more than offset declines to Japan and Korea. Increased exports of medicinal, dental, and pharmaceutical preparations more than accounted for the increase. Durable goods increased \$0.6 billion, or 2 percent; Canada, Mexico, and Switzerland were the leading destinations.

Agricultural products decreased \$5.3 billion, or 9 percent, to \$53.1 billion, following a 5-percent decrease in 1997. Quantities were unchanged, while prices fell 9 percent in 1998—the second consecutive year of large price declines. In value, nearly one-half of the decrease was in soybeans. The largest decreases were to Asia and Western Europe.

**Table I.—U.S. Trade in Capital Goods, Except Automotive**

[Balance of payments basis, millions of dollars]

	1993	1994	1995	1996	1997	1998 <sup>P</sup>
<b>Exports</b> .....	<b>182,096</b>	<b>205,248</b>	<b>233,778</b>	<b>253,143</b>	<b>295,288</b>	<b>299,975</b>
Computers, peripherals, and parts .....	29,317	33,320	39,654	43,719	49,360	45,319
Semiconductors .....	19,122	25,178	34,153	35,769	38,861	37,642
Telecommunications equipment .....	13,513	16,296	20,248	20,323	23,995	24,985
Scientific, hospital, and medical equipment and parts .....	10,569	11,523	13,073	14,747	16,114	15,815
Industrial, agricultural, and service industry machinery .....	28,422	31,922	37,088	40,097	45,540	42,678
Machine tools, metalworking equipment, and control instruments .....	10,650	12,320	14,259	15,606	18,275	18,789
Oil drilling, mining, and construction machinery .....	9,474	10,216	11,517	12,693	15,599	16,099
Industrial engines, pumps, and compressors .....	7,506	9,176	10,160	10,287	12,614	11,609
Electric generating machinery, electric apparatus, and parts .....	16,959	19,674	23,040	24,113	27,977	27,280
Civilian aircraft, engines, and parts .....	32,678	31,475	26,128	30,792	41,359	53,550
Other capital goods, n.e.c. ....	3,886	4,148	4,458	4,997	5,594	6,209
<b>Imports</b> .....	<b>152,305</b>	<b>184,369</b>	<b>221,429</b>	<b>229,050</b>	<b>254,175</b>	<b>270,371</b>
Computers, peripherals, and parts .....	38,026	46,160	56,277	61,514	70,175	72,510
Semiconductors .....	19,482	26,156	39,042	36,707	36,881	33,426
Telecommunications equipment .....	11,275	14,184	15,331	14,375	15,687	18,046
Scientific, hospital, and medical equipment and parts .....	5,746	5,908	6,669	7,208	8,153	9,584
Industrial, agricultural, and service industry machinery .....	26,149	31,852	36,707	37,672	41,265	44,386
Machine tools, metalworking equipment, and control instruments .....	8,040	9,804	12,245	13,462	14,973	16,161
Oil drilling, mining, and construction machinery .....	4,314	5,325	5,481	5,685	6,649	8,011
Industrial engines, pumps, and compressors .....	4,094	5,758	6,176	6,266	6,541	7,341
Electric generating machinery, electric apparatus, and parts .....	17,421	20,030	24,150	24,749	27,920	29,046
Civilian aircraft, engines, and parts .....	11,275	11,298	10,709	12,671	16,598	21,613
Other capital goods, n.e.c. ....	6,483	7,894	8,642	8,741	9,333	10,247

<sup>P</sup> Preliminary.  
n.e.c. Not elsewhere classified.

**Table J.—U.S. Trade in Industrial Supplies and Materials**

[Balance of payments basis, millions of dollars]

	1993	1994	1995	1996	1997	1998 <sup>P</sup>
<b>Nonagricultural exports</b> .....	<b>105,002</b>	<b>112,558</b>	<b>135,483</b>	<b>137,943</b>	<b>147,671</b>	<b>138,184</b>
Energy products .....	12,713	12,041	13,778	15,539	16,530	13,083
Chemicals, excluding medicinals .....	30,082	35,137	42,985	42,472	46,864	44,980
Paper and paper base stocks .....	8,483	10,104	14,487	12,483	12,785	12,136
Textile supplies and related materials .....	6,999	8,183	9,284	9,555	10,700	8,921
Building materials, except metals .....	8,751	8,839	9,061	9,261	9,482	7,981
Other nonmetals .....	10,750	11,900	13,410	15,262	16,654	17,991
Metals and nonmetallic products .....	27,224	26,354	32,478	33,371	34,656	33,092
Steelmaking materials and iron and steel products .....	5,443	5,789	8,574	7,564	8,177	7,330
Nonferrous metals .....	14,649	12,279	14,602	15,481	15,027	14,168
Other metals and nonmetallic products .....	7,132	8,286	9,302	10,326	11,452	11,594
<b>Nonagricultural imports</b> .....	<b>147,879</b>	<b>160,224</b>	<b>179,434</b>	<b>203,008</b>	<b>211,053</b>	<b>197,380</b>
Energy products .....	57,390	58,080	62,178	80,249	80,189	59,725
Chemicals, excluding medicinals .....	18,081	21,359	25,552	26,897	29,164	29,153
Paper and paper base stocks .....	8,320	8,931	12,879	10,872	10,676	11,224
Textile supplies and related materials .....	7,550	8,182	8,617	8,843	10,108	10,350
Building materials, except metals .....	10,556	12,684	12,819	15,035	16,822	17,906
Other nonmetals .....	10,330	11,047	12,503	13,352	14,147	14,615
Metals and nonmetallic products .....	35,652	39,941	44,886	47,760	49,947	54,407
Steelmaking materials and iron and steel products .....	13,591	18,377	19,133	20,265	21,163	24,459
Nonferrous metals .....	18,128	16,728	20,260	21,679	22,035	22,804
Other metals and nonmetallic products .....	3,933	4,836	5,493	5,816	6,749	7,144
<b>Memorandum:</b>						
Nonpetroleum imports .....	100,962	113,671	128,850	136,726	145,533	152,099

<sup>P</sup> Preliminary.

Soybeans decreased \$2.6 billion, or 34 percent; quantities decreased 18 percent, and prices, 16 percent. Record world production contributed to the slack demand for U.S. exports.

Corn decreased \$0.9 billion, or 16 percent, as prices declined 19 percent. Production in the United States was the second highest on record.

Wheat decreased \$0.5 billion, or 12 percent, as prices declined 18 percent. Decreases in value were largest to Pakistan, Japan, and the Philippines.

Meat products decreased \$0.5 billion, or 7 percent. Decreases were largest to Russia, Korea, and Japan.

*Imports.*—Nonpetroleum imports increased \$62.4 billion, or 8 percent, to \$867.9 billion in 1998, down from a 10-percent increase in 1997. Quantities increased 12 percent, down from a 15-percent increase, and prices decreased 4 percent in both 1998 and 1997. In value, increases slowed for capital goods, for nonpetroleum industrial supplies and materials, and for automotive products. In contrast, the increase in consumer goods picked up. Petroleum imports decreased \$20.6 billion, or 29 percent, to \$51.2 billion, following a 1-percent decrease (chart 6).

Capital goods increased \$16.2 billion, or 6 percent, to \$270.4 billion in 1998; this increase was not as strong as the 11-percent increase in 1997. The increase in 1998 was led by civilian aircraft, engines, and parts, which rose \$5.0 billion, or 30 percent, up from an increase of \$3.9 billion, or 31 percent, in 1997. Increases in engines and parts and in complete aircraft were predominantly from Western Europe. "Other" industrial, agricultural, and service industry machinery increased \$3.1 billion, the second year of strong growth. Computers, peripherals, and parts increased \$2.3 billion, or 3 percent, but not nearly as strongly as the \$8.7 billion, or 14-percent, increase in 1997. Telecommunications equipment increased \$2.4 billion, or 15 percent; the increase was led by stronger imports from Japan, Canada, and Western Europe. Scientific, hospital, and medical equipment increased \$1.4 million; oil drilling, mining, and construction machinery also increased \$1.4 billion; and electric generating machinery increased \$1.1 billion. These increases were partly offset by a decrease of \$3.5 billion in semiconductors (table I).

Nonpetroleum industrial supplies and materials increased \$6.6 billion, or 5 percent, to \$152.1 billion in 1998, following a 6-percent increase in 1997. Over half of the increase was attributable to metals and nonmetallic products, particularly to

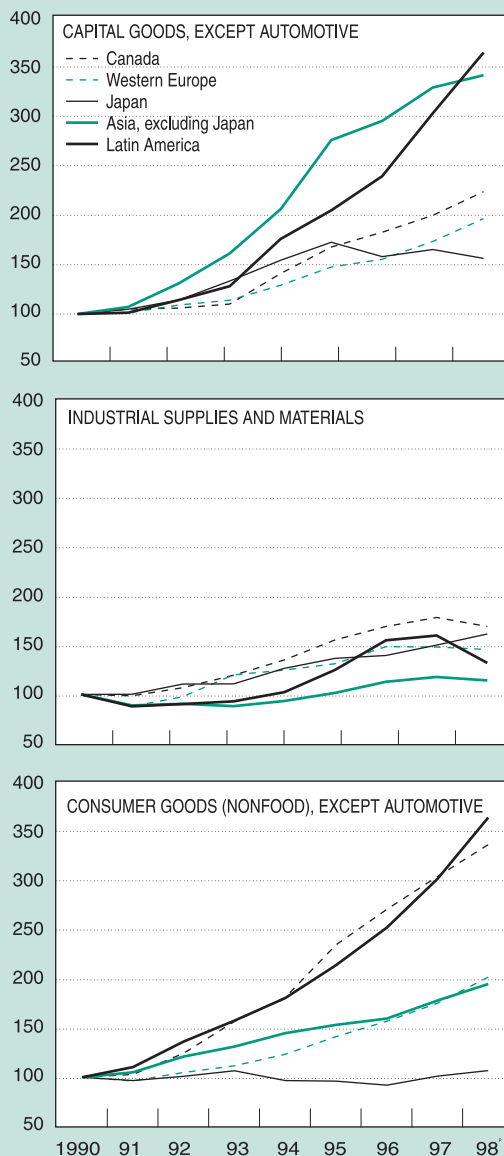
iron and steel products and to precious metals. Iron and steel products increased \$3.0 billion, or 17 percent, following a 5-percent increase in 1997. Precious metals increased \$1.2 billion, or 49 percent, following a 6-percent increase. The increase in building materials slowed sharply, and chemicals were unchanged after a large increase in the 1997 (table J).

Automotive products increased \$9.9 billion, or 7 percent, to \$150.7 billion in 1998, following

CHART 6

Growth in Imports by Selected Commodity Categories and Areas

1990=100



p Preliminary

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a 9-percent increase in 1997. The increase was mostly due to a 10-percent increase in passenger vehicles from Canada, Japan, Germany, and Mexico. The quantity of imported new passenger vehicles increased 8 percent, while their average price increased 4 percent. U.S. sales of passenger vehicles increased 4 percent after no change.

Consumer goods increased \$22.6 billion, or 12 percent, to \$215.7 billion in 1998, following a 13-percent increase in 1997. Durable goods, non-durable goods, and unmanufactured goods all increased. The increase in durable goods was mainly in home entertainment equipment and household goods; Mexico, China, and Japan were the leading suppliers. The increase in nondurable goods was mainly in medicinals from Ireland and Germany and apparel from Mexico and China. The increase in unmanufactured goods was in gem diamonds from Israel and India.

Petroleum imports decreased \$20.6 billion, or 29 percent, to \$51.2 billion in 1998, following a 1-percent decrease in 1997. The decrease in 1998 resulted from a sharp decline in prices to an average of \$12.32 per barrel from \$18.57 per barrel. Quantity increased 7 percent to 11.37 million barrels per day from 10.58 million barrels, following a 5-percent increase. OPEC's share of total petroleum imports decreased to 43 percent from 44 percent. In quantity, imports from Saudi Arabia increased 5 percent, and from Canada, 1 percent. Imports from Venezuela decreased 5 percent; from Mexico, 4 percent; and from Nigeria, 2 percent (chart 7).

U.S. consumption of petroleum and products increased 1 percent to 18.7 million barrels per day. Production decreased 2 percent to 9.4 million barrels per day, following a 1-percent decrease in 1997. Imports as a percent of consumption increased to 61 percent from 57 percent.

*Balances by area.*—The U.S. deficit in goods increased \$50.0 billion in 1998, following a \$6.6 billion increase in 1997. The sizable increase in 1998 reflected a decline in goods exports, which was attributable both to financial problems in Latin America and Asia and to a marked slowdown in growth in industrial countries, and an increase in imports, though at a somewhat slower pace than in 1997 (table K).

The deficit with Western Europe increased to \$34.4 billion from \$22.8 billion. Exports slowed to one-half their 1997 pace, particularly those of capital goods, while imports of capital goods, consumer goods, and automotive products exceeded their 1997 pace.

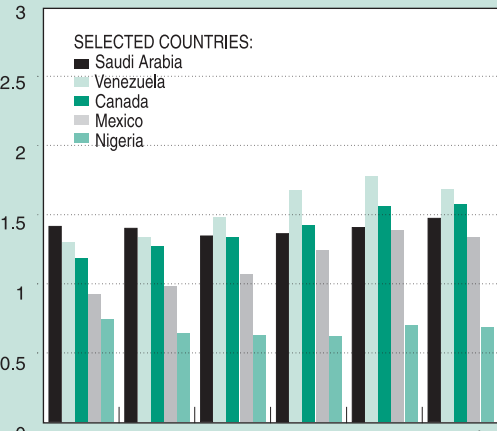
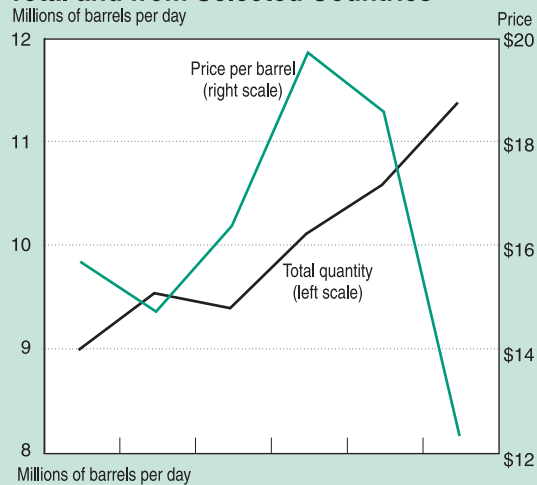
The deficit with Canada increased to \$20.8 billion from \$19.0 billion. Exports of nearly all major end-use commodity categories slowed sharply from their large increases in 1997. Imports in most major categories slowed somewhat, but imports of industrial supplies and materials, which included sharp reductions in petroleum, declined sharply.

The deficit with Latin America decreased to \$6.9 billion from \$8.1 billion. Exports slowed to nearly one-third their 1997 pace; a large share of the slowdown was concentrated in capital goods. Imports slowed to a little more than one-third their 1997 pace, largely because of reduced petroleum imports. Excluding petroleum, imports were maintained at about the same pace as in 1997, especially those of capital goods and consumer goods.

The deficit with Asia, excluding Japan, increased to \$121.5 billion from \$90.1 billion.

**CHART 7**

**U.S. Petroleum Imports and Price, Total and from Selected Countries**



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

Exports decreased \$18.9 billion, reflecting economic difficulties in Asia; the decrease was spread across all major commodity categories but was concentrated in industrial supplies and materials and in capital goods. Imports increased at about 60 percent of the 1997 pace; capital goods slowed sharply, while consumer goods slowed slightly.

The deficit with Japan increased to \$65.3 billion from \$57.1 billion. The decrease in exports accelerated, as industrial supplies and materials and capital goods fell; imports were nearly unchanged, though capital goods decreased sharply.

**Services.**—The surplus on services decreased to \$78.9 billion in 1998 from \$87.7 billion, the first annual decline since 1985. Services exports increased to \$260.4 billion from \$258.3 billion; the \$2.1 billion increase was down sharply from the \$19.5 billion increase in 1997 (table L). For the first time in many years, there were declines in travel, "other" transportation, passenger fares, and transfers under U.S. military sales contracts. These declines were partly offset by increases in "other" private services and in royalties and license fees. Services imports increased to \$181.5 billion from \$170.5 billion; the \$11.0 billion increase was somewhat less than the \$14.5 billion increase in 1997. Nearly all major

Table K.—U.S. Trade in Goods by Major End-Use Category for Selected Areas and Countries

(Balance of payments basis, millions of dollars)

	Canada			Western Europe			United Kingdom			Germany			Japan		
	1996	1997	1998 <sup>P</sup>	1996	1997	1998 <sup>P</sup>	1996	1997	1998 <sup>P</sup>	1996	1997	1998 <sup>P</sup>	1996	1997	1998 <sup>P</sup>
<b>Exports</b> .....	<b>134,516</b>	<b>152,047</b>	<b>156,540</b>	<b>138,339</b>	<b>152,962</b>	<b>159,555</b>	<b>30,238</b>	<b>35,912</b>	<b>37,880</b>	<b>22,965</b>	<b>24,202</b>	<b>26,384</b>	<b>65,969</b>	<b>64,600</b>	<b>56,637</b>
Agricultural products .....	6,984	8,072	8,300	10,523	10,441	8,960	1,239	1,312	1,252	1,501	1,319	1,222	11,690	10,560	9,181
Nonagricultural products .....	127,532	143,975	148,240	127,816	142,521	150,595	28,999	34,600	36,628	21,464	22,883	25,162	54,279	54,040	47,456
Foods, feeds, and beverages .....	6,819	7,809	8,051	8,652	8,095	6,863	1,050	1,108	1,082	1,225	1,038	912	12,401	10,960	9,325
Industrial supplies and materials .....	29,604	34,230	34,418	34,953	37,019	35,463	7,578	7,048	7,851	4,127	4,693	4,637	15,079	13,950	11,092
Capital goods, except automotive .....	43,166	49,398	51,119	63,557	74,638	81,269	16,062	20,889	21,618	12,073	12,542	14,902	24,795	26,357	24,155
Automotive vehicles, parts, and engines .....	35,137	39,764	39,522	6,659	7,314	8,104	919	1,122	1,424	2,182	2,195	2,407	4,605	3,930	3,312
Consumer goods (nonfood), except automotive .....	13,888	15,661	17,170	18,442	20,055	22,099	3,753	4,390	4,511	2,589	2,596	2,494	8,458	8,094	7,360
Exports, n.e.c. ....	5,902	5,185	6,260	6,076	5,841	5,757	876	1,355	1,394	769	1,138	1,032	631	1,309	1,393
<b>Imports</b> .....	<b>158,669</b>	<b>171,024</b>	<b>177,358</b>	<b>161,665</b>	<b>175,770</b>	<b>193,967</b>	<b>28,839</b>	<b>32,496</b>	<b>34,374</b>	<b>38,839</b>	<b>43,018</b>	<b>49,788</b>	<b>115,171</b>	<b>121,658</b>	<b>121,985</b>
Petroleum and products .....	12,194	12,012	8,542	6,908	6,165	4,535	2,893	2,135	1,551	166	185	217	53	113	96
Nonpetroleum products .....	146,475	159,012	168,816	154,757	169,605	189,432	25,946	30,361	32,823	38,673	42,833	49,571	115,118	121,545	121,889
Foods, feeds, and beverages .....	7,765	8,560	8,922	7,628	8,175	8,580	933	986	1,057	672	660	651	343	423	403
Industrial supplies and materials .....	60,420	63,655	60,415	41,698	41,590	40,882	7,071	6,721	6,412	7,593	7,958	8,181	11,871	12,765	13,725
Capital goods, except automotive .....	24,182	26,448	29,608	52,679	58,799	66,619	10,987	13,656	14,492	15,079	15,856	17,904	54,376	56,867	53,789
Automotive vehicles, parts, and engines .....	45,914	50,284	52,895	17,912	20,541	24,358	2,386	2,684	3,143	10,048	11,795	14,359	34,694	36,164	37,443
Consumer goods (nonfood), except automotive .....	9,974	11,197	12,389	33,837	37,796	43,503	5,613	6,251	6,935	3,894	4,954	6,480	11,783	12,961	13,680
Imports, n.e.c., and U.S. goods returned .....	10,414	10,880	13,129	7,911	8,869	10,025	1,849	2,198	2,335	1,553	1,795	2,213	2,104	2,478	2,945
<b>Balance</b> .....	<b>-24,153</b>	<b>-18,977</b>	<b>-20,818</b>	<b>-23,326</b>	<b>-22,808</b>	<b>-34,412</b>	<b>1,399</b>	<b>3,416</b>	<b>3,506</b>	<b>-15,874</b>	<b>-18,816</b>	<b>-23,404</b>	<b>-49,202</b>	<b>-57,058</b>	<b>-65,348</b>

	Latin America			Mexico			Asia, excluding Japan			Hong Kong, Republic of Korea, Singapore, Taiwan			China		
	1996	1997	1998 <sup>P</sup>	1996	1997	1998 <sup>P</sup>	1996	1997	1998 <sup>P</sup>	1996	1997	1998 <sup>P</sup>	1996	1997	1998 <sup>P</sup>
<b>Exports</b> .....	<b>100,250</b>	<b>124,314</b>	<b>131,452</b>	<b>56,740</b>	<b>71,152</b>	<b>78,674</b>	<b>135,399</b>	<b>144,777</b>	<b>125,912</b>	<b>73,322</b>	<b>76,376</b>	<b>61,427</b>	<b>11,938</b>	<b>12,723</b>	<b>13,984</b>
Agricultural products .....	9,122	8,961	10,017	5,461	5,225	6,209	16,312	14,458	11,238	8,624	7,476	5,725	2,096	1,605	1,339
Nonagricultural products .....	91,128	115,353	121,435	51,279	65,927	72,465	119,087	130,319	114,674	64,698	68,900	55,702	9,842	11,118	12,645
Foods, feeds, and beverages .....	7,664	7,256	7,941	4,581	4,298	4,957	13,400	11,684	9,172	7,340	6,193	4,651	1,324	1,001	1,118
Industrial supplies and materials .....	28,863	33,384	34,798	16,579	19,554	21,743	31,736	31,829	24,325	18,022	17,857	13,137	4,109	4,197	3,642
Capital goods, except automotive .....	36,751	48,750	51,379	18,594	24,943	27,467	70,557	79,741	74,979	39,434	41,775	36,220	5,741	6,575	8,526
Automotive vehicles, parts, and engines .....	10,923	15,175	15,393	8,284	11,573	11,991	5,334	5,494	3,941	1,955	2,306	1,286	181	392	188
Consumer goods (nonfood), except automotive .....	12,988	15,938	17,196	6,524	8,092	9,325	10,744	11,445	9,275	5,680	5,834	3,890	484	536	572
Exports, n.e.c. ....	3,061	3,811	4,745	2,178	2,692	3,191	3,628	4,584	4,220	891	2,411	2,243	99	22	-62
<b>Imports</b> .....	<b>117,448</b>	<b>132,425</b>	<b>138,335</b>	<b>75,080</b>	<b>86,661</b>	<b>95,482</b>	<b>212,825</b>	<b>234,887</b>	<b>247,429</b>	<b>82,722</b>	<b>86,138</b>	<b>85,935</b>	<b>51,511</b>	<b>62,555</b>	<b>71,162</b>
Petroleum and products .....	23,972	24,221	16,625	8,127	8,451	5,314	13,400	12,540	9,444	216	268	424	434	459	276
Nonpetroleum products .....	93,476	108,204	121,710	66,953	78,210	90,168	199,425	222,347	237,585	82,506	85,870	85,511	51,077	62,096	70,886
Foods, feeds, and beverages .....	11,337	12,896	13,014	4,221	4,620	5,192	6,210	6,879	7,267	667	711	688	662	737	772
Industrial supplies and materials .....	39,014	40,247	33,243	14,797	15,772	13,098	30,671	31,981	31,003	6,821	7,627	8,489	4,260	5,161	5,455
Capital goods, except automotive .....	17,004	21,536	25,900	15,596	19,758	23,096	78,558	87,578	90,858	48,449	50,882	48,451	8,741	11,531	14,083
Automotive vehicles, parts, and engines .....	24,500	27,418	29,591	23,345	25,937	28,031	5,493	5,688	5,831	3,566	3,708	3,610	750	787	942
Consumer goods (nonfood), except automotive .....	21,584	25,830	31,153	13,823	16,835	21,615	88,180	98,295	107,465	21,193	20,910	22,158	36,697	43,878	49,214
Imports, n.e.c., and U.S. goods returned .....	4,009	4,498	5,434	3,298	3,739	4,450	3,713	4,466	5,005	2,026	2,300	2,539	401	461	696
<b>Balance</b> .....	<b>-17,198</b>	<b>-8,111</b>	<b>-6,883</b>	<b>-18,340</b>	<b>-15,509</b>	<b>-16,808</b>	<b>-77,426</b>	<b>-90,110</b>	<b>-121,517</b>	<b>-9,400</b>	<b>-9,762</b>	<b>-24,508</b>	<b>-39,573</b>	<b>-49,832</b>	<b>-57,178</b>

<sup>P</sup> Preliminary.  
n.e.c. Not elsewhere classified.

categories increased at a slower pace in 1998 than in 1997.

Foreign visitors spent \$71.1 billion for travel in the United States in 1998, a decrease of 3 percent. Receipts from overseas (excluding Canada and Mexico) were \$61.2 billion, down 3 percent, mostly as a result of a 2-percent decline in the number of visitors. Visitors from Asia including Japan decreased 14 percent, and visitors from Japan decreased 8 percent, reflecting poor economic conditions in the region. These substantial declines were partly offset by an increase of 2 percent in the number of visitors from Western Europe, but this increase was only about one-third of that in 1997. Receipts from Canada were \$6.1 billion, down 10 percent; both the number of travelers and their average expenditures decreased, largely as a result of a 7-percent depreciation in the value of the Canadian dollar against the U.S. dollar. Receipts from Mexico were \$3.8 billion, an increase of 11 percent.

U.S. residents spent \$53.7 billion for travel abroad in 1998, an increase of 5 percent. Expenditures overseas (excluding Canada and Mexico) increased 4 percent to \$41.4 billion. The number of travelers increased 7 percent; growth in travel-

ers to Western Europe remained strong, but not as strong as in 1997, while growth in travelers to Asia slowed sharply. Expenditures in Canada increased 16 percent to \$5.7 billion; the number of travelers increased 8 percent, partly the result of a 7-percent appreciation of the U.S. dollar against the Canadian dollar. Expenditures in Mexico increased 3 percent to \$6.6 billion.

Passenger fare exports decreased 4 percent to \$20.1 billion, and passenger fare imports increased 3 percent to \$18.9 billion.

“Other” transportation exports were \$25.8 billion, down 4 percent in 1998, following a 3-percent increase in 1997. Depressed export volumes lowered freight receipts and port expenditure receipts from all major areas of the world, but the falloff in receipts was particularly large from Japan and Other Asia, which faced recessions and other financial problems. Approximately two-thirds of the decline in exports was attributable to Japan and Other Asia. The slump in export volumes also led to a sharp drop in freight rates, particularly on tramp shipments.

“Other” transportation imports were \$30.3 billion, up 5 percent in 1998, following a 6-percent increase in 1997. Although freight payments from

Table L.—Services

[Millions of dollars, quarters seasonally adjusted]

	1996	1997	1998 <sup>P</sup>	1998			
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>P</sup>
<b>Exports</b> .....	<b>238,792</b>	<b>258,268</b>	<b>260,385</b>	<b>65,004</b>	<b>65,697</b>	<b>63,943</b>	<b>65,741</b>
Travel .....	69,751	73,268	71,116	17,935	18,109	16,930	18,142
Passenger fares .....	20,413	20,895	20,137	5,176	5,202	4,790	4,969
Other transportation .....	26,074	26,911	25,787	6,459	6,291	6,333	6,703
Royalties and license fees .....	32,823	33,676	35,063	8,660	8,893	8,569	8,940
Other private services .....	73,073	84,465	90,729	21,907	22,917	23,142	22,765
Affiliated services .....	23,779	26,336	27,600	6,647	6,879	7,195	6,880
Unaffiliated services .....	49,295	58,128	63,129	15,260	16,038	15,947	15,885
Education .....	7,888	8,278	8,451	2,101	2,097	2,157	2,096
Financial .....	8,382	11,064	13,212	2,891	3,617	3,380	3,324
Insurance .....	1,971	2,391	2,594	629	642	656	669
Telecommunications .....	3,270	3,771	3,744	969	940	914	921
Business, professional, and technical .....	17,599	21,304	23,010	5,669	5,755	5,793	5,793
Other .....	10,185	11,321	12,117	3,001	2,987	3,047	3,083
Military transactions <sup>1</sup> .....	15,765	18,269	16,765	4,672	4,088	3,982	4,023
U.S. Government receipts .....	893	784	788	195	197	197	199
<b>Imports</b> .....	<b>156,029</b>	<b>170,520</b>	<b>181,514</b>	<b>44,343</b>	<b>45,154</b>	<b>45,541</b>	<b>46,476</b>
Travel .....	48,048	51,220	53,728	13,282	13,438	13,324	13,684
Passenger fares .....	15,818	18,235	18,851	4,638	4,745	4,688	4,780
Other transportation .....	27,403	28,949	30,285	7,249	7,429	7,635	7,971
Royalties and license fees .....	7,854	9,411	10,654	2,847	2,756	2,517	2,535
Other private services .....	43,138	48,421	52,470	12,478	13,035	13,514	13,443
Affiliated services .....	16,668	18,324	19,689	4,426	4,832	5,289	5,142
Unaffiliated services .....	26,469	30,098	32,781	8,052	8,203	8,225	8,301
Education .....	1,247	1,347	1,474	349	365	378	382
Financial .....	2,995	3,906	4,037	999	1,069	1,007	962
Insurance .....	3,773	5,208	5,826	1,477	1,471	1,451	1,427
Telecommunications .....	8,304	8,113	8,438	2,121	2,103	2,088	2,127
Business, professional, and technical .....	5,550	6,571	7,753	1,832	1,905	1,973	2,043
Other .....	4,600	4,952	5,252	1,274	1,290	1,328	1,360
Direct defense expenditures <sup>2</sup> .....	11,081	11,488	12,693	3,145	3,045	3,153	3,350
U.S. Government payments .....	2,687	2,796	2,833	704	706	710	713

<sup>r</sup> Revised.

<sup>P</sup> Preliminary.

1. Consists of goods and services transferred under U.S. military agency sales contracts that

cannot be separately identified.

2. Consists of imports of goods and services by U.S. defense agencies that cannot be separately identified.

nearly all major geographic areas increased, the increases were particularly strong from Western Europe and Asia excluding Japan; a decrease from Japan prevented larger gains. The increase was greatest on ocean volumes, but air volumes also increased. Port services payments decreased, partly reflecting lower payments to Asian ports as a result of lower exports to that region and partly reflecting lower fuel prices.

“Other” private service exports were \$90.7 billion in 1998, up from \$84.5 billion in 1997. Affiliated services (transactions between affiliated companies) grew less than in 1997. Among unaffiliated services, business, professional, and technical services grew less, and financial services slowed, as greatly reduced foreign activity in U.S. financial markets in the second half of the year more than offset strong foreign activity in U.S. markets in the first half.

“Other” private service imports were \$52.5 billion in 1998, up from \$48.4 billion in 1997. Affiliated services (transactions between affiliated companies) grew less than in 1997. Among unaffiliated services, business, professional, and technical services increased the most. The increase in financial services was much less in 1998 than in 1997, as activity in foreign financial markets was greatly reduced by the turmoil in world financial markets that was created by the financial problems and slower growth in Asian and Latin American countries.

Transfers under U.S. military agency sales contracts were \$16.8 billion in 1998, down from \$18.3 billion in 1997. Deliveries of military aircraft to South Korea, Taiwan, and Malaysia were down.

Direct defense expenditures abroad were \$12.7 billion 1998, up from \$11.5 billion in 1997. Increased activity in the Persian Gulf in response to tensions with Iraq accounted for some of the increase.

### Investment income

The deficit on investment income increased to \$22.5 billion in 1998 from \$5.3 billion in 1997 (table D). For receipts, growth slowed abruptly, as U.S. direct investment receipts fell for the first time since 1992 and as “other” private receipts were up substantially less than in 1997. U.S. Government receipts were virtually unchanged. For payments, “other” private payments increased strongly again in 1998, U.S. Government payments increased much less than in 1997, and foreign direct investment payments changed little.

*Direct investment income.*—Receipts of income on U.S. direct investment abroad were \$100.4 billion in 1998, down from \$109.4 billion in 1997 (table M, chart 8).

Manufacturing earnings slowed sharply, reflecting a broad-based slowdown in economic growth in Western Europe and Canada and a recession in Japan. Manufacturing earnings were also held down by financial problems in Asia and Latin America, particularly in Brazil. Petroleum earnings fell substantially as a result of sizable declines in petroleum prices in world markets; earnings of petroleum affiliates in Canada, Western Europe, and Latin America were all down. “Other” earnings increased slightly. Despite sizable losses by

**Table M.—Direct Investment Income and Capital**

[Millions of dollars, quarters seasonally adjusted]

	1996	1997	1998 <sup>P</sup>	1998			
				I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>P</sup>
<b>Income</b>							
Income receipts on U.S. direct investment abroad .....	99,802	109,407	100,447	26,426	25,883	22,808	25,329
Distributed earnings .....	43,046	42,726	36,036	10,149	7,987	10,184	7,714
Reinvested earnings .....	54,584	64,310	61,232	15,613	17,114	11,745	16,759
Interest, net, .....	2,172	2,371	3,179	664	782	879	856
Income payments on foreign direct investment in the United States .....	-33,641	-45,674	-45,796	-10,796	-10,667	-11,694	-12,642
Distributed earnings .....	-13,564	-13,606	-14,351	-3,146	-4,141	-3,416	-3,648
Reinvested earnings .....	-11,213	-22,524	-19,555	-5,002	-3,445	-5,148	-5,961
Interest, net .....	-8,864	-9,545	-11,892	-2,648	-3,081	-3,130	-3,033
<b>Capital</b>							
U.S. direct investment abroad (increase/capital outflow (-)) .....	-81,072	-121,843	-131,933	-34,698	-40,966	-23,283	-32,983
Equity capital .....	-25,048	-45,705	-58,249	-13,136	-19,414	-12,387	-13,312
Reinvested earnings .....	-54,584	-64,310	-61,232	-15,613	-17,114	-11,745	-16,759
Intercompany debt .....	-1,439	-11,828	-12,450	-5,949	-4,438	849	-2,912
Foreign direct investment in the United States (increase/capital inflow (+)) .....	77,622	93,449	196,229	26,039	19,249	30,341	120,600
Equity capital .....	55,383	46,481	156,812	12,512	9,693	24,898	109,709
Reinvested earnings .....	11,214	22,524	19,555	5,002	3,445	5,148	5,961
Intercompany debt .....	11,026	24,444	19,861	8,525	6,111	295	4,930

<sup>r</sup> Revised.

<sup>P</sup> Preliminary.

finance affiliates in the financial turmoil of the third quarter, earnings of finance affiliates (except banking) recovered in the fourth quarter and ended the year unchanged.

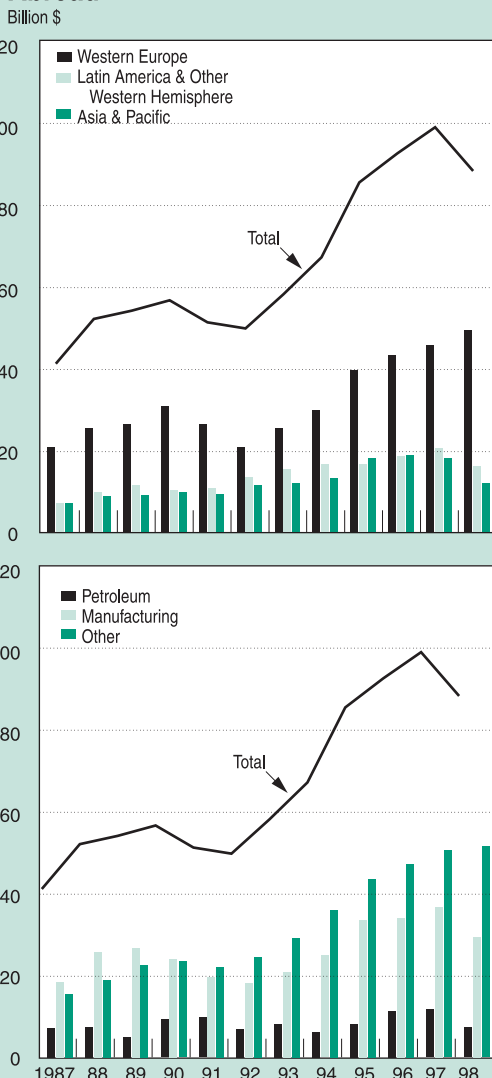
Payments of income on foreign direct investment in the United States were \$45.8 billion in 1998, little changed from \$45.7 billion in 1997 (table M, chart 9). Earnings of petroleum affiliates were less than half those in 1997, as petroleum prices fell sharply in world markets and refining margins were smaller. Earnings of manufacturing affiliates were only slightly higher than those in 1997, in contrast to much larger annual increases

in most recent years; a sizable decrease in chemical earnings offset much of the rise in earnings of other manufacturing affiliates. Earnings of "other" affiliates were down and included a sizable decrease for finance affiliates—particularly those of European parents.

*"Other" private and U.S. Government income.*—Receipts of income on "other" private investment increased to \$138.6 billion in 1998, up from \$128.8 billion in 1997 (table N, chart 10). Bank and nonbank receipts accounted for much of the increase, mostly as a result of higher claims outstanding. For bonds, higher outstandings were partly offset by declining interest rates; for stocks, dividends fell for the first time since 1982, as a result of a decline in dividend rates that more than offset an increase in outstandings.

**CHART 8**

**Earnings on U.S. Direct Investment Abroad**

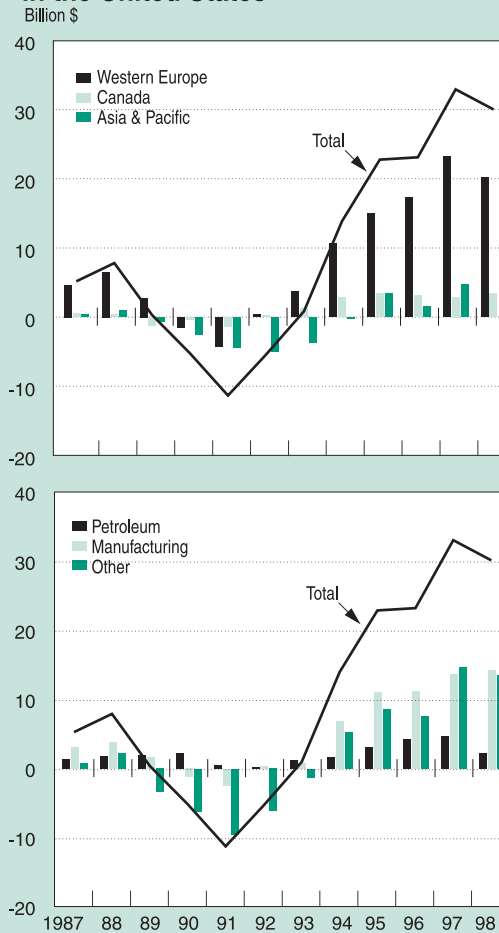


NOTE.—To be consistent with earnings by area and by industry, total earnings are shown in this chart without the current-cost adjustment and after deduction of withholding taxes, the only basis on which area and industry data are available.

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

**CHART 9**

**Earnings on Foreign Direct Investment in the United States**



NOTE.—To be consistent with earnings by area and by industry, total earnings are shown in this chart without the current-cost adjustment and after deduction of withholding taxes, the only basis on which area and industry data are available.

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



U.S. Government income receipts were virtually unchanged at \$3.6 billion in 1998.

Payments of income on "other" private investment increased to \$128.6 billion in 1998 from \$114.0 billion in 1997. Payments of income in all major categories—banks, nonbanks, stocks, and bonds—increased, as increases in amounts outstanding more than offset declines in interest rates and dividend rates (table N, chart 10).

Payments of income on U.S. Government liabilities increased to \$90.7 billion in 1998 from \$87.5 billion in 1997, as liabilities outstanding increased and interest rates decreased (table O).

### Unilateral transfers

Net unilateral transfers were \$41.9 billion in 1998, compared with \$39.7 billion in 1997 (table O). Most of the increase was attributable to an increase in private remittances and other transfers, mainly from an increase in institutional remittances. U.S. Government grants were only slightly higher for the year and included the

**Table N.—Other Private Income**  
[Billions of dollars]

	1996	1997	1998 <sup>P</sup>
<b>Receipts</b> .....	<b>108.7</b>	<b>128.8</b>	<b>138.6</b>
Dividends .....	20.7	25.3	24.2
Interest on bonds .....	26.7	28.0	29.8
Interest on bank claims .....	30.3	37.6	40.8
Interest on other claims <sup>1</sup> .....	31.1	37.9	43.8
<b>Payments</b> .....	<b>97.9</b>	<b>114.0</b>	<b>128.6</b>
Dividends .....	13.1	14.1	15.6
Interest on bonds .....	25.1	30.1	33.4
Interest on bank liabilities .....	39.5	44.7	48.1
Interest on other liabilities <sup>1</sup> .....	20.1	25.0	31.5

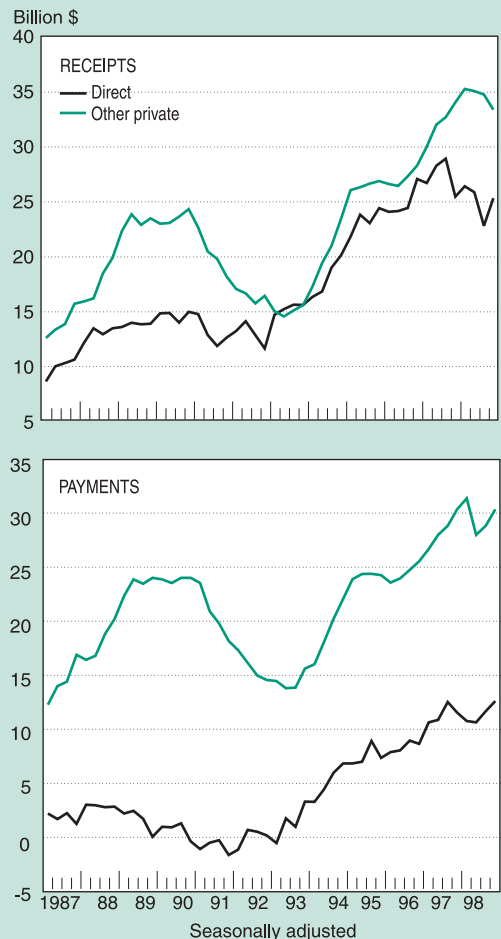
<sup>P</sup> Preliminary.

<sup>1</sup> Primarily income of business concerns other than banks.

NOTE.—Excludes direct investment income receipts and payments.

**CHART 10**

### Private Investment Income



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

**Table O.—Selected U.S. Government Transactions**

[Millions of dollars]

	1996	1997	1998 <sup>P</sup>	1998			
				I	II	III <sup>r</sup>	IV <sup>P</sup>
U.S. Government grants .....	-15,023	-12,090	-12,492	-2,266	-2,063	-2,663	-5,500
For debt forgiveness .....		-179	-22	-5	(*)	-17	
Other disbursements .....	-15,023	-11,911	-12,470	-2,261	-2,063	-2,646	-5,500
U.S. Government credits and other long-term assets .....	-5,011	-5,302	-4,761	-1,189	-1,159	-1,285	-1,128
For debt rescheduling .....	-938	-1,183	-586	-192	-38	-305	-51
Other disbursements .....	-4,073	-4,118	-4,174	-997	-1,121	-979	-1,077
Repayments of U.S. Government credits and other long-term assets .....	4,197	5,504	4,211	1,177	722	1,321	991
From debt rescheduling .....	435	941	523	188	33	276	28
From debt forgiveness .....		139	19	5		14	
Other repayments .....	3,761	4,424	3,670	985	690	1,031	963
U.S. Government receipts of income .....	4,661	3,535	3,568	923	766	1,005	874
From debt rescheduling .....	150	180	53	1	1	29	23
From debt forgiveness .....		43	3	1	(*)	3	
Other receipts .....	4,510	3,313	3,511	922	765	974	851
U.S. Government payments of income .....	-67,418	-87,472	-90,738	-22,683	-22,960	-22,777	-22,318

<sup>P</sup> Preliminary.

<sup>r</sup> Revised.

\* Less than \$500,000 (±).

annual assistance extended to Israel under the Sinai Peace Accords.

## Capital Account

Net recorded capital inflows—that is, the difference between changes in net U.S. assets abroad and in net foreign assets in the United States—were \$236.9 billion in 1998, compared with \$254.9 billion in 1997. The step-down in the increase in foreign assets in the United States was larger than the step-down in the increase in U.S. assets abroad.

### U.S. assets abroad

U.S. assets abroad increased \$305.4 billion in 1998, compared with \$478.5 billion in 1997. The increase in U.S. claims reported by U.S. banks was substantially lower than in 1997.

*U.S. official reserve assets.*—U.S. official reserve assets increased \$6.8 billion in 1998, compared with an increase of \$1.0 billion in 1997. The increase in 1998 was mostly attributable to a \$5.1 billion increase in the U.S. reserve position in the International Monetary Fund (IMF), reflecting the IMF's extension of credit to Indonesia, the Republic of Korea, the Philippines, Thailand, Russia, and Brazil in response to weakened financial conditions in these countries. A \$1.5 billion increase in foreign currencies included \$0.8 billion in U.S. intervention purchases of Japanese

yen in mid-June as part of a coordinated intervention effort with Japanese monetary authorities to support the Japanese currency (table C).

*Claims reported by U.S. banks.*—Claims on foreigners reported by U.S. banks dropped sharply to an increase of \$31.0 billion in 1998 from an increase of \$147.4 billion in 1997 (tables P and Q). U.S.-owned banks and securities dealers provided far fewer funds to the Eurodollar interbank market and to mutual funds in the Caribbean than in 1997. Foreign-owned banks also provided fewer funds to foreigners, but the drawback was not as large. Key factors reducing the flow of funds were lower foreign demand for funds throughout the year and a reassessment by U.S. banks and securities dealers of their cross-border risk exposure, in response to unsettled conditions in global financial markets late in the third quarter and in the fourth quarter.

Banks' own claims payable in dollars increased \$18.1 billion, down sharply from an increase of \$108.3 billion. In the first quarter, claims decreased, reflecting a reversal from the huge expansion in interbank activity in the fourth quarter of 1997, when financial problems in Asia first intensified and U.S.-owned banks borrowed to meet heavy demand for credit in the Eurodollar market. In the second quarter, interbank lending by foreign-owned banks was strong. Claims, particularly on Western Europe, were also boosted substantially by the transfer of claims by recently merged banks to U.S. domestic offices from foreign offices. These transactions

Table P.—Private Capital Flows, Net

[Billions of dollars]

Claims (increase/capital outflow (-)); liabilities (increase/capital inflow (+))	1996	1997	1998 <sup>P</sup>	1998			
				I	II	III <sup>r</sup>	IV <sup>P</sup>
<b>Private capital flows</b> .....	<b>61.3</b>	<b>240.0</b>	<b>267.0</b>	<b>36.0</b>	<b>66.9</b>	<b>87.0</b>	<b>77.0</b>
Bank-reported capital, net <sup>1</sup> .....	-75.1	.7	11.6	-47.4	13.1	45.0	.9
U.S. claims .....	-91.6	-147.4	-31.0	3.1	-24.6	-32.0	22.5
U.S. liabilities <sup>1</sup> .....	16.5	148.1	42.6	-50.5	37.7	77.0	-21.6
Securities, net .....	169.4	255.5	176.0	68.3	70.0	35.7	1.9
Net U.S. purchases of foreign securities .....	-115.8	-88.0	-89.4	-7.0	-27.9	17.1	-71.6
Stocks .....	-60.0	-41.3	-75.9	-3.4	-1.0	8.3	-79.8
Bonds .....	-55.8	-46.7	-13.5	-3.6	-26.9	8.8	8.2
Net foreign purchases of U.S. securities .....	285.2	343.5	265.4	75.3	97.9	18.6	73.5
U.S. Treasury securities .....	155.0	146.7	48.1	-1.7	26.9	-1.4	24.3
Other than U.S. Treasury securities .....	130.2	196.8	217.3	77.0	71.0	20.0	49.2
Stocks .....	11.3	66.0	46.2	29.3	14.1	-5.5	8.3
Bonds .....	118.9	130.8	171.0	47.7	56.9	25.5	40.9
U.S. currency flows, net .....	17.4	24.8	16.6	.7	2.3	7.3	6.3
Direct investment, net .....	-3.5	-28.4	64.4	-11.7	-22.2	7.4	90.9
U.S. direct investment abroad .....	-81.1	-121.8	-131.9	-37.3	-41.9	-24.0	-28.7
Foreign direct investment in the United States .....	77.6	93.4	196.3	25.6	19.7	31.4	119.6
Nonbank-reported capital, net .....	-46.9	-12.6	-1.6	26.1	3.7	-8.4	-23.0
U.S. claims .....	-86.3	-120.4	-45.4	-6.6	-14.3	-20.3	-4.2
U.S. liabilities .....	39.4	107.8	43.8	32.7	18.0	11.9	-18.8

<sup>r</sup> Revised.

<sup>P</sup> Preliminary.

1. Liabilities exclude U.S. Treasury securities.

continued in the third quarter as well. In the third quarter, there were partly offsetting movements. Foreign-owned banks in the United States sharply increased their lending, mostly to home offices in August and September, when demand for bank credit abroad accelerated. This 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, mainly in response to problems associated with the near failure of a large U.S. hedge fund. In the fourth quarter, foreign-owned banks repaid some of the debt that was acquired in the third quarter, particularly in view of heightened concerns over risk exposure. U.S.-owned banks withdrew outstanding loans and extended few new loans, except for credits to their own foreign offices abroad to meet yearend bookkeeping needs.

Banks' own claims payable in foreign currencies decreased \$12.2 billion in 1998, compared with an increase of \$20.7 billion in 1997. In 1998, foreign currency claims were reduced by large repayments from Japan in the first half of the year.

Banks' domestic customers' claims increased \$25.1 billion in 1998, compared with an increase of \$18.4 billion in 1997. In 1998, a rebooking of foreign currencies late in the year accounted for most of the increase in customers' claims.

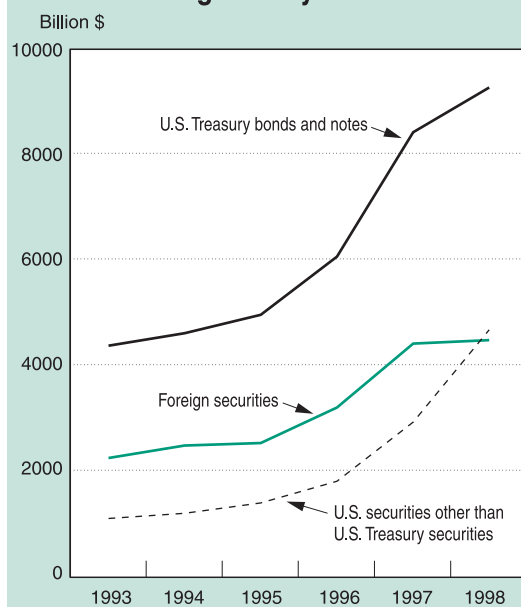
**Foreign securities.**—Net U.S. purchases of foreign securities were \$89.4 billion, up from \$88.0 billion in 1997. Excluding the effect of two extraordinarily large acquisitions in the fourth quarter that boosted U.S. purchases of foreign stocks, net U.S.

purchases of foreign securities were \$3.8 billion in 1998, down sharply from \$88.0 billion in 1997; stocks shifted to net sales of \$9.6 billion from net purchases of \$41.3 billion, and net purchases of bonds slowed to \$13.4 billion from \$46.7 billion. (The acquisitions are recorded in table 1, line 57, "Foreign direct investment," and the offsets are recorded in line 45, "Foreign securities," and in line 60, "U.S. securities other than U.S. Treasury securities") (table P, charts 11 and 14).

European and Canadian stock prices rose substantially until midyear, mostly as investors

CHART 11

## Gross Trading Activity



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

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

[Billions of dollars]

	1996	1997	1998 <sup>a</sup>	1998			
				I	II	III <sup>r</sup>	IV <sup>p</sup>
<b>Claims on foreigners reported by U.S. banks (increase/capital outflow (-))</b> .....	<b>-91.6</b>	<b>-147.4</b>	<b>-31.0</b>	<b>3.1</b>	<b>-24.6</b>	<b>-32.0</b>	<b>22.5</b>
Banks' claims for own accounts, payable in dollars:							
Own foreign offices .....	-34.1	-90.1	-44.3	29.3	-32.8	-40.4	-4
Unaffiliated banks .....	-12.1	4.5	4.0	1.4	.3	-1.1	3.4
Public borrowers and other foreigners .....	-21.4	-22.7	22.3	-10.1	-7.8	11.9	28.2
Banks' claims for domestic customers' accounts, payable in dollars .....	-25.0	-20.9	-3.4	-17.7	1.3	-4.1	17.1
Claims payable in foreign currencies .....	1.0	-18.2	-9.6	.2	14.4	1.7	-25.8
<b>Liabilities to foreigners reported by U.S. banks (excluding U.S. Treasury securities) (increase/capital inflow (+))<sup>1</sup></b> .....	<b>16.5</b>	<b>148.1</b>	<b>42.6</b>	<b>-50.5</b>	<b>37.7</b>	<b>77.0</b>	<b>-21.6</b>
Banks' liabilities for own accounts, payable in dollars:							
Own foreign offices .....	5.3	83.4	78.8	-45.2	38.6	65.7	19.7
Unaffiliated banks .....	-10.2	-3.8	-43.6	-12.0	9.4	-10.7	-30.3
Other private foreigners and international financial institutions .....	14.5	22.4	-10.5	15.8	-5.4	-5.6	-15.3
Banks' custody liabilities, payable in dollars .....	10.0	26.4	37.2	7.3	5.1	24.7	.1
Liabilities payable in foreign currencies .....	-3.1	19.7	-19.3	-16.4	-10.0	2.9	4.2

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

1. Excludes liabilities to foreign official agencies.

became more confident in an environment of low inflation, of low interest rates, of continued—though slowing—economic growth, and of anticipation of the European Monetary Union. Then, partly in response to concerns of a potential global economic slowdown arising from developments in Russia, Asia, and Latin America, European and Canadian stock prices fell sharply in the third quarter, before rebounding strongly in the fourth. On average, European stock prices gained 26 percent from yearend 1997 to yearend 1998. However, stock prices in most Asian markets, including Japan, and in Latin America continued to decline; on average, Japanese stock prices declined 10 percent, Asian emerging market prices declined 8 percent, and Latin American prices declined 38 percent (chart 12). Foreign bond prices rose throughout the year, rising an average of 2 percentage points for the year; foreign bond markets were particularly unsettled in August.

U.S. institutional investors reduced their holdings of foreign securities in 1998. The share of pension fund assets invested abroad declined to 14 percent in 1998 from 18 percent in 1997. The decline in value reflected larger market price depreciation of foreign equities than of U.S. equities and modest sales of riskier emerging market securities. The decline in foreign equity holdings was partly offset by a small shift to purchases

of less risky foreign bonds. The share of mutual fund assets invested abroad decreased to 5 percent in 1998 from 15 percent in 1997. The reduction in share reflected the pronounced sell-off of emerging market debt instruments from August to December.

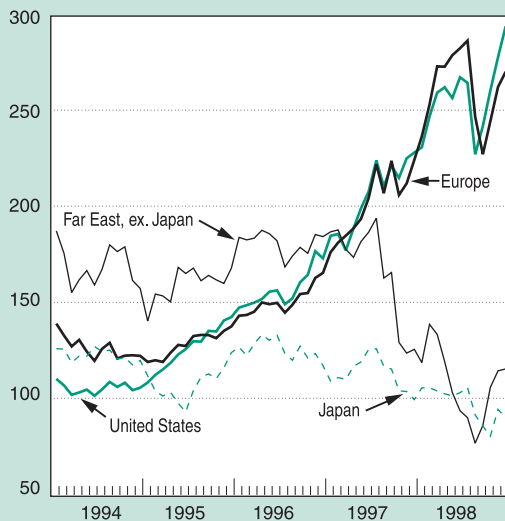
Excluding the effect of the two extraordinarily large acquisitions mentioned earlier, transactions in foreign stocks shifted to net sales of \$9.6 billion in 1998 from net purchases of \$41.3 billion in 1997. Net purchases were limited in the first half of 1998 and then shifted to large net sales in the second half. Since the fourth quarter of 1997, U.S. investors have been cautious in their overseas investing, responding first to the Asian financial crisis in the fourth quarter of 1997 and its implications for slower economic growth and then in the second half of 1998, responding to the multiple financial shocks from Russia and Brazil and to the continuing Asian slump. The shift to net sales was most pronounced in Western Europe, particularly the United Kingdom, where the London market serves as a trading center for stocks from many countries. Net sales to Western Europe were \$26.8 billion in 1998, in contrast to net purchases of \$15.0 billion in 1997. Net sales to Canada were \$3.7 billion, in contrast to net purchases of \$1.3 billion; net sales to Latin America increased to \$3.7 billion from \$1.0 billion; and net purchases from Japan were \$3.2 billion, down from \$9.5 billion. Investment in other Asian emerging markets continued, with net purchases of \$4.4 billion after net purchases of \$5.1 billion. Net purchases from the Caribbean were \$12.2 billion, following net purchases of only \$1.7 billion. Trading activity in foreign stocks—that is, gross purchases plus gross sales—increased 26 percent in 1998, following a 53-percent increase in 1997.

Net U.S. purchases of foreign bonds were \$13.4 billion in 1998, down from \$46.7 billion in 1997. Placements of foreign new issues in the U.S. market declined, and net sales of outstanding bonds, including redemptions, increased. New issues were \$55.2 billion, down from \$71.0 billion. The highest rated corporate and government borrowers in Europe and Canada continued to place a relatively large amount of new issues in the U.S. market throughout the year, but new issues by emerging market countries fell substantially, particularly after midyear, in response to adverse financial developments in Russia, Latin America, and Asia. Net sales of outstanding bonds, including redemptions, increased to \$41.8 billion from \$24.2 billion, reflecting falling interest rates and higher risk premiums attached to all bonds late

## CHART 12

### Selected 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

in the year (chart 13). Trading activity in foreign bonds dropped 12 percent in 1998, reflecting the heightened risk inherent in holding emerging market debt; in 1997, trading activity increased 33 percent.

**Direct investment.**—Net capital outflows for U.S. direct investment abroad were \$131.9 billion in 1998, up from \$121.8 billion in 1997. Increased outflows of net equity capital and a small increase in net intercompany debt outflows were partly offset by a decrease in reinvested earnings (table M).

Net equity capital outflows increased to a record \$58.2 billion from \$45.7 billion. Outflows were up 27 percent from 1997, mostly reflecting the continued desire of U.S. companies to acquire a select number of very large, primarily British, companies in order to capitalize on new market opportunities and to enter foreign markets where potential growth is high. Although acquisitions were widespread by industry, the largest were in finance, insurance, manufacturing, and “other” industries. Net intercompany debt outflows increased to \$12.5 billion from \$11.8 billion. Reinvested earnings decreased to \$61.2 billion from \$64.3 billion.

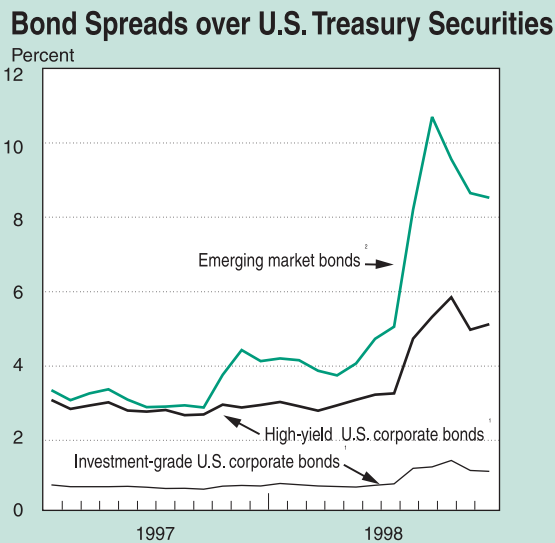
**Foreign assets in the United States**

Foreign assets in the United States increased \$542.5 billion in 1998, compared with an in-

crease of \$733.4 billion in 1997. Foreign direct investment in the United States, boosted by some exceptional transactions, was sharply higher; net foreign purchases of U.S. securities other than U.S. Treasury securities were also higher. These changes were more than offset by substantially lower net foreign purchases of U.S. Treasury securities and a much smaller increase in liabilities reported by U.S. banks.

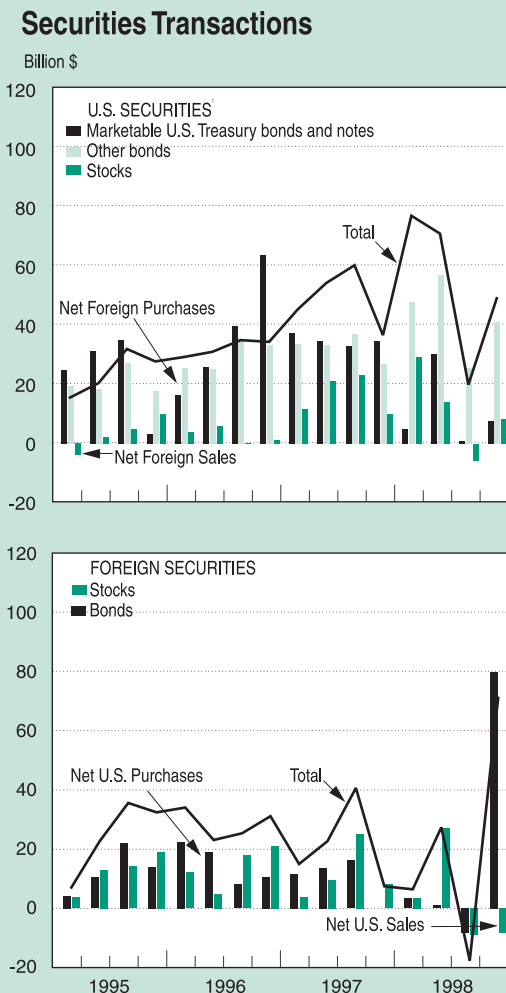
**Foreign official assets.**—Foreign official assets in the United States decreased \$22.1 billion in 1998, in contrast to a \$15.8 billion increase in 1997 (table C). The decrease in 1998 was attributable to several major factors. In early June, Japanese officials, in coordination with U.S. monetary officials, intervened in the exchange markets to support the Japanese yen. In mid-August and in September, the Russian debt moratorium and

**CHART 13**  
**Bond Spreads over U.S. Treasury Securities**



1. Source: Merrill Lynch  
2. Source: J.P. Morgan . Emerging Market Bond Index Plus, EMBI+, represents external currency denominated debt in emerging markets. It is comprised mostly of U.S. dollar issues.  
U.S. Department of Commerce, Bureau of Economic Analysis

**CHART 14**  
**Securities Transactions**



1. Excluding transactions of foreign official agencies.  
U.S. Department of Commerce, Bureau of Economic Analysis

ruble devaluation contributed indirectly to renewed uncertainty in Asian financial markets and capital flight, leading these countries to reduce official assets in the United States. As financial problems spread to other developing countries, several Latin American countries were forced to reduce assets in the United States by even more sizable amounts than the reduction in assets of Asian countries. In November and December, as the uncertainties in both Latin America and Asia lessened, reductions in Latin American assets ceased, and Asian countries made small additions to their assets in the United States.

*Liabilities reported by banks.*—Liabilities to foreigners reported by U.S. banks, excluding U.S. Treasury securities, increased \$42.6 billion in 1998, compared with an increase of \$148.1 billion in 1997 (tables P and Q). Incentives for foreigners to place funds with banks in the United States rather than in other countries lessened during the year, and in the fourth quarter, foreigners withdrew deposits to repay outstanding indebtedness elsewhere. In addition, U.S. banks had much less need to borrow from abroad for re-lending to the Eurodollar interbank market, particularly in the fourth quarter.

Banks' own liabilities payable in dollars increased \$24.6 billion, down sharply from a \$102.1 billion increase. In the first quarter, foreign-owned banks repaid large amounts of funds that had been borrowed from foreign offices in the fourth quarter in order to fund strong interbank demand in the Eurodollar interbank market that was related to the first intensification of Asian financial problems. Japanese banks in the United States, however, continued to rely on the unusually large amount of funds advanced to them by parent banks in Japan in the fourth quarter of 1997, and they repaid only a small part of the borrowing in the first quarter. In the second quarter, liabilities of foreign-owned banks increased strongly, particularly to Caribbean banking centers. In the third quarter, both foreign-owned and U.S.-owned banks received an exceptionally large amount of funds from abroad through their own foreign offices, as foreigners faced escalating uncertainties in financial markets, and U.S. banks borrowed heavily from abroad to finance large-scale overseas lending. This borrowing was directly related to uncertainties created by the financial problems experienced in Russia, Brazil, and other developing countries. Second- and third-quarter increases were also boosted substantially by the transfer of liabilities by recently merged banks to U.S. domestic offices from for-

eign offices in Western Europe. In the fourth quarter, U.S. banks borrowed much less from abroad, and large repayments of third-quarter borrowing occurred as market participants withdrew from cross-border activity as a result of renewed intensification of financial problems in developing countries. There were continued withdrawals of funds from U.S.-owned banks by bond mutual funds in the Caribbean to repay outstanding debt, particularly from September through November.

Banks' custody liabilities increased \$37.2 billion in 1998, up from an increase of \$26.4 billion in 1997. Most of the increase in 1998 was attributable to unusual developments in the third quarter that led some U.S. borrowers to shift short-term funding from the securities market to the banking market.

Banks' liabilities payable in foreign currencies decreased \$19.3 billion in 1998, in contrast to an increase of \$19.7 billion in 1997. Most of the decrease in 1998 was in the first half of the year.

*U.S. Treasury securities.*—Net foreign purchases of U.S. Treasury securities were \$48.1 billion in 1998, down substantially from near record net purchases of \$146.7 billion in 1997 (table P, charts 11 and 14). The substantial reduction occurred despite a sustained differential between U.S. Government and most foreign government bond yields that favored U.S. bonds. Net purchases were limited early in the year when foreign investors sought higher yielding U.S. corporate securities and other investments in Europe; only later in the year, when heightened concerns about risk shifted the emphasis to quality was there a resumption of net purchases, though at a much slower pace than the quarterly rates in 1997. The greater awareness of risk and the emphasis on quality followed directly from the Russian announcement of a moratorium on its debt payments, Brazil's failure to meet IMF conditionality terms, and the renewed deterioration in financial conditions in many developing countries. These conditions contributed to a surge in U.S. Treasury bond prices that sent the yield on the benchmark 30-year bond in October to its lowest level since 1967.

Net purchases by Western Europeans were \$23.4 billion, down from \$127.8 billion; net purchases slowed throughout the year and shifted to net sales in the fourth quarter. As the commencement of the European Monetary Union approached, rates of inflation among member countries became less disparate, and interest rates converged, leading to an increasingly positive

outlook for European assets and to a reduced desire to hold dollar assets. Consequently, the demand for U.S. Treasury securities lessened. In addition, international bond mutual funds in the Caribbean were net sellers of U.S. Treasury securities, particularly in the first quarter, when corporate bonds were attractive, and again in the second half of the year, when U.S. Treasury securities were sold to cover losses on emerging market debt and to pay back loans after the near failure of a large hedge fund in the United States. Trading activity in Treasury securities—that is, gross purchases plus gross sales—increased 10 percent in 1998, following a 39-percent increase in 1997.

**U.S. currency flows.**—Net outflows of U.S. currency were \$16.6 billion in 1998, compared with a record \$24.8 billion in 1997 (table P). Shipments in late 1997 to the Eastern European area had been bolstered by concerns over the redenomination of the Russian ruble in January 1998. This precautionary buildup reduced the need for shipments to banks early in 1998 as foreigners drew on their stockpiled dollars. As the economic and political situation in Russia worsened throughout the year, large shipments did not resume, partly as a result of the difficulty that currency-importing banks had in raising funds for payment, given the profound deterioration in their financial condition, and partly as a result of weak consumption in the Russian economy.

There were also indications that Russia's demand for currency from the United States declined because new market developments enabled Russia to obtain recirculated, counterfeit-resistant U.S. currency from European banks. Shipments of currency to Latin America increased as deteriorating financial conditions in a few countries in the last half of the year induced a much greater demand for U.S. currency.

**Other U.S. securities.**—Net foreign purchases of U.S. securities other than U.S. Treasury securities were a record \$217.3 billion in 1998, compared with \$196.8 billion in 1997. Excluding the small offsets to the two extraordinary acquisitions recorded in table 1, line 57, "Foreign direct investment", net foreign purchases of U.S. bonds were a record \$171.1 billion, up from \$130.9 billion, and net purchases of U.S. stocks were \$52.5 billion, down from a record \$66.0 billion (table P, charts 11 and 14).

During the first half of 1998, when nearly 70 percent of bond and stock purchases occurred for the year, net foreign purchases were encouraged by strong U.S. economic growth, falling interest rates, low inflation, and dollar appreciation in exchange markets. These conditions contributed to a 17-percent increase in U.S. stock prices and an increase of nearly 1 percentage point in U.S. bond prices. During the second half of the year, net foreign purchases were sharply curtailed, mostly in the third quarter when Russia

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

[Millions of dollars]

	1996	1997	1998 <sup>P</sup>	1998			
				I	II	III <sup>r</sup>	IV <sup>P</sup>
<b>Total</b> .....	<b>64,858</b>	<b>96,569</b>	<b>85,856</b>	<b>23,564</b>	<b>21,558</b>	<b>20,734</b>	<b>20,000</b>
<b>By issuer:</b>							
Industrial corporations .....	2,410	8,188	4,362	1,197	1,387	1,275	503
Banking corporations <sup>1</sup> .....	15,539	24,473	6,980	3,778	1,608	462	1,132
Nonbank financial corporations <sup>2</sup> .....	27,741	46,779	41,327	9,752	12,482	11,558	7,535
U.S. federally sponsored agencies .....	11,413	11,792	32,588	8,444	5,894	7,420	10,830
All other borrowers .....	7,755	5,336	599	393	187	19	
<b>By instrument:</b>							
<i>Of which:</i> Issued through medium-term note programs .....	13,869	6,259					
Straight fixed-rate bonds .....	39,254	56,456	66,269	18,062	14,730	14,877	18,600
Floating-rate notes .....	24,195	36,397	16,547	3,403	6,380	5,364	1,400
Zero-coupon bonds .....	298	2,375	479	295	25	159	
Bonds convertible into stock .....	801	633	1,204	1,081		123	
Other debt instruments .....	310	709	1,358	724	423	211	
<b>By currency:</b>							
U.S. dollars .....	39,572	64,215	55,194	16,197	13,483	11,588	13,926
Foreign currencies .....	25,286	32,354	30,663	7,367	8,075	9,146	6,075
Japanese yen .....	5,416	2,969	1,586	688	118	747	33
Swiss franc .....	1,762	3,714	3,218	1,179	505	967	567
German mark .....	8,372	4,847	4,354	1,215	1,657	495	987
British pound .....	2,363	6,529	10,183	1,080	1,520	4,425	3,158
European currency unit .....		485	3,940	353	2,044	761	782
Canadian dollar .....	147	258	252	37	38	134	43
Other currencies .....	7,226	13,550	7,130	2,816	2,193	1,617	504

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

1. Includes banks and bank holding companies.  
2. Principally credit, securities, brokerage, and insurance companies.

announced its debt moratorium, when a large U.S. hedge fund nearly failed, and when several emerging countries experienced severe difficulties in their financial markets. U.S. stock prices, which fell 10 percent in the third quarter, rose 22 percent in the fourth. U.S. corporate bond prices, after rising nearly 1½ percentage points in

the third quarter, fell ¾ of a percentage point in the fourth.

Net foreign purchases of U.S. bonds were a record \$171.1 billion in 1998, surpassing the record of \$130.9 billion in 1997. Net purchases of outstanding bonds were \$68.8 billion, up from \$1.0

Table S.—Selected U.S. Transactions With OPEC Members

[Millions of dollars]

(Credits +; debits -)	1984	1985	1986	1987	1988	1989	1990 <sup>r</sup>	1991 <sup>r</sup>	1992 <sup>r</sup>	1993 <sup>r</sup>	1994 <sup>r</sup>	1995 <sup>r</sup>	1996 <sup>r</sup>	1997 <sup>r</sup>	1998 <sup>p</sup>
<b>Exports of goods, services, and income:</b>															
Goods, adjusted, excluding military .....	13,775	11,397	10,386	10,714	13,777	12,669	12,712	18,446	19,726	18,692	17,113	18,326	20,274	24,156	23,349
Transfers under U.S. military agency sales contracts .....	3,241	2,890	2,992	2,781	1,430	1,309	2,687	3,809	4,454	3,675	2,936	4,473	4,941	4,799	5,212
Royalties and license fees <sup>1</sup> .....	75	84	48	103	77	71	94	149	161	220	357	394	268	301	280
Other private services <sup>1</sup> .....	2,611	2,482	<sup>2</sup> 2,270	1,939	1,516	1,541	1,547	2,029	2,708	2,363	2,239	2,343	3,186	3,129	3,227
U.S. Government miscellaneous services .....	48	41	15	25	18	16	20	16	22	13	14	17	11	10	10
Income receipts on U.S. assets abroad:															
Direct investment receipts .....	3,366	2,485	1,858	1,965	1,875	1,835	2,854	3,293	3,224	2,745	2,701	3,966	4,218	4,317	2,677
Other private receipts .....	2,453	1,995	1,535	1,680	1,941	2,435	2,326	1,441	1,202	1,045	1,470	1,593	1,494	1,775	1,834
U.S. Government receipts .....	212	222	196	167	215	154	261	217	187	141	122	195	337	263	236
<b>Imports of goods, services, and income:</b>															
Goods, adjusted, excluding military .....	-26,853	-22,834	-18,893	-24,416	-23,016	-29,243	-37,024	-33,431	-32,377	-32,644	-31,674	-34,257	-42,664	-44,018	-34,152
Direct defense expenditures .....	-1,440	-962	-494	-370	-377	-614	-1,419	-784	-883	-455	-360	-335	-545	-939	-1,626
Royalties and license fees <sup>1</sup> .....	<sup>(D)</sup>	<sup>(D)</sup>	<sup>(D)</sup>	<sup>(*)</sup>	-6	-1	<sup>(*)</sup>	-1	-1	-37	-7	-2	-36	-5	-7
Other private services <sup>1</sup> .....	<sup>(D)</sup>	<sup>(D)</sup>	<sup>2</sup> <sup>(D)</sup>	-253	-259	-245	-330	-483	-410	-361	-430	-480	-665	-618	-634
U.S. Government miscellaneous services .....	-116	-120	-102	-118	-96	-104	-96	-87	-47	-26	-39	-34	-31	-31	-30
Income payments on foreign assets in the United States:															
Direct investment payments .....	38	-72	114	-78	164	-50	-98	-93	182	-82	-49	-34	-187	-414	-310
Other private payments .....	-3,094	-2,499	-1,916	-1,837	-2,175	-2,798	-2,892	-2,669	-2,302	-2,176	-1,964	-2,955	-2,799	-3,105	-3,081
U.S. Government payments .....	-4,806	-4,241	-3,141	-2,586	-2,141	-2,758	-3,215	-2,696	-2,416	-2,127	-1,747	-2,192	-2,464	-3,808	-3,819
U.S. Government grants .....	-66	-62	-74	-84	-97	-130	3,368	27,422	1,019	-196	-203	-195	-145	-46	-33
U.S. Government pensions and other transfers .....	-8	-9	-21	-25	-20	5	-25	-305	-32	-27	-28	-27	-94	-57	-45
<b>U.S. assets abroad, net (increase/capital outflow (-))</b> .....	-1,138	2,005	-945	-571	-782	-1,875	1,847	-577	-12,161	-513	-3,107	538	-5,904	-10,261	-10,920
U.S. Government assets, other than official reserve assets, net .....	-92	-7	158	141	-59	135	-253	-788	-528	19	-422	-506	-179	142	-363
U.S. credits and other long-term assets .....	-425	-358	-195	-165	-396	-212	-647	-246	-275	-85	-234	-920	-898	-406	-84
Repayments on U.S. credits and other long-term assets .....	331	348	349	308	344	343	481	397	278	224	177	205	555	573	128
U.S. foreign currency holdings and U.S. short-term assets, net .....	2	3	4	-2	-7	4	-87	-939	-531	-120	-365	209	164	-25	-407
U.S. private assets, net .....	-1,046	2,012	-1,103	-712	-723	-2,010	2,100	211	-11,633	-532	-2,685	1,044	-5,725	-10,403	-10,557
Direct investment .....	-1,665	331	-1,357	-64	1,133	535	-1,277	-2,706	-1,465	-1,597	-3,575	-2,379	-1,991	-3,478	-2,698
Foreign securities .....	324	156	33	58	-365	96	-2,815	-17	337	-679	-2,077	-675	-2,880	-3,944	-683
U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	171	208	43	81	41	100	13	-224	-44	-306	-146	-25	-478	-336	377
U.S. claims reported by U.S. banks, not included elsewhere .....	124	1,317	178	-787	-1,532	-2,741	6,179	3,158	-10,461	2,050	3,113	4,123	-376	-2,645	-7,553
<b>Foreign assets in the United States, net (increase/capital inflow(+))</b> .....	-3,133	-3,393	-9,380	-5,371	-728	15,282	3,320	-4,416	14,529	-8,904	1,400	5,393	19,248	16,405	-5,410
Of which: foreign official .....	-4,664	-6,644	-9,308	-9,939	-2,885	10,724	1,555	-5,235	5,626	-3,850	-1,464	4,058	14,910	10,822	-7,511
U.S. Treasury securities .....	-3,501	-1,389	-4,938	-5,398	1,688	7,815	-244	-5,902	4,323	-6,302	-1,668	1,829	16,159	8,423	-14,175
Other U.S. securities .....	-3,228	-2,327	-1,746	-1,808	-2,591	3,170	-2,676	1,989	4,186	3,322	-820	1,592	217	3,470	4,762
Other U.S. Government liabilities .....	838	23	-427	-957	177	437	505	151	569	730	1,797	614	-177	-1,121	2,197
U.S. liabilities reported by U.S. banks, not included elsewhere .....	3,458	325	-1,459	2,405	-1,146	1,836	5,686	-164	4,793	-5,665	1,677	1,059	1,813	4,153	1,905
Direct investment in the United States .....	747	176	510	296	1,629	1,503	-662	81	167	-812	251	-140	685	672	-375
U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	-1,447	-201	-1,320	91	-485	521	711	-571	491	-177	163	439	551	808	276
<b>All other transactions with OPEC and transfers of funds between foreign areas, net</b> .....	15,086	10,876	15,834	16,335	8,684	2,501	14,063	-11,280	3,215	18,654	11,256	3,273	1,557	8,147	23,242
<b>Memorandum:</b>															
Balance on goods .....	-13,078	-11,437	-8,507	-13,702	-9,239	-16,574	-24,312	-14,985	-12,651	-13,952	-14,561	-15,931	-22,390	-19,862	-10,803

<sup>D</sup> Suppressed to avoid disclosure of data of individual companies.<sup>r</sup> Revised.<sup>p</sup> Preliminary.<sup>1</sup> Less than \$500,000 (±).

1. Beginning in 1982, 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.

2. Break in series. See Technical Notes in June 1989 and June 1990 SURVEY.

NOTE.—OPEC members are Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela. Excludes Ecuador beginning in January 1993 and Gabon in January 1995. Individual country information is not available for all accounts; therefore, some accounts are estimated from regional data.




billion. Foreigners purchased large amounts of outstanding bonds throughout the year, except in the third quarter and the early part of the fourth quarter when credit conditions in the bond market deteriorated significantly. New bonds issued abroad by U.S. corporations were \$85.9 billion, down from the record of \$96.6 billion in 1997 (table R). A large portion of new issues was to refinance existing debts at long-term interest rates that were much below those in 1997 and to take advantage of the favorable swap market, which allowed companies to borrow internationally at well below bank rates. Banking corporations borrowed much less during 1998, U.S. federally sponsored agencies borrowed more, and nonbank financial corporations borrowed about the same amount. Straight fixed-rate issues continued to dominate the market. The dollar remained the most popular currency of issue. Trading activity in bonds increased 42 percent in 1998, compared with an increase of 59 percent in 1997.

Excluding the two extraordinary acquisitions mentioned earlier, net foreign purchases of U.S. stocks were \$52.5 billion in 1998, down from a record \$66.0 billion in 1997. Over 90 percent of net purchases occurred in the first half of 1998. Net sales of U.S. stocks occurred in the third

quarter when unsettled conditions encompassed world financial markets and threatened to slow U.S. economic growth. However, investors returned as net purchasers in the fourth quarter when concerns about cross-border risk lessened, encouraged partly by the Federal Reserve System's three reductions in the federal funds target rate in the September-November period and by reports of a brisk-paced, low-inflation U.S. economy. Net purchases by Western Europe were \$70.3 billion, up from \$57.3 billion. A step-up in the first half of the year, when market performance was robust, more than accounted for the year-to-year increase; net purchases were sharply lower in the second half when the market was especially volatile. Partly offsetting the annual increase were large net sales from the Caribbean, especially in the third quarter. Although net foreign purchases were lower in 1998, trading activity in stocks increased 60 percent, up from 56 percent in 1997, reflecting rapidly changing conditions in financial markets, particularly in the last half of the year.

*Direct investment.*—Net capital inflows for foreign direct investment in the United States were a record \$196.2 billion in 1998, up from the previous record of \$93.4 billion in 1997. Net equity capital inflows increased sharply, net intercompany debt inflows decreased, and reinvested earnings decreased (table M).

Net equity capital inflows of \$196.2 billion, up from \$93.4 billion, were dominated by two exceptionally large foreign acquisitions of petroleum and manufacturing companies in the fourth quarter by exchanges of stock in U.S. firms for stock in newly established foreign parent firms. However, even if these transactions are excluded, net equity capital inflows in 1998 exceeded those in 1997 by approximately \$11.0 billion. The strength and stability of the U.S. economy continued to attract sizable equity capital inflows from abroad, mostly from Europe. Intercompany debt inflows decreased to \$19.9 billion from \$24.4 billion. Reinvested earnings decreased to \$19.6 billion from \$22.5 billion.

Tables 1 through 10 follow. 

### 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, Fourth Quarter 1998.** The annual estimates for 1998 and quarterly estimates for 1997:1-1998:IV 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, call the BEA Order Desk at 1-800-704-0415 (outside the United States, call 202-606-9666).













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

Line		1997	1998 <sup>a</sup>	Not seasonally adjusted							
				1997				1998			
				I	II	III	IV	I	II	III <sup>c</sup>	IV <sup>c</sup>
A1	<b>U.S. Government grants and transactions increasing Government assets, total</b> .....	<b>17,419</b>	<b>17,539</b>	<b>3,433</b>	<b>3,901</b>	<b>3,804</b>	<b>6,280</b>	<b>3,831</b>	<b>3,218</b>	<b>3,810</b>	<b>6,681</b>
	<b>By category</b>										
2	Grants, net (table 1, line 30, with sign reversed) .....	12,090	12,492	2,241	2,274	2,362	5,213	2,266	2,063	2,663	5,500
3	Financing military purchases <sup>1</sup> .....	3,822	4,046	606	394	514	2,308	626	360	604	2,455
4a	Other grants .....	8,268	8,447	1,635	1,880	1,848	2,905	1,640	1,702	2,059	3,045
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	4,761	1,168	1,616	1,421	1,097	1,189	1,159	1,285	1,128
6	Capital subscriptions and contributions to international financial institutions, excluding IMF .....	1,588	1,580	427	411	415	336	385	444	413	338
7	Credits repayable in U.S. dollars .....	3,047	2,431	586	1,033	839	589	644	613	627	548
8	Credits repayable in other than U.S. dollars .....	-4	-5	1		1	-6	(*)	-7	2	(*)
9	Other long-term assets .....	670	753	154	173	166	178	159	109	243	243
10	Foreign currency holdings and short-term assets, net (table 1, line 42 with sign reversed) .....	28	286	25	11	21	-29	376	-4	-138	52
11	Foreign currency holdings (excluding administrative cash holdings), net .....	71	35	12	21	26	11	5	-5	38	-4
	Receipts from:										
12	Sales of agricultural commodities .....	(*)		(*)							
13	Interest .....	18	13	7	1	9	2	4	4	4	(*)
14	Repayments of principal .....	27	21	10	5	10	2	11	3	6	1
15	Reverse grants .....										
16	Other sources .....	8	1	(*)	(*)	1	7				1
	Less currencies disbursed for:										
17	Grants and credits in the recipient's currency .....		1					(*)	(*)	1	
18	Other grants and credits .....										
19	Other U.S. Government expenditures .....	-17	-2	5	-15	-6	-1	10	12	-29	5
20	Assets acquired in performance of U.S. Government guarantee and insurance obligations, net .....	-18	439	-5	-7	(*)	-6	399	11	(*)	29
21	Other assets held under Commodity Credit Corporation Charter Act, net .....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
22	Assets financing military sales contracts, net <sup>2</sup> .....										
23	Other short-term assets (including changes in administrative cash holdings), net .....	-25	-188	18	-3	-5	-34	-28	-10	-176	27
	<b>By program</b>										
24	Capital subscriptions and contributions to international financial institutions, excluding IMF .....	1,588	1,580	427	411	415	336	385	444	413	338
25	Under Agricultural Trade Development and Assistance Act and related programs .....	905	680	195	217	279	214	122	105	210	243
26	Under Foreign Assistance Act and related programs .....	11,004	11,275	2,032	2,140	2,040	4,792	2,053	1,851	2,344	5,027
27	Under Export-Import Bank Act .....	1,620	1,528	396	405	418	400	385	516	244	384
28	Under Commodity Credit Corporation Charter Act .....	505	721	29	346	118	13	540	6	147	29
29	Under other grant and credit programs .....	1,080	1,153	171	192	347	371	209	202	347	396
30	Other foreign currency assets acquired (lines A13, A14, and A16) .....	53	35	17	6	20	10	16	7	10	2
31	Less foreign currencies used by U.S. Government other than for grants or credits (line A19) .....	-17	-2	5	-15	-6	-1	10	12	-29	5
32	Other (including changes in administrative cash holdings), net .....	646	565	172	169	161	144	131	99	67	269
	<b>By disposition<sup>3</sup></b>										
33	Estimated transactions involving no direct dollar outflow from the United States .....	11,012	11,098	2,174	2,557	2,495	3,786	2,600	1,932	2,524	4,041
34	Expenditures on U.S. goods .....	5,157	5,296	784	765	979	2,630	750	884	908	2,754
35	Expenditures on U.S. services <sup>4</sup> .....	2,617	2,625	635	752	661	570	588	640	756	641
36	Financing of military sales contracts by U.S. Government <sup>5</sup> (line C6) .....	2,172	2,275	660	476	536	501	666	369	645	595
37	By long-term credits .....	259	215	77	102	65	16	66	37	68	44
38	By short-term credits <sup>1</sup> .....										
39	By grants <sup>1</sup> .....	1,913	2,060	583	375	472	485	599	332	577	551
40	U.S. Government grants and credits to repay prior U.S. Government credits <sup>1,4</sup> .....	1,005	454	97	523	309	76	205	36	186	27
41	U.S. Government long- and short-term credits to repay prior U.S. private credits <sup>6</sup> and other assets .....	60	460	4	34	5	17	404	25	3	29
42	Increase in liabilities associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) <sup>7</sup> (line C11) .....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
43	Less receipts on short-term U.S. Government assets (a) financing military sales contracts <sup>1</sup> (b) financing repayment of private credits and other assets, and (c) financing expenditures on U.S. goods .....	17	13	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	-2	5	-15	-6	-1	10	12	-29	5
45	Estimated dollar payments to foreign countries and international financial institutions .....	6,406	6,441	1,259	1,344	1,309	2,494	1,231	1,285	1,286	2,639
B1	<b>Repayments on U.S. Government long-term assets, total (table 1, line 41)</b> .....	<b>5,504</b>	<b>4,211</b>	<b>1,171</b>	<b>1,358</b>	<b>1,878</b>	<b>1,097</b>	<b>1,177</b>	<b>722</b>	<b>1,321</b>	<b>991</b>
2	Receipts of principal on U.S. Government credits .....	4,817	3,413	998	1,191	1,715	913	992	602	1,075	745
3	Under Agricultural Trade Development and Assistance Act and related programs .....	499	302	39	96	181	182	32	30	106	134
4	Under Foreign Assistance Act and related programs .....	1,753	1,491	529	340	578	306	534	276	460	222
5	Under Export-Import Bank Act .....	1,819	1,123	398	421	730	271	267	261	243	352
6	Under Commodity Credit Corporation Charter Act .....	501	375	33	331	113	24	159	32	153	32
7	Under other credit programs .....	246	122	(*)	3	113	130	(*)	3	113	5
8	Receipts on other long-term assets .....	687	799	173	167	163	184	186	121	246	246
C1	<b>U.S. Government liabilities other than securities, total, net increase (+) (table 1, line 53)</b> .....	<b>-2,521</b>	<b>-2,506</b>	<b>-587</b>	<b>-523</b>	<b>-1,167</b>	<b>-244</b>	<b>-1,059</b>	<b>-422</b>	<b>-264</b>	<b>-761</b>
2	Associated with military sales contracts <sup>2</sup> .....	-2,450	-2,496	-562	-511	-1,172	-205	-1,117	-367	-246	-767
3	U.S. Government cash receipts from foreign governments (including principal repayments on credits financing military sales contracts), net of refunds <sup>1</sup> .....	11,872	9,945	2,803	3,645	3,085	2,340	3,038	3,129	2,443	1,335
4	Less U.S. Government receipts from principal repayments .....	868	809	333	83	342	111	342	105	274	87
5	Less U.S. Treasury securities issued in connection with prepayments for military purchases in the United States .....	-2,643	-2,857	-648	-341	-432	-1,222	-195	-327	-922	-1,412
6	Plus financing of military sales contracts by U.S. Government <sup>5</sup> (line A36) .....	2,173	2,275	660	476	536	501	666	369	645	595
7	By long-term credits .....	259	215	77	102	65	16	66	37	68	44
8	By short-term credits <sup>1</sup> .....										
9	By grants <sup>1</sup> .....	1,913	2,060	583	375	472	485	599	332	577	551
10	Less transfers of goods and services (including transfers financed by grants for military purchases, and by credits) <sup>1,2</sup> (table 1, line 4) .....	18,269	16,764	4,338	4,890	4,883	4,158	4,672	4,088	3,981	4,023
11	Associated with U.S. Government grants and transactions increasing Government assets (including changes in retained accounts) <sup>7</sup> (line A42) .....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
12	Associated with other liabilities .....	-72	-9	-26	-13	5	-39	58	-55	-18	6
13	Sales of nuclear material by Department of Energy/U.S. Enrichment Corporation <sup>8</sup> .....	-61	-11	-34	-3	18	-41	62	-53	-20	(*)
14	Sales of space launch and other services by National Aeronautics and Space Administration .....	-18	3	3	-3	-19	(*)	-4	-1	2	6
15	Other sales and miscellaneous operations .....	7	-1	5	-7	6	2	(*)	-1	(*)	(*)

See footnotes on page 59.



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

[Millions of dollars]

Line	(Credits +; debits -)	1997	1998 <sup>1</sup>	Not seasonally adjusted								Seasonally adjusted							
				1997				1998				1997				1998			
				I	II	III	IV	I	II	III <sup>2</sup>	IV <sup>3</sup>	I	II	III	IV	I <sup>4</sup>	II <sup>4</sup>	III <sup>4</sup>	IV <sup>4</sup>
<b>U.S. direct investment abroad:</b>																			
1	Income with current-cost adjustment, before deduction of withholding taxes (table 1, line 12) .....	109,407	100,447	27,293	28,671	28,157	25,286	26,828	26,212	22,273	25,134	26,716	28,286	28,935	25,470	26,426	25,883	22,808	25,329
2	Earnings .....	107,036	97,268	26,744	28,094	27,580	24,619	26,165	25,430	21,395	24,278	26,166	27,710	28,358	24,803	25,762	25,101	21,929	24,473
3	Distributed earnings .....	42,726	36,036	7,488	11,068	9,942	14,228	7,987	7,358	8,888	11,803	9,528	12,084	11,678	9,437	10,149	7,987	10,184	7,714
4	Reinvested earnings .....	64,310	61,232	19,256	17,026	17,638	10,391	18,178	18,072	12,507	12,475	16,638	15,262	16,680	15,366	15,613	17,114	11,745	16,759
5	Interest <sup>1</sup> .....	2,371	3,179	550	577	577	667	663	782	878	856	550	576	577	667	664	782	878	856
6	U.S. parents' receipts .....	4,456	3,750	1,033	1,077	1,121	1,225	1,289	1,381	1,552	1,528	1,033	1,077	1,121	1,225	1,289	1,381	1,552	1,528
7	U.S. parents' payments .....	-2,085	-2,569	-483	-501	-544	-558	-625	-599	-673	-672	-483	-501	-544	-558	-625	-599	-673	-672
8	Less: Current-cost adjustment .....	7,307	8,465	1,723	1,791	1,861	1,932	2,004	2,078	2,153	2,230	1,723	1,791	1,861	1,932	2,004	2,078	2,153	2,230
9	Less: Withholding taxes .....	1,397	1,191	290	354	319	434	231	258	310	320	322	374	365	336	254	271	352	313
10	<b>Equals: Income without current-cost adjustment, after deduction of withholding taxes<sup>2</sup></b> .....	100,703	90,791	25,280	26,526	25,977	22,920	24,593	23,876	19,810	22,512	24,670	26,122	26,709	23,203	24,167	23,535	20,302	22,787
11	Petroleum .....	12,114	7,799	3,695	2,981	3,143	2,295	2,388	2,127	1,690	1,594	3,320	3,156	3,422	2,216	2,149	2,253	1,844	1,554
12	Manufacturing .....	37,532	30,707	9,381	10,031	9,382	8,739	9,073	8,809	6,384	6,441	9,146	9,452	9,835	9,100	8,886	8,342	6,723	6,756
13	Other .....	51,057	52,284	12,204	13,514	13,452	11,887	13,132	12,940	11,735	14,477	12,204	13,514	13,452	11,887	13,132	12,940	11,735	14,477
14	<b>Capital with current-cost adjustment (table 1, line 44)</b>	-121,843	-131,933	-35,115	-27,787	-28,447	-30,494	-37,264	-41,925	-24,045	-28,699	-32,498	-26,388	-27,488	-35,470	-34,698	-40,966	-23,283	-32,983
15	Equity capital .....	-46,705	-58,249	-12,039	-8,259	-9,247	-17,161	-13,136	-19,414	-12,387	-13,312	-12,039	-8,259	-9,247	-17,161	-13,136	-19,414	-12,387	-13,312
16	Increases in equity capital <sup>3</sup> .....	-62,201	-78,862	-14,843	-14,429	-11,768	-21,160	-17,362	-23,987	-17,187	-20,326	-14,843	-14,429	-11,768	-21,160	-17,362	-23,987	-17,187	-20,326
17	Decreases in equity capital <sup>4</sup> .....	16,495	20,613	2,805	6,170	3,521	4,000	4,226	4,573	4,800	7,014	2,805	6,170	3,521	4,000	4,226	4,573	4,800	7,014
18	Reinvested earnings .....	-64,310	-61,232	-19,256	-17,026	-17,638	-10,391	-18,178	-18,072	-12,507	-12,475	-16,638	-15,626	-16,680	-15,366	-15,613	-17,114	-11,745	-16,759
19	Intercompany debt .....	-11,828	-12,450	-3,821	-2,503	-2,561	-2,943	-9,949	-4,438	849	-2,912	-3,821	-2,503	-2,561	-2,943	-9,949	-4,438	849	-2,912
20	U.S. parents' receivables .....	-14,188	-19,966	-560	-3,550	-4,128	-5,950	-7,218	-6,639	-3,324	-2,785	-5,660	-3,550	-4,128	-5,950	-7,218	-6,639	-3,324	-2,785
21	U.S. parents' payables .....	2,360	7,514	-3,261	1,047	1,567	3,008	1,269	2,200	4,172	-127	-3,261	1,047	1,567	3,008	1,269	2,200	4,172	-127
22	Less: Current-cost adjustment (line 8 with sign reversed) .....	-7,307	-8,465	-1,723	-1,791	-1,861	-1,932	-2,004	-2,078	-2,153	-2,230	-1,723	-1,791	-1,861	-1,932	-2,004	-2,078	-2,153	-2,230
23	<b>Equals: Capital without current-cost adjustment<sup>2</sup></b> .....	-114,537	-123,468	-33,392	-25,996	-26,586	-28,562	-35,260	-39,847	-21,892	-26,469	-30,775	-24,597	-25,627	-33,538	-32,694	-38,888	-21,130	-30,753
24	Equity capital (line 15) .....	-45,705	-58,249	-12,039	-8,259	-9,247	-17,161	-13,136	-19,414	-12,387	-13,312	-12,039	-8,259	-9,247	-17,161	-13,136	-19,414	-12,387	-13,312
25	Petroleum .....	-4,421	-6,634	-616	-839	-1,112	-1,855	-1,801	-1,430	-1,428	-1,975	-616	-839	-1,112	-1,855	-1,801	-1,430	-1,428	-1,975
26	Manufacturing .....	-8,499	-15,397	-3,528	-1,169	-1,928	-1,873	-6,046	-1,879	-4,323	-3,149	-3,528	-1,169	-1,928	-1,873	-6,046	-1,879	-4,323	-3,149
27	Other .....	-32,786	-36,218	-7,894	-6,250	-5,208	-13,433	-5,289	-16,105	-6,636	-8,188	-7,894	-6,250	-5,208	-13,433	-5,289	-16,105	-6,636	-8,188
28	<b>Reinvested earnings without current-cost adjustment (line 18 less line 22)</b> .....	-57,003	-52,767	-17,533	-15,235	-15,777	-8,459	-16,174	-15,994	-10,354	-10,245	-14,915	-13,835	-14,819	-13,434	-13,609	-15,036	-9,592	-14,529
29	Petroleum .....	-5,411	-3,013	-2,563	-1,750	-1,868	-230	-952	-1,096	-730	-235	-1,824	-1,817	-518	-299	-1,449	-738	-532	-738
30	Manufacturing .....	-20,807	-15,446	-6,201	-5,915	-5,598	-3,095	-6,004	-5,881	-2,145	-1,416	-5,692	-4,392	-5,800	-4,922	-5,562	-4,755	-2,193	-2,936
31	Other .....	-30,785	-34,309	-8,769	-8,570	-8,312	-10,395	-9,218	-9,018	-7,479	-8,594	-7,399	-8,190	-7,202	-7,994	-7,753	-8,832	-6,661	-11,061
32	<b>Intercompany debt (line 19)</b> .....	-11,828	-12,450	-3,821	-2,503	-2,561	-2,943	-9,949	-4,438	849	-2,912	-3,821	-2,503	-2,561	-2,943	-9,949	-4,438	849	-2,912
33	Petroleum .....	-1,622	-2,543	-161	-1,281	652	-832	-1,952	-615	234	-210	-1,622	-1,281	652	-832	-1,952	-615	234	-210
34	Manufacturing .....	-2,973	-3,819	-3,038	-599	2,894	-2,231	-3,917	-1,177	898	-3,613	-3,038	-599	2,894	-2,231	-3,917	-1,177	898	-3,613
35	Other .....	-7,233	-6,088	-622	-623	-1,070	120	-3,070	-283	911	-622	-623	-1,070	120	-3,070	-283	911	-622	-1,070
36	<b>Royalties and license fees, before deduction of withholding taxes, net</b> .....	22,502	23,788	5,519	5,536	5,573	5,873	5,492	5,839	5,739	6,718	5,688	5,677	5,694	5,440	5,665	6,007	5,860	6,254
37	U.S. parents' receipts (table 1, part of line 8) .....	23,457	24,614	5,736	5,757	5,808	6,156	5,740	6,021	5,936	6,917	5,905	5,897	5,929	5,724	5,912	6,189	6,058	6,453
38	U.S. parents' payments (table 1, part of line 22) .....	-955	-826	-217	-220	-235	-284	-247	-182	-198	-199	-217	-220	-235	-284	-247	-182	-198	-199
39	Other private services, before deduction of withholding taxes, net .....	6,758	6,679	1,744	1,684	1,663	1,667	1,910	1,701	1,579	1,489	1,615	1,690	1,701	1,753	1,772	1,702	1,620	1,586
40	U.S. parents' receipts (table 1, part of line 9) .....	16,164	16,648	3,736	3,998	4,031	4,600	4,039	4,155	4,089	4,365	3,794	4,045	4,128	4,198	4,102	4,202	4,186	4,158
41	U.S. parents' payments (table 1, part of line 23) .....	-9,407	-9,968	-1,991	-2,314	-2,368	-2,733	-2,129	-2,454	-2,509	-2,876	-2,179	-2,355	-2,427	-2,445	-2,330	-2,500	-2,566	-2,572
<b>Foreign direct investment in the United States:</b>																			
42	Income with current-cost adjustment, before deduction of withholding taxes (table 1, line 26) .....	-45,674	-45,796	-10,323	-11,279	-13,011	-11,061	-10,458	-11,059	-12,170	-12,109	-10,664	-10,887	-12,548	-11,574	-10,796	-10,667	-11,694	-12,642
43	Earnings .....	-36,129	-33,904	-8,234	-8,949	-10,520	-8,426	-7,811	-7,977	-9,040	-9,076	-8,574	-8,557	-10,057	-8,940	-8,148	-7,586	-8,564	-9,609
44	Distributed earnings .....	-13,606	-14,351	-2,306	-3,942	-2,728	-4,630	-3,275	-4,098	-2,831	-4,147	-2,513	-3,936	-3,334	-4,124	-3,146	-4,141	-3,416	-3,648
45	Reinvested earnings .....	-22,524	-19,555	-5,928	-5,007	-7,792	-3,796	-4,536	-3,880	-6,210	-4,929	-6,361	-4,621	-6,723	-4,616	-5,002	-3,445	-5,148	-5,961
46	Interest <sup>1</sup> .....	-9,545	-11,892	-2,090	-2,330	-2,491	-2,634	-2,648	-3,081	-3,130	-3,033	-2,690	-2,330	-2,491	-2,814	-2,648	-3,081	-3,130	-3,033
47	U.S. affiliates' payments .....	-11,378	-13,907	-2,441	-2,721	-2,989	-3,227	-3,007	-3,566	-3,632	-3,702	-2,441	-2,721	-2,989	-3,227	-3,007	-3,566	-3,632	-3,702
48	U.S. affiliates' receipts .....	1,833	2,015	351	391	498	593	359	485	502	669	351	391	498	593	359	485	502	669
49	Less: Current-cost adjustment .....	-2,701	-3,351	-566	-648	-716	-771	-811	-838	-851	-851	-566	-648	-716	-771	-811	-838	-851	-851
50	Less: Withholding taxes .....	-471	-521	-88	-109	-118	-156	-91	-138	-127	-165	-71	-141	-123	-136	-70	-178	-134	-141
51	<b>Equals: Income without current-cost adjustment, after deduction of withholding taxes<sup>2</sup></b> .....	-42,502	-41,924	-9,669	-10,522	-12,177	-10,134	-9,556	-10,083	-11,192	-11,093	-10,027	-10,098	-11,709	-10,668	-9,914	-9,652	-10,708	-11,650
52	Petroleum .....	-4,721	-2,452	-1,271	-1,049	-1,358	-1,044	-567	-697	-773	-415	-1,271	-1,049	-1,358	-1,044	-567	-697	-773	-415
53	Manufacturing .....																		

Table 6.—Securities Transactions

[Millions of dollars]

Line	(Credits +; debits -)	1997	1998 <sup>a</sup>	Not seasonally adjusted							
				1997				1998			
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>r</sup>
A1	<b>Foreign securities, net U.S. purchases (-), (table 1, line 45 or lines 2 + 13 below)</b>	<b>-87,981</b>	<b>-89,352</b>	<b>-15,521</b>	<b>-23,263</b>	<b>-41,167</b>	<b>-8,030</b>	<b>-6,973</b>	<b>-27,878</b>	<b>17,056</b>	<b>-71,557</b>
2	<b>Stocks, net U.S. purchases</b>	<b>-41,258</b>	<b>-75,941</b>	<b>-11,653</b>	<b>-13,595</b>	<b>-16,086</b>	<b>76</b>	<b>-3,392</b>	<b>-996</b>	<b>8,223</b>	<b>-79,776</b>
3	New issues in the United States	-15,239	-9,198	-2,255	-2,724	-3,366	-6,894	-1,091	-2,917	-2,707	-2,483
4	Of which Western Europe	-4,888	-3,901	-709	-1,104	-831	-2,244	-90	-1,963	-1,679	-169
5	Canada	(D)	(D)	(D)	-56	-182	-1,172	(D)	(D)	(D)	(D)
6	Latin America	(D)	(D)	(D)	-917	-1,555	-138	(D)	(D)	(D)	(D)
7	Transactions in outstanding stocks, net	-26,019	-66,743	-9,398	-10,871	-12,720	6,970	-2,301	1,921	10,930	-77,293
8	Western Europe	-10,092	-54,858	-4,674	688	-7,136	1,030	2,045	8,508	13,367	-78,778
9	Of which United Kingdom	-15,979	-37,908	-3,025	-2,500	-8,063	-2,391	2,164	8,055	4,068	-52,195
10	Canada	257	4,069	1,480	-806	-1,580	1,163	-29	378	2,659	1,061
11	Japan	-9,445	-1,362	-1,930	-8,684	-3,057	4,226	-2,515	2,740	371	-1,958
12	Other	-6,739	-14,592	-4,274	-2,069	-947	551	-1,802	-9,705	-5,467	2,382
13	<b>Bonds, net U.S. purchases</b>	<b>-46,723</b>	<b>-13,411</b>	<b>-3,868</b>	<b>-9,668</b>	<b>-25,081</b>	<b>-8,106</b>	<b>-3,581</b>	<b>-26,882</b>	<b>8,833</b>	<b>8,219</b>
14	New issues in the United States	-70,948	-55,227	-16,257	-15,956	-24,389	-14,346	-9,513	-22,850	-11,276	-11,588
15	By issuer:										
16	Central governments and their agencies and corporations	-9,988	-8,573	-3,990	-2,861	-2,237	-900	-300	-5,931	-984	-1,358
17	Other governments and their agencies and corporations <sup>1</sup>	-5,232	-3,296	-1,100	-2,861	-3,899	-122		-1,971	-450	-875
18	Private corporations	-55,141	-42,948	-11,167	-12,984	-17,666	-13,324	-9,213	-14,948	-9,842	-8,945
19	International financial institutions <sup>2</sup>	-587	-410			-587					-410
20	By area:										
21	Western Europe	-20,353	-14,928	-4,857	-2,614	-5,860	-7,022	-3,185	-4,834	-4,731	-2,178
22	Canada	-6,323	-11,615	-1,220	-1,668	-2,157	-1,278	-775	-2,335	-3,141	-5,364
23	Japan	-135	-2,271				-135		-2,271		
24	Latin America	-19,962	-13,859	-5,925	-5,625	-6,876	-1,536	-1,865	-7,127	-2,466	-2,401
25	Other countries	-23,588	-12,144	-4,255	-6,049	-8,909	-4,375	-1,417	-8,554	-938	-1,235
26	International financial institutions <sup>2</sup>	-587	-410			-587					-410
27	Redemptions of U.S.-held foreign bonds <sup>3</sup>	15,912	17,525	3,633	1,566	3,947	6,766	3,102	5,580	4,607	4,236
28	Western Europe	4,852	3,682	888	273	988	2,704	1,065	886	1,057	674
29	Canada	3,019	3,136	678	493	1,042	806	890	1,018	591	637
30	Other countries	4,684	10,707	517	701	1,403	2,062	1,147	3,676	2,959	2,925
31	International financial institutions <sup>2</sup>	3,357		1,550	99	515	1,193				
32	Other transactions in outstanding bonds, net <sup>3</sup>	8,313	24,291	8,756	4,722	-4,639	-526	2,830	-9,612	15,502	15,571
33	Western Europe	2,875	-2,134	5,023	7,258	-7,464	-1,942	-984	-13,011	827	11,034
34	Of which United Kingdom	-1,769	-4,813	2,705	5,738	-8,959	-1,253	-1,641	-10,461	-2,523	9,812
35	Canada	812	3,787	1,501	-398	-1,629	1,338	3	-543	4,002	325
36	Japan	-1,171	6,939	-1,492	-1,590	513	1,398	814	-2,824	3,168	5,781
37	Other	5,797	15,699	3,724	-548	3,941	-1,320	2,997	6,766	7,505	-1,569
B1	<b>U.S. securities, excluding Treasury securities and transactions of foreign official agencies, net foreign purchases (+), (table 1, line 60 or lines 2 + 10 below)</b>	<b>196,845</b>	<b>217,312</b>	<b>45,477</b>	<b>54,258</b>	<b>60,327</b>	<b>36,783</b>	<b>77,019</b>	<b>71,017</b>	<b>20,041</b>	<b>49,235</b>
2	<b>Stocks, net foreign purchases</b>	<b>65,966</b>	<b>46,219</b>	<b>11,815</b>	<b>21,077</b>	<b>23,198</b>	<b>9,876</b>	<b>29,302</b>	<b>14,085</b>	<b>-5,458</b>	<b>8,290</b>
3	By area:										
4	Western Europe	57,345	64,217	11,066	14,504	15,080	16,695	26,278	22,066	13,685	2,188
5	Of which Germany	9,008	10,331	2,778	2,045	2,021	2,164	1,888	4,224	4,024	195
6	Switzerland	7,683	5,983	3,334	2,003	1,030	3,317	3,712	4,623	423	-2,775
7	United Kingdom	21,649	21,882	3,423	6,141	6,610	5,475	10,609	4,050	3,252	3,971
8	Canada	-1,165	-5,741	1,155	148	-1,284	-1,184	-174	-2,037	-334	-2,596
9	Japan	4,689	-2,077	-2,333	4,156	1,403	1,463	-3,247	-253	374	1,049
10	Other	5,097	-10,180	1,927	2,269	7,999	-7,098	6,445	-5,691	-18,583	7,649
11	<b>Corporate and other bonds, net foreign purchases</b>	<b>130,879</b>	<b>171,093</b>	<b>33,662</b>	<b>33,181</b>	<b>37,129</b>	<b>26,907</b>	<b>47,717</b>	<b>56,932</b>	<b>25,499</b>	<b>40,945</b>
12	By type:										
13	New issues sold abroad by U.S. corporations	84,778	53,269	18,400	25,579	28,953	11,846	15,120	15,664	13,314	9,171
14	U.S. federally sponsored agency bonds, net	45,228	49,025	12,557	10,188	12,471	10,012	20,752	16,988	1,346	9,939
15	Other outstanding bonds, net	673	68,799	2,705	-2,586	-4,295	5,049	11,845	24,280	10,839	21,835
16	By area:										
17	Western Europe	73,528	122,983	20,274	19,563	23,617	10,074	25,398	34,810	24,662	38,113
18	Of which Germany	2,587	4,607	486	192	2,123	-213	956	1,819	1,125	707
19	Switzerland	-29	3,571	-339	369	-1,193	1,134	364	1,802	1,290	115
20	United Kingdom	58,310	97,272	17,835	15,922	18,428	6,125	20,337	27,501	18,295	31,139
21	Canada	6,292	5,854	1,803	879	1,513	2,097	1,878	1,498	1,521	957
22	Japan	9,324	8,345	3,160	3,366	4,243	-1,445	664	3,889	-1,262	5,054
23	Other countries	41,667	33,657	8,426	9,370	7,756	16,115	19,752	16,483	683	-3,261
24	International financial institutions <sup>2</sup>	64	255	-1	3	-4	66	26	252	-105	82
<b>Memoranda:</b>											
Other foreign transactions in marketable, long-term U.S. securities included elsewhere in international transactions accounts:											
Foreign official assets in the United States (lines in table 9):											
1	U.S. Treasury marketable bonds (line A4)	43,379	4,123	24,897	20,953	8,913	-11,384	6,186	-1,426	-26,755	26,118
2	Other U.S. Government securities (line A6)	4,334	6,332	754	827	2,667	86	2,610	254	1,906	1,562
3	U.S. corporate and other bonds (part of line A14)	1,121	202	365	16	642	98	802		-608	-89
4	U.S. stocks (part of line A14)	-1,775	-3,679	-3,590	915	-9	909	-1,053	30	-1,886	-770
5	Other foreign transactions in U.S. Treasury bonds and notes (table 9, line B4)	139,639	43,757	37,461	34,627	32,938	34,613	5,001	30,251	1,011	7,494

See footnotes on page 59.

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	1998 <sup>p</sup>	Not seasonally adjusted								Amounts outstanding Dec. 31, 1998
				1997				1998				
				I	II	III	IV	I	II	III <sup>p</sup>	IV <sup>1</sup>	
A1	<b>Claims, total (table 1, line 46)</b>	<b>-120,403</b>	<b>-45,440</b>	<b>-37,880</b>	<b>-9,825</b>	<b>-24,791</b>	<b>-47,907</b>	<b>-6,596</b>	<b>-14,327</b>	<b>-20,320</b>	<b>-4,197</b>	<b>617,085</b>
2	Financial claims	-117,698	-44,336	-38,701	-9,833	-23,641	-45,523	-6,417	-14,194	-19,528	-4,197	584,855
3	Denominated in U.S. dollars	-104,542	-36,997	-33,907	-2,182	-19,771	-48,682	-1,798	-12,927	-18,075	-4,197	484,939
4	Denominated in foreign currencies	-13,156	-7,339	-4,794	-7,651	-3,870	3,159	-4,619	-1,267	-1,453		99,916
5	By type: Deposits <sup>2</sup>	-101,026	-36,235	-30,350	-5,012	-20,079	-45,585	18,264	-18,995	-19,504	-16,000	479,292
6	Financial intermediaries' accounts	-16,360	-8,167	-8,837	-4,571	-3,198	246	-23,491	4,664	-1,143	11,803	100,398
7	Other claims <sup>2,3</sup>	-312	66	486	-250	-364	-184	-1,190	137	1,119		5,165
8	By area: Industrial countries <sup>4</sup>	-65,352	-31,131	-23,898	-6,768	-10,014	-24,672	-6,444	-13,437	-11,250		316,279
9	Of which United Kingdom	-43,292	-17,252	-16,704	-6,867	-4,223	-15,498	-2,496	-1,807	-12,949		192,544
10	Canada	256	1,859	894	2,757	-1,143	-2,252	-288	-1,696	3,843		8,867
11	Caribbean banking centers <sup>5</sup>	-51,178	-24,976	-14,245	-3,269	-12,003	-21,661	2,123	-2,552	-8,547	-16,000	265,065
12	Other	-1,168	11,771	-558	204	-1,624	810	-2,096	1,795	269	11,803	3,511
13	Commercial claims	-2,705	-1,104	821	8	-1,150	-2,384	-179	-133	-792		32,230
14	Denominated in U.S. dollars	-3,287	-1,058	-314	135	-842	-2,266	-565	-427	-66		30,021
15	Denominated in foreign currencies	582	-46	1,135	-127	-308	-118	386	294	-726		2,209
16	By type: Trade receivables	-1,703	-358	950	-57	-252	-2,344	1	134	-493		27,806
17	Advance payments and other claims	-1,002	-746	-129	65	-898	-40	-180	-267	-299		4,424
18	By area: Industrial countries <sup>4</sup>	-2,004	-876	455	144	-1,001	-1,602	-792	105	-189		18,770
19	Members of OPEC <sup>6</sup>	-355	236	78	-87	-122	-224	282	-236	190		1,947
20	Other	-346	-464	288	-49	-27	-558	331	-2	-793		11,513
B1	<b>Liabilities, total (table 1, line 61)</b>	<b>107,779</b>	<b>43,803</b>	<b>28,840</b>	<b>5,274</b>	<b>26,275</b>	<b>47,390</b>	<b>32,707</b>	<b>18,040</b>	<b>11,875</b>	<b>-18,819</b>	<b>506,238</b>
2	Financial liabilities	102,493	43,570	27,549	5,029	24,900	45,015	33,126	17,046	12,217	-18,819	469,183
3	Denominated in U.S. dollars	97,454	33,619	25,699	9,591	24,805	37,369	33,348	9,383	9,707	-18,819	415,488
4	Denominated in foreign currencies	5,039	9,951	1,850	-4,552	95	7,646	-222	7,663	2,510		53,695
5	By type: Financial intermediaries' accounts	45,865	15,636	13,682	8,512	948	22,723	14,713	4,907	7,135	-11,119	136,166
6	Other liabilities	56,628	27,934	13,867	-3,483	23,952	22,292	18,413	12,139	5,082	-7,700	333,017
7	By area: Industrial countries <sup>4</sup>	78,823	39,937	27,831	4,242	12,066	34,684	21,903	15,615	2,419		271,134
8	Of which United Kingdom	36,831	58,025	21,553	-4,411	11,605	8,084	24,802	19,221	14,002		195,901
9	Caribbean banking centers <sup>5</sup>	22,875	13,350	-787	783	11,326	11,553	9,554	756	10,740	-7,700	188,921
10	Other	795	-9,717	505	4	1,508	-1,222	1,669	675	-942	-11,119	9,128
11	Commercial liabilities	5,286	233	1,291	245	1,375	2,375	-419	994	-342		37,055
12	Denominated in U.S. dollars	4,798	300	1,375	236	1,233	1,954	-131	1,221	-790		35,329
13	Denominated in foreign currencies	488	-67	-84	9	142	421	-288	-227	448		1,726
14	By type: Trade payables	-1,822	-127	-1,200	-393	-168	-61	-700	-280	853		10,439
15	Advance receipts and other liabilities	7,108	360	2,491	638	1,543	2,436	281	1,274	-1,195		26,616
16	By area: Industrial countries <sup>4</sup>	3,792	747	604	120	847	2,221	-624	1,011	360		23,082
17	Members of OPEC <sup>6</sup>	848	374	308	-111	661	-10	-74	46	402		4,318
18	Other	646	-888	379	236	-133	164	279	-63	-1,104		9,655

See footnotes on page 59.

**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	1998 <sup>a</sup>	Not seasonally adjusted								Amounts outstanding Dec. 31, 1998
				1997				1998				
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>r</sup>	
1	<b>Total (table 1, line 47)</b> .....	<b>-147,439</b>	<b>-31,040</b>	<b>-63,698</b>	<b>-26,625</b>	<b>-29,577</b>	<b>-27,539</b>	<b>3,074</b>	<b>-24,615</b>	<b>-31,996</b>	<b>22,497</b>	<b>1,026,254</b>
2	By type:											
3	Banks' own claims .....	-129,080	-5,894	-44,859	-26,678	-11,313	-46,230	20,472	-26,534	-26,800	26,968	811,220
4	Payable in dollars .....	-108,308	-18,065	-36,639	-14,904	-3,951	-52,814	20,583	-40,294	-29,574	31,220	737,207
5	By borrower:											
6	Claims on:											
7	own foreign offices .....	-90,111	-44,262	-18,767	-19,085	4,974	-57,233	29,298	-32,814	-40,358	-388	486,840
8	unaffiliated foreign banks .....	4,458	3,957	-4,766	-1,097	14,801	-4,480	1,422	269	-1,140	3,406	105,566
9	foreign public borrowers <sup>1</sup> .....	1,556	-2,977	-6,622	-562	525	8,215	-7,566	452	1,403	2,834	23,543
10	other private foreigners .....	-24,211	25,117	-6,484	5,840	-24,251	684	-2,571	-8,201	10,521	25,368	121,258
11	By bank ownership: <sup>2</sup>											
12	U.S.-owned banks' claims on:											
13	own foreign offices .....	-27,616	14,409	6,127	3,428	2,424	-39,595	23,216	-8,977	13,236	-13,066	167,460
14	unaffiliated foreign banks .....	11,771	-4,351	1,716	586	7,681	1,788	-6,583	-1,731	3,206	757	52,376
15	other foreigners .....	-15,236	27,187	-1,494	3,059	-12,691	-4,110	-9,038	-5,466	12,808	28,883	101,130
16	Foreign-owned banks' claims on:											
17	own foreign offices .....	-62,495	-58,671	-24,894	-22,513	2,550	-17,638	6,082	-23,837	-53,594	12,678	319,380
18	unaffiliated foreign banks .....	-7,313	8,308	-6,482	-1,683	7,120	-6,268	8,005	2,000	-4,346	2,649	53,190
19	other foreigners .....	-7,419	-4,947	-11,612	2,219	-11,035	13,009	-1,099	-2,283	-884	-681	43,671
20	Payable in foreign currencies .....	-20,772	12,171	-8,220	-11,774	-7,362	6,584	-111	13,760	2,774	-4,252	74,013
21	Banks' domestic customers' claims .....	-18,360	-25,146	-18,839	53	-18,264	18,691	-17,398	1,919	-5,196	-4,471	215,034
22	Payable in dollars .....	-20,861	-3,362	-19,621	122	-18,319	16,957	-17,663	1,347	-4,097	17,051	185,059
23	Deposits .....	-7,923	-5,457	-17,490	556	-5,869	14,880	-12,296	-1,002	-3,584	11,435	78,167
24	Foreign commercial paper <sup>3</sup> .....	-6,933	-1,700	-1,107	1,131	-8,717	1,760	-10,051	1,460	-1,542	8,833	78,048
25	Other negotiable and readily transferable instruments <sup>4</sup> .....	1,521	-232	1,153	-1,508	-3,079	4,955	5,347	-2,227	1,279	-4,631	15,321
26	Outstanding collections and other .....	-7,527	4,027	-2,177	-58	-654	-4,638	-263	3,116	-240	1,414	13,523
27	Payable in foreign currencies .....	2,502	-21,784	782	-69	55	1,734	265	572	-1,099	-21,522	29,975
28	By area:											
29	Industrial countries <sup>5</sup> .....	-63,400	-41,739	-62,299	-3,019	3,619	-1,701	6,880	-6,947	-37,829	-3,843	551,489
30	Western Europe .....	-65,715	-46,204	-51,373	1,848	-19,999	3,809	-14,075	-25,662	-13,994	7,527	394,730
31	Of which United Kingdom .....	-25,136	-14,417	-21,116	3,634	-192	-7,462	6,428	-23,428	11,571	-8,988	179,889
32	Canada .....	-3,688	-19,617	-12,763	-2,487	14,387	-2,825	-609	952	-15,292	-4,668	79,383
33	Japan .....	5,806	34,070	1,451	-1,190	7,829	-2,284	20,938	19,290	-8,230	2,072	55,169
34	Other .....	197	-9,988	386	-1,190	1,402	-401	626	-1,527	-313	-8,774	22,207
35	Caribbean banking centers <sup>6</sup> .....	-65,721	-2,505	9,355	-15,666	-33,352	-26,058	-8,664	-22,181	5,702	22,638	306,255
36	Other areas .....	-18,319	13,204	-10,754	-7,940	155	220	4,858	4,513	131	3,701	168,510
37	Of which Members of OPEC, included below <sup>7</sup> .....	-2,645	-7,553	120	-155	1,217	-3,827	2,539	2,128	-4,920	-7,300	26,686
38	Latin America .....	-16,700	142	-1,798	-4,104	-2,639	-8,159	-5,740	13	691	5,178	95,320
39	Asia .....	-1,550	18,745	-6,655	-5,743	4,087	6,761	13,865	2,901	1,523	457	63,195
40	Africa .....	-519	542	-61	-571	82	31	-220	1,511	-588	-161	2,735
41	Other <sup>8</sup> .....	450	-6,225	-2,240	2,478	-1,375	1,587	-3,047	88	-1,495	-1,773	7,260
42	<b>Memoranda:</b>											
43	International banking facilities' (IBF's) own claims, payable in dollars (lines 1-13 above) .....	-37,068	37,458	-10,361	-2,405	2,724	-27,026	24,545	-7,618	6,404	14,127	219,210
44	By borrower:											
45	Claims on:											
46	own foreign offices .....	-23,167	32,908	-4,188	1,574	-634	-19,919	17,636	-9,559	9,745	15,086	121,198
47	unaffiliated foreign banks .....	-3,893	5,014	-3,853	-4,704	5,534	-870	7,644	2,707	-3,225	-2,112	54,578
48	foreign public borrowers .....	15	-123	339	670	-86	-908	-78	-589	968	-424	6,687
49	all other foreigners .....	-10,023	-341	-2,659	55	-2,090	-5,329	-657	-177	-1,084	1,577	36,747
50	By bank ownership: <sup>2</sup>											
51	U.S.-owned IBF's .....	-10,084	-1,098	-1,963	2,497	1,513	-12,131	107	-2,368	-3,422	4,585	69,121
52	Foreign-owned IBF's .....	-26,984	38,556	-8,398	-4,902	1,211	-14,895	24,438	-5,250	9,826	9,542	150,089
53	Banks' dollar acceptances payable by foreigners .....	765	5,100	-614	-235	556	1,258	2,128	892	531	1,549	4,519

See footnotes on page 59.

**Table 9.—Foreign Official Assets and Other Foreign Assets in the United States Reported by U.S. Banks**  
 [Millions of dollars]

Line	(Credits +; increase in foreign assets. Debits -; decrease in foreign assets.)	1997	1998 <sup>p</sup>	Not seasonally adjusted								Amounts outstanding Dec. 31, 1998
				1997				1998				
				I	II	III	IV	I	II	III <sup>r</sup>	IV <sup>p</sup>	
<b>A1</b>	<b>Foreign official assets in the United States, net (table 1, line 49)</b> .....	<b>15,817</b>	<b>-22,112</b>	<b>26,949</b>	<b>-5,411</b>	<b>21,258</b>	<b>-26,979</b>	<b>11,324</b>	<b>-10,274</b>	<b>-46,347</b>	<b>23,185</b>	<b>786,290</b>
	By type:											
2	U.S. Treasury securities (table 1, line 51) .....	-7,270	-9,946	22,311	-11,689	6,696	-24,578	11,336	-20,318	-32,811	31,847	569,966
3	Bills and certificates .....	-50,620	-14,149	-2,702	-32,269	-2,340	-13,309	5,034	-19,011	-6,178	6,006	134,162
4	Bonds and notes, marketable .....	43,379	4,123	24,897	20,953	8,913	-11,384	6,186	-1,426	-26,755	26,118	429,785
5	Bonds and notes, nonmarketable .....	-29	80	116	-373	113	115	116	119	122	-277	6,019
6	Other U.S. Government securities (table 1, line 52) .....	4,334	6,332	754	827	2,667	86	2,610	254	1,906	1,562	40,923
7	Other U.S. Government liabilities (table 1, line 53) .....	-2,521	-2,506	-587	-523	-1,167	-244	-1,059	-422	-264	-781	19,092
8	U.S. liabilities reported by U.S. banks, not included elsewhere (table 1, line 54) .....	21,928	-12,515	7,696	5,043	12,439	-3,250	-607	9,380	-12,684	-8,604	122,947
9	Banks' liabilities for own account, payable in dollars <sup>1</sup> .....	22,204	-23,342	11,473	6,853	7,722	-3,844	2,096	-1,750	-17,082	-6,606	78,704
10	Demand deposits .....	803	472	857	-986	263	569	-263	531	1,025	821	2,786
11	Time deposits .....	7,784	-12,719	-645	7,210	83	1,136	-1,155	-4,197	-7,968	601	28,677
12	Other liabilities <sup>2</sup> .....	13,617	-11,095	11,261	529	7,376	-5,549	1,916	-10,139	-19,136	-6,386	47,241
13	Banks' custody liabilities, payables in dollars/1.3/ .....	-276	10,827	-3,777	-1,810	4,717	594	-2,703	11,130	4,398	-1,998	44,243
14	Other foreign official assets (table 1, line 55) .....	-654	-3,477	-3,225	931	633	1,007	-956	832	-2,494	-859	33,362
	By area: (see text table D).											
<b>B1</b>	<b>Other foreign assets in the United States, net (table 1, lines 58 and 62)</b> .....	<b>294,769</b>	<b>90,628</b>	<b>51,106</b>	<b>70,681</b>	<b>48,038</b>	<b>124,944</b>	<b>-52,198</b>	<b>64,586</b>	<b>75,555</b>	<b>2,685</b>	<b>1,724,196</b>
	By type:											
2	U.S. Treasury securities (line 58) .....	146,710	48,060	33,363	42,614	35,432	35,301	-1,701	26,916	-1,438	24,283	709,784
	By security:											
3	Bills and certificates .....	7,071	4,303	-4,098	7,987	2,494	688	-6,702	-3,335	-2,449	16,789	49,241
4	Marketable bonds and notes .....	139,639	43,757	37,461	34,627	32,938	34,613	5,001	30,251	1,011	7,494	660,543
5	U.S. liabilities reported by U.S. banks (line 62) .....	148,059	42,568	17,743	28,067	12,606	89,643	-50,497	37,670	76,993	-21,598	1,014,412
6	Banks' own liabilities <sup>1</sup> .....	121,690	5,347	22,205	11,368	1,448	86,669	-57,832	32,565	52,287	-21,673	906,925
7	Payable in dollars .....	102,036	24,608	12,362	12,298	-10,435	87,811	-41,428	42,578	49,356	-25,898	805,800
	By account:											
8	Liabilities to own foreign offices .....	83,407	78,763	11,996	5,144	-6,723	72,990	-45,167	38,567	65,683	19,680	563,763
	Liabilities to unaffiliated foreigners:											
9	demand deposits .....	4,267	-3,301	-216	2,756	-1,476	3,203	747	3,127	-3,724	-3,451	26,489
10	time deposits <sup>1</sup> .....	3,813	-34,307	2,514	-9,083	851	9,531	-14,206	7,774	-4,545	-23,330	122,767
11	other liabilities <sup>2</sup> .....	10,549	-16,547	-1,932	13,481	-3,087	2,087	17,198	-6,890	-8,058	-18,797	92,781
	By holder:											
	Liabilities to:											
12	own foreign offices .....	83,407	78,763	11,996	5,144	-6,723	72,990	-45,167	38,567	65,683	19,680	563,763
13	unaffiliated foreign banks .....	-3,782	-43,602	-7,393	3,167	-5,205	5,649	-11,973	9,382	-10,731	-30,280	113,461
14	other private foreigners .....	24,580	-10,194	9,306	2,299	3,465	9,510	11,973	-3,887	-6,017	-12,263	117,749
15	international financial institutions <sup>4</sup> .....	-2,169	-359	-1,547	1,688	-1,972	-338	3,739	-1,484	421	-3,035	10,827
	By bank ownership: <sup>5</sup>											
16	U.S.-owned banks' liabilities to:											
17	own foreign offices .....	42,722	16,624	3,252	-2,555	2,001	40,024	-8,755	7,435	12,034	5,910	213,622
17	unaffiliated foreign banks .....	-4,197	884	-2,568	7,327	-380	-8,576	3,015	2,461	-1,602	-2,990	42,309
18	other private foreigners and international financial institutions <sup>4</sup> .....	18,226	-6,292	332	4,147	1,868	11,879	10,354	-3,966	-5,178	-7,502	87,005
19	Foreign-owned banks' liabilities to:											
19	own foreign offices .....	40,685	62,139	8,744	7,699	-8,724	32,966	-36,412	31,132	53,649	13,770	350,141
20	unaffiliated foreign banks .....	415	-44,486	-4,825	-4,160	-4,825	14,225	-14,988	6,921	-9,129	-27,290	71,152
21	other private foreigners and international financial institutions <sup>4</sup> .....	4,185	-4,261	7,427	-160	-375	-2,707	5,358	-1,405	-418	-7,796	41,571
22	Payable in foreign currencies .....	19,654	-19,261	9,843	-930	11,883	-1,142	-16,404	-10,013	2,931	4,225	101,125
23	Banks' custody liabilities, payable in dollars/1.3/ .....	26,369	37,221	-4,462	16,699	11,158	2,974	7,335	5,105	24,706	75	107,487
24	Of which negotiable and readily transferable instruments .....	21,648	35,653	-5,175	13,989	10,812	2,022	5,788	5,237	25,067	-439	96,046
	By area:											
25	Industrial countries <sup>6</sup> .....	228,592	56,888	40,950	48,155	45,437	94,050	-40,131	14,149	67,520	15,350	1,081,756
26	Western Europe .....	194,886	14,541	28,167	34,786	59,412	72,521	-13,847	18,890	43,368	-33,870	750,142
27	Canada .....	-6,069	1,845	-349	5,078	-9,635	-1,163	-3,534	3,570	932	877	36,257
28	Other .....	39,775	40,502	13,132	8,291	-4,340	22,692	-22,750	-8,311	23,220	48,343	295,357
29	Caribbean banking centers <sup>7</sup> .....	36,148	4,759	832	15,181	-349	20,484	-30,901	54,497	-7,799	-11,038	384,468
30	Other areas .....	30,029	28,981	9,324	7,345	2,950	10,410	18,834	-4,060	15,834	-1,627	257,972
31	Of which Members of OPEC, included below <sup>8</sup> .....	921	-802	1,050	-90	205	-244	3,231	-4,752	1,997	-1,278	32,301
32	Latin America .....	3,580	13,995	-579	-500	210	4,449	7,995	723	6,068	-791	89,713
33	Asia .....	23,089	16,908	10,969	1,768	5,215	5,137	4,912	727	7,875	3,394	138,129
34	Africa .....	997	-1,004	117	877	-245	166	166	-899	3	-274	4,684
35	Other <sup>9</sup> .....	2,363	-918	-1,183	5,200	-2,230	576	5,761	-4,611	1,888	-3,956	25,446
	<b>Memoranda:</b>											
1	International banking facilities <sup>1</sup> (IBFs) own liabilities, payable in dollars (in lines A9, and B7 above) .....	54,455	-35,405	-2,114	8,248	644	47,677	-33,860	-10,712	32,380	-23,213	371,931
	By holder:											
	Liabilities to:											
2	own foreign offices .....	47,615	22,197	5,660	98	2,990	38,867	-19,741	-12,205	51,826	2,317	231,421
3	unaffiliated foreign banks .....	-6,394	-39,944	-5,613	-5,316	-2,576	7,111	-16,698	8,816	-11,970	-20,092	73,518
4	foreign official agencies .....	16,104	-18,265	-1,038	12,249	2,465	2,428	-1,295	-6,822	-6,942	-3,206	38,522
5	other private foreigners and international financial institutions <sup>4</sup> .....	-2,870	607	-1,123	1,217	-2,235	-729	3,874	-501	-534	-2,232	28,470
	By bank ownership: <sup>5</sup>											
6	U.S.-owned IBFs .....	-664	-6,242	-3,543	-4,925	-2,265	10,069	-4,672	2,695	2,318	-6,583	62,735
7	Foreign-owned IBFs .....	55,119	-29,163	1,429	13,173	2,909	37,608	-29,188	-13,407	30,062	-16,630	309,196
8	Negotiable certificates of deposit held for foreigners <sup>1</sup> (in lines A13 and B23 above) .....	1,473	10,923	-646	1,844	101	174	6,370	-1,187	6,162	-422	26,969

See footnotes on page 59.

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 1982, 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 December 31, 1998, were as follows in millions of dollars: Line 34, 81,761; line 35, 11,046; line 36, 10,603; line 37, 24,111; line 38, 36,001. 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).
  14. Additional footnotes for historical data in July issues of the SURVEY.
  15. For 1974, includes extraordinary U.S. Government transactions with India. See "Special U.S. Government Transactions," June 1974 SURVEY, p. 27.
  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 1985 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 memorandum 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 1998.

- Table 5:**
1. Beginning with 1991, payments and receipts of interest net 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:** For footnotes 1-13, see table 1.
14. 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.
  15. 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.
  16. 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.
  17. Details not shown separately; see totals in lines 49 and 56.
  18. Details not shown separately are included in line 62.

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

Line	(Credits +; debits -) <sup>1</sup>	Western Europe						European Union <sup>14</sup>	
		1997	1998 <sup>2</sup>	1998				1997	1998 <sup>3</sup>
				I	II	III <sup>4</sup>	IV <sup>5</sup>		
<b>1</b>	<b>Exports of goods, services, and income</b> .....	<b>341,590</b>	<b>362,539</b>	<b>91,028</b>	<b>90,139</b>	<b>88,063</b>	<b>93,309</b>	<b>307,694</b>	<b>327,588</b>
2	Goods, adjusted, excluding military <sup>2</sup> .....	152,962	159,555	41,590	39,537	37,207	41,221	138,851	146,361
3	Services <sup>3</sup> .....	87,517	93,670	21,582	23,053	24,832	24,203	77,816	83,736
4	Transfers under U.S. military agency sales contracts <sup>4</sup> .....	4,877	4,703	1,066	1,100	1,188	1,349	2,917	2,973
5	Travel .....	22,038	23,273	4,883	5,570	6,883	5,937	20,246	21,420
6	Passenger fares .....	6,663	6,919	1,541	1,758	1,980	1,640	6,416	6,684
7	Other transportation .....	7,704	7,462	1,873	1,849	1,838	1,902	6,409	6,366
8	Royalties and license fees <sup>5</sup> .....	16,320	18,164	4,252	4,480	4,412	5,020	15,465	17,210
9	Other private services <sup>5</sup> .....	29,755	32,988	7,927	8,256	8,491	8,314	28,224	28,942
10	U.S. Government miscellaneous services .....	160	161	40	40	40	41	139	141
11	Income receipts on U.S. assets abroad .....	101,314	109,314	27,856	27,549	26,024	27,885	91,027	97,491
12	Direct investment receipts .....	47,180	50,945	12,970	13,236	11,240	13,499	41,024	43,976
13	Other private receipts .....	53,010	57,399	14,606	14,135	14,501	14,157	49,214	52,671
14	U.S. Government receipts .....	921	970	280	178	283	229	789	844
<b>15</b>	<b>Imports of goods, services, and income</b> .....	<b>-364,089</b>	<b>-398,669</b>	<b>-93,117</b>	<b>-99,829</b>	<b>-102,610</b>	<b>-103,113</b>	<b>-329,621</b>	<b>-362,637</b>
16	Goods, adjusted, excluding military <sup>2</sup> .....	-175,770	-193,967	-44,938	-48,104	-48,457	-52,468	-160,145	-176,055
17	Services <sup>3</sup> .....	-67,745	-71,784	-15,721	-19,017	-20,049	-16,997	-59,526	-63,818
18	Direct defense expenditures .....	-6,909	-6,686	-1,734	-1,601	-1,671	-1,680	-5,410	-5,753
19	Travel .....	-16,906	-17,799	-3,267	-5,335	-5,781	-3,416	-15,104	-15,952
20	Passenger fares .....	-8,859	-9,147	-1,904	-2,657	-2,766	-1,820	-8,051	-8,325
21	Other transportation .....	-10,284	-10,590	-2,517	-2,680	-2,711	-2,702	-8,141	-8,518
22	Royalties and license fees <sup>5</sup> .....	-5,903	-6,438	-1,572	-1,582	-1,615	-1,669	-5,035	-5,519
23	Other private services <sup>5</sup> .....	-17,716	-19,931	-4,433	-4,886	-5,205	-5,407	-16,781	-18,726
24	U.S. Government miscellaneous services .....	-1,168	-1,193	-294	-296	-300	-303	-1,004	-1,025
25	Income payments on foreign assets in the United States .....	-120,574	-132,918	-32,458	-32,708	-34,104	-33,648	-109,950	-122,764
26	Direct investment payments .....	-31,233	-30,230	-7,606	-7,182	-7,807	-7,635	-28,184	-27,900
27	Other private payments .....	-55,253	-63,415	-15,120	-15,634	-16,414	-16,247	-50,758	-58,446
28	U.S. Government payments .....	-34,088	-39,273	-9,732	-9,892	-9,883	-9,766	-31,008	-36,418
<b>29</b>	<b>Unilateral transfers, net</b> .....	<b>-231</b>	<b>-180</b>	<b>-41</b>	<b>-52</b>	<b>-65</b>	<b>-22</b>	<b>800</b>	<b>764</b>
30	U.S. Government grants <sup>4</sup> .....	-560	-411	-70	-153	-133	-55	-29	.....
31	U.S. Government pensions and other transfers .....	-1,300	-1,355	-333	-327	-321	-374	-1,116	-1,162
32	Private remittances and other transfers <sup>6</sup> .....	1,629	1,586	362	428	389	407	1,945	1,926
<b>33</b>	<b>U.S. assets abroad, net (increase/capital outflow (-))</b> .....	<b>-217,475</b>	<b>-225,510</b>	<b>-42,410</b>	<b>-73,296</b>	<b>-31,325</b>	<b>-78,479</b>	<b>-193,597</b>	<b>-198,598</b>
34	U.S. official reserve assets, net <sup>7</sup> .....	-611	-2,735	-151	-148	-50	-2,386	-1,377	4,598
35	Gold .....	.....	.....	.....	.....	.....	.....	.....	.....
36	Special drawing rights .....	.....	.....	.....	.....	.....	.....	.....	.....
37	Reserve position in the International Monetary Fund .....	.....	.....	.....	.....	.....	.....	.....	.....
38	Foreign currencies .....	-611	-2,735	-151	-148	-50	-2,386	-1,377	4,598
39	U.S. Government assets, other than official reserve assets, net .....	531	641	187	5	272	177	356	428
40	U.S. credits and other long-term assets .....	-332	-278	-93	-93	-76	-50	-166	-174
41	Repayments on U.S. credits and other long-term assets <sup>8</sup> .....	904	914	273	126	277	238	564	602
42	U.S. foreign currency holdings and U.S. short-term assets, net .....	-41	5	7	-62	71	-11	-42	( <sup>9</sup> )
43	U.S. private assets, net .....	-217,395	-223,416	-42,446	-73,153	-31,547	-76,270	-192,576	-203,624
44	Direct investment .....	-59,037	-73,561	-22,106	-25,519	-11,590	-14,346	-52,898	-66,400
45	Foreign securities .....	-27,606	-42,051	-1,060	-10,414	8,840	-69,417	-26,893	-74,910
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	-65,039	-31,557	-5,201	-11,559	-14,797	.....	-62,796	-28,792
47	U.S. claims reported by U.S. banks, not included elsewhere .....	-65,713	-46,247	-14,079	-25,661	-14,000	7,493	-49,899	-33,522
<b>48</b>	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b> .....	<b>472,494</b>	<b>414,512</b>	<b>78,157</b>	<b>112,503</b>	<b>101,318</b>	<b>122,534</b>	<b>434,595</b>	<b>404,008</b>
49	Foreign official assets in the United States, net .....	7,604	4,124	-3,511	5,245	-3,610	6,000	( <sup>18</sup> )	( <sup>18</sup> )
50	U.S. Government securities .....	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
51	U.S. Treasury securities <sup>9</sup> .....	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
52	Other <sup>10</sup> .....	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
53	Other U.S. Government liabilities <sup>11</sup> .....	-223	-671	-97	25	-139	-460	129	91
54	U.S. liabilities reported by U.S. banks, not included elsewhere .....	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
55	Other foreign official assets <sup>12</sup> .....	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
56	Other foreign assets in the United States, net .....	464,890	410,388	81,668	107,258	104,928	116,534	( <sup>18</sup> )	( <sup>18</sup> )
57	Direct investment .....	59,975	164,176	20,441	14,642	19,156	109,937	50,263	155,155
58	U.S. Treasury securities .....	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>18</sup> )	( <sup>18</sup> )
59	U.S. currency .....	.....	.....	.....	.....	.....	.....	.....	.....
60	U.S. securities other than U.S. Treasury securities .....	130,874	187,199	51,675	56,874	38,347	40,303	121,597	177,256
61	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	79,246	44,124	23,367	16,866	3,891	.....	64,421	61,878
62	U.S. liabilities reported by U.S. banks, not included elsewhere .....	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	( <sup>17</sup> )	<sup>18</sup> 198,185	<sup>18</sup> 9,628
<b>63</b>	<b>Allocations of special drawing rights</b> .....	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>
<b>64</b>	<b>Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed)</b> .....	<b>-232,289</b>	<b>-152,692</b>	<b>-33,617</b>	<b>-29,465</b>	<b>-55,381</b>	<b>-34,229</b>	<b>-219,871</b>	<b>-171,125</b>
<b>Memoranda:</b>									
65	Balance on goods (lines 2 and 16) .....	-22,808	-34,412	-3,348	-8,567	-11,250	-11,247	-21,294	-29,694
66	Balance on services (lines 3 and 17) .....	19,772	21,886	5,861	4,036	4,783	7,206	18,290	19,918
67	Balance on goods and services (lines 65 and 66) .....	-3,036	-12,526	2,513	-4,531	-6,467	-4,041	-3,004	-9,776
68	Balance on investment income (lines 11 and 25) .....	-19,463	-23,604	-4,602	-5,159	-8,080	-5,763	-18,923	-25,273
69	Balance on goods, services, and income (lines 1 and 15 or lines 67 and 68) <sup>13</sup> .....	-22,499	-36,130	-2,089	-9,690	-14,547	-9,804	-21,927	-35,049
70	Unilateral transfers, net (line 29) .....	-231	-180	-41	-52	-65	-22	800	764
71	Balance on current account (lines 1, 15, and 29 or lines 69 and 70) <sup>13</sup> .....	-22,730	-36,310	-2,130	-9,742	-14,612	-9,826	-21,127	-34,285

See footnotes on page 59.

Transactions, by Area

[of dollars]

European Union <sup>14</sup>				United Kingdom							European Union (6) <sup>15</sup>				Line	
1998				1997	1998 <sup>p</sup>	1998				1997	1998 <sup>p</sup>	1998				
I	II	III <sup>r</sup>	IV <sup>p</sup>			I	II	III <sup>r</sup>	IV <sup>p</sup>			I	II	III <sup>r</sup>		IV <sup>p</sup>
83,138	81,685	79,260	83,505	97,947	103,996	26,341	26,418	25,321	25,916	161,149	171,395	43,343	42,361	41,603	44,088	1
38,711	36,424	34,143	37,083	35,912	37,880	10,070	9,761	9,292	8,757	82,498	85,959	22,473	21,149	19,829	22,508	2
19,257	20,636	22,185	21,658	24,191	26,915	6,129	6,792	7,077	6,917	39,202	40,864	9,325	9,843	11,118	10,578	3
675	696	686	916	516	380	89	91	98	102	670	952	160	165	224	403	4
4,502	5,082	6,370	5,466	7,090	8,185	1,655	2,060	2,335	2,135	9,760	9,465	1,999	2,125	3,027	2,314	5
1,489	1,705	1,906	1,584	2,191	2,561	585	668	700	608	3,390	3,257	713	812	967	765	6
1,619	1,569	1,558	1,620	1,715	1,647	405	405	399	438	2,993	3,080	784	761	763	772	7
4,002	4,264	4,183	4,761	3,175	3,481	809	866	862	944	9,356	9,986	2,315	2,430	2,449	2,792	8
6,935	7,285	7,447	7,275	9,460	10,608	2,573	2,689	2,670	2,676	12,964	14,056	3,337	3,533	3,671	3,515	9
35	35	35	36	44	53	13	13	13	14	69	68	17	17	17	17	10
25,170	24,625	22,932	24,764	37,844	39,201	10,142	9,865	8,952	10,242	39,449	44,572	11,545	11,369	10,656	11,002	11
11,385	11,458	9,529	11,604	12,898	12,048	3,234	3,032	2,176	3,606	21,534	25,006	6,669	6,845	5,909	6,183	12
13,549	13,009	13,164	12,949	24,920	27,130	6,908	6,833	6,776	6,613	17,377	18,354	4,731	4,382	4,592	4,649	13
236	158	239	211	26	23				23	538	612	145	142	155	170	14
-84,530	-90,721	-93,550	-93,836	-119,457	-129,337	-30,897	-31,995	-33,097	-33,348	-166,013	-182,560	-42,504	-45,754	-46,740	-47,562	15
-40,618	-43,946	-43,962	-47,529	-32,496	-34,374	-8,111	-8,674	-8,517	-9,072	-101,457	-111,024	-25,671	-27,651	-27,357	-30,345	16
-14,067	-16,758	-17,871	-15,122	-21,914	-23,491	-5,348	-5,994	-6,453	-5,696	-29,128	-31,519	-6,850	-8,383	-8,721	-7,565	17
-1,436	-1,384	-1,453	-1,480	-578	-640	-131	-119	-210	-180	-4,429	-4,750	-1,218	-1,173	-1,149	-1,210	18
-3,002	-4,630	-5,211	-3,109	-4,703	-5,065	-1,006	-1,405	-1,527	-1,127	-7,749	-8,063	-1,496	-2,392	-2,633	-1,542	19
-1,728	-2,413	-2,527	-1,657	-3,209	-3,368	-736	-964	-1,030	-638	-3,366	-3,435	-689	-1,031	-1,001	-714	20
-2,090	-2,135	-2,156	-2,137	-2,205	-2,369	-564	-557	-622	-626	-4,063	-4,281	-1,063	-1,077	-1,071	-1,070	21
-1,364	-1,334	-1,392	-1,429	-2,116	-1,989	-541	-429	-506	-513	-2,379	-2,872	-690	-755	-708	-719	22
-4,195	-4,608	-4,874	-5,049	-9,013	-9,957	-2,346	-2,494	-2,532	-2,585	-6,386	-7,360	-1,507	-1,768	-1,968	-2,171	23
-252	-254	-258	-261	-90	-103	-24	-26	-26	-27	-756	-758	-187	-187	-191	-193	24
-29,845	-30,017	-31,717	-31,185	-65,047	-71,472	-17,438	-17,327	-18,127	-18,580	-35,428	-40,017	-9,983	-9,720	-10,662	-9,652	25
-6,868	-6,462	-7,480	-7,090	-11,700	-11,345	-2,322	-1,999	-2,252	-2,772	-14,072	-14,973	-3,979	-3,422	-4,219	-3,353	26
-13,938	-14,436	-15,089	-14,983	-36,188	-41,400	-9,882	-10,174	-10,711	-10,633	-12,170	-14,192	-3,405	-3,570	-3,685	-3,532	27
-9,039	-9,119	-9,148	-9,112	-17,159	-20,727	-5,234	-5,154	-5,164	-5,175	-9,186	-10,852	-2,599	-2,728	-2,758	-2,767	28
171	208	196	189	1,323	1,396	346	369	331	350	272	189	30	37	76	46	29
																30
-289	-291	-289	-293	-189	-193	-50	-50	-45	-48	-631	-649	-159	-161	-163	-166	31
460	499	485	482	1,512	1,589	396	419	376	398	903	838	189	198	239	212	32
-38,517	-67,368	-11,546	-81,167	-119,436	-118,809	-7,058	-45,432	-7,992	-58,327	-54,496	-57,433	-14,637	-12,137	-6,015	-24,644	33
-420	-135	-3	5,156							-1,377	4,598	-420	-135	-3	5,156	34
																35
																36
																37
-420	-135	-3	5,156							-1,377	4,598	-420	-135	-3	5,156	38
136	-10	182	120	129	129		2	-4	131	-42	-6	9	-8	10	-17	39
-77	-38	-31	-28													40
204	30	203	165	127	130				130							41
9	-2	10	-17	2	-1		2	-4	1	-42	-6		-8	10	-17	42
-38,233	-67,223	-11,725	-86,443	-119,565	-118,938	-7,058	-45,434	-7,988	-58,458	-53,077	-62,025	-14,226	-11,994	-6,022	-29,783	43
-20,009	-23,990	-10,343	-12,058	-22,436	-34,348	-9,247	-14,583	-4,991	-5,527	-24,311	-23,750	-7,151	-7,139	-4,310	-5,150	44
-948	-12,346	5,748	-67,364	-27,995	-51,814	-569	-5,801	-1,501	-43,943	1,839	-20,280	296	-1,725	3,283	-22,134	45
-4,128	-10,651	-14,013		-43,998	-18,359	-1,622	-13,067			-12,619	-6,203	4,272	-7,859	-2,696		46
-13,148	-20,236	6,883	-7,021	-25,136	-14,417	6,428	-23,428	11,571	-8,988	-17,986	-11,712	-11,643	4,729	-2,299	-2,499	47
75,869	103,234	110,269	114,636	257,531	254,001	61,970	62,719	59,249	70,663	143,229	132,809	10,785	34,309	41,716	45,999	48
(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	49
(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	50
(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	51
(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	52
10	168	138	-225	-58	41	13	46	76	-96	311	102	37	139	52	-126	53
(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	54
(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	55
(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	56
16,661	15,036	18,352	105,106	8,582	71,186	8,302	5,613	-7,815	65,086	32,736	74,003	6,404	7,932	23,308	36,359	57
(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	58
47,178	50,245	36,257	43,576	79,957	119,152	30,946	31,551	21,546	35,109	34,370	50,014	13,261	16,230	13,650	6,873	60
28,307	15,837	17,734		37,622	57,549	25,486	19,387	12,676		25,413	3,140	1,718	-3,984	5,406		61
18-16,287	18-21,948	18-37,788	18-33,821	18-131,228	18-6,073	18-2,777	18-6,122	18-32,764	18-30,036	18-50,399	18-5,550	18-10,635	18-13,992	18-700	18-2,893	62
																63
-36,131	-27,038	-84,629	-23,327	-117,908	-111,247	-50,702	-12,079	-43,812	-4,654	-84,141	-64,400	2,983	-18,816	-30,640	-17,927	64
-1,907	-7,522	-9,819	-10,446	3,416	3,506	1,959	1,087	775	-315	-18,959	-25,065	-3,198	-6,502	-7,528	-7,837	65
5,190	3,878	4,314	6,536	2,277	3,424	781	798	624	1,221	10,074	9,345	2,475	1,460	2,397	3,013	66
3,283	-3,644	-5,505	-3,910	5,693	6,930	2,740	1,885	1,399	906	-8,885	-15,720	-723	-5,042	-5,131	-4,824	67
-4,675	-5,392	-8,785	-6,421	-27,203	-32,271	-7,296	-7,462	-9,175	-8,338	4,021	4,555	1,562	1,582	-6	1,350	68
-1,392	-9,036	-14,290	-10,331	-21,510	-25,341	-4,556	-5,577	-7,776	-7,432	-4,864	-11,165	839	-3,393	-5,137	-3,474	69
171	208	196	189	1,323	1,396	346	369	331	350	272	189	30	37	76	46	70
-1,221	-8,828	-14,094	-10,142	-20,187	-23,945	-4,210	-									



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

Line	(Credits +; debits -) <sup>1</sup>	Eastern Europe						Canada	
		1997	1998 <sup>p</sup>	1998				1997	1998 <sup>p</sup>
				I	II	III <sup>r</sup>	IV <sup>p</sup>		
1	<b>Exports of goods, services, and income</b> .....	<b>13,294</b>	<b>12,213</b>	<b>3,448</b>	<b>3,582</b>	<b>2,814</b>	<b>2,369</b>	<b>193,232</b>	<b>194,828</b>
2	Goods, adjusted, excluding military <sup>2</sup> .....	7,750	7,413	2,008	2,319	1,665	1,421	152,047	156,540
3	Services <sup>3</sup> .....	3,884	3,991	950	968	1,093	980	20,645	19,921
4	Transfers under U.S. military agency sales contracts <sup>4</sup> .....	339	336	89	60	104	83	93	79
5	Travel .....	1,249	1,344	254	374	399	317	6,824	6,139
6	Passenger fares .....	144	172	39	44	47	42	1,409	1,493
7	Other transportation .....	442	296	79	72	70	75	2,384	2,395
8	Royalties and license fees <sup>5</sup> .....	221	268	61	69	69	69	1,561	1,483
9	Other private services <sup>5</sup> .....	1,445	1,535	418	339	394	384	8,323	8,316
10	U.S. Government miscellaneous services .....	44	40	10	10	10	10	51	16
11	Income receipts on U.S. assets abroad .....	1,660	809	490	295	56	-32	20,540	18,367
12	Direct investment receipts .....	688	-113	231	68	-197	-215	10,692	8,310
13	Other private receipts .....	711	684	173	179	180	152	9,848	10,057
14	U.S. Government receipts .....	261	238	86	48	73	31		
15	<b>Imports of goods, services, and income</b> .....	<b>-12,679</b>	<b>-14,909</b>	<b>-3,273</b>	<b>-3,914</b>	<b>-4,108</b>	<b>-3,614</b>	<b>-193,637</b>	<b>-202,000</b>
16	Goods, adjusted, excluding military <sup>2</sup> .....	-8,481	-10,882	-2,418	-2,847	-2,877	-2,740	-171,024	-177,358
17	Services <sup>3</sup> .....	-2,519	-2,411	-493	-650	-792	-476	-14,260	-15,930
18	Direct defense expenditures .....	-276	-151	-41	-30	-50	-30	-57	-58
19	Travel .....	-946	-888	-137	-265	-373	-113	-4,901	-5,690
20	Passenger fares .....	-317	-328	-51	-99	-111	-67	-470	-585
21	Other transportation .....	-272	-242	-67	-57	-58	-60	-3,037	-3,075
22	Royalties and license fees <sup>5</sup> .....	-15	-14	-5	-3	-3	-3	-317	-388
23	Other private services <sup>5</sup> .....	-631	-728	-177	-181	-182	-188	-5,338	-5,990
24	U.S. Government miscellaneous services .....	-62	-60	-15	-15	-15	-15	-140	-144
25	Income payments on foreign assets in the United States .....	-1,679	-1,616	-362	-417	-439	-398	-8,353	-8,712
26	Direct investment payments .....	-12	-12	-1	-2	-5	-4	-3,215	-3,683
27	Other private payments .....	-479	-498	-120	-130	-148	-100	-4,083	-4,154
28	U.S. Government payments .....	-1,188	-1,106	-241	-285	-286	-294	-1,055	-875
29	<b>Unilateral transfers, net</b> .....	<b>-2,780</b>	<b>-3,154</b>	<b>-671</b>	<b>-823</b>	<b>-946</b>	<b>-714</b>	<b>-366</b>	<b>-474</b>
30	U.S. Government grants <sup>4</sup> .....	-1,394	-1,686	-296	-459	-593	-338		
31	U.S. Government pensions and other transfers .....	-39	-39	-10	-10	-10	-9	-407	-484
32	Private remittances and other transfers <sup>6</sup> .....	-1,347	-1,429	-365	-354	-343	-367	41	10
33	<b>U.S. assets abroad, net (increase/capital outflow (-))</b> .....	<b>-4,060</b>	<b>-45</b>	<b>-165</b>	<b>-1,086</b>	<b>1,537</b>	<b>-331</b>	<b>-18,432</b>	<b>-30,446</b>
34	U.S. official reserve assets, net <sup>7</sup> .....								
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 .....	8	71	-27	35	72	-9	23	(*)
40	U.S. credits and other long-term assets .....	-650	-470	-174	-10	-267	-19		
41	Repayments on U.S. credits and other long-term assets <sup>8</sup> .....	615	446	147	10	273	16		
42	U.S. foreign currency holdings and U.S. short-term assets, net .....	43	95		35	66	-6	23	(*)
43	U.S. private assets, net .....	-4,068	-116	-138	-1,121	1,465	-322	-18,455	-30,446
44	Direct investment .....	-1,520	-1,540	-703	-659	-216	38	-10,733	-11,767
45	Foreign securities .....	-1,960	-829	4	-392	427	-868	-3,827	-1,148
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	-250	173	136	-241	278		-407	2,086
47	U.S. claims reported by U.S. banks, not included elsewhere .....	-338	2,080	425	171	976	508	-3,688	-19,617
48	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b> .....	<b>-581</b>	<b>-1,490</b>	<b>-1,303</b>	<b>-991</b>	<b>-2,097</b>	<b>2,901</b>	<b>7,235</b>	<b>19,758</b>
49	Foreign official assets in the United States, net .....	(18)	(18)	(18)	(18)	(18)	(18)	-2,527	539
50	U.S. Government securities .....	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
51	U.S. Treasury securities <sup>9</sup> .....	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
52	Other <sup>10</sup> .....	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
53	Other U.S. Government liabilities <sup>11</sup> .....	-14	187	72	-44	10	149	19	1
54	U.S. liabilities reported by U.S. banks, not included elsewhere .....	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
55	Other foreign official assets <sup>12</sup> .....	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
56	Other foreign assets in the United States, net .....	(18)	(18)	(18)	(18)	(18)	(18)	9,762	19,219
57	Direct investment .....	46	36	32	4	-9	9	9,412	15,577
58	U.S. Treasury securities .....	(18)	(18)	(18)	(18)	(18)	(18)	(17)	(17)
59	U.S. currency .....								
60	U.S. securities other than U.S. Treasury securities .....		472	64	199	209		5,127	113
61	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....		259	38	11	10		1,292	1,685
62	U.S. liabilities reported by U.S. banks, not included elsewhere .....	<sup>18</sup> -1,143	<sup>18</sup> -2,244	<sup>18</sup> -1,509	<sup>18</sup> -1,161	<sup>18</sup> -2,317	<sup>18</sup> 2,743	(17)	(17)
63	<b>Allocations of special drawing rights</b> .....								
64	<b>Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed)</b> .....	<b>6,806</b>	<b>7,385</b>	<b>1,964</b>	<b>3,232</b>	<b>2,800</b>	<b>-611</b>	<b>11,968</b>	<b>18,334</b>
<b>Memoranda:</b>									
65	Balance on goods (lines 2 and 16) .....	-731	-3,469	-410	-528	-1,212	-1,319	-18,977	-20,818
66	Balance on services (lines 3 and 17) .....	1,365	1,580	457	318	301	504	6,385	3,991
67	Balance on goods and services (lines 65 and 66) .....	634	-1,889	47	-210	-911	-815	-12,592	-16,827
68	Balance on investment income (lines 11 and 25) .....	-19	-807	128	-122	-383	-430	12,187	9,655
69	Balance on goods, services, and income (lines 1 and 15 or lines 67 and 68) <sup>13</sup> .....	615	-2,696	175	-332	-1,294	-1,245	-4,005	-7,172
70	Unilateral transfers, net (line 29) .....	-2,780	-3,154	-671	-823	-946	-714	-366	-474
71	Balance on current account (lines 1, 15, and 29 or lines 69 and 70) <sup>13</sup> .....	-2,165	-5,850	-496	-1,155	-2,240	-1,959	-771	-7,646



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

Line	(Credits +; debits -) <sup>1</sup>	Australia					
		1997	1998 <sup>a</sup>	1998			
				I	II	III <sup>c</sup>	IV <sup>d</sup>
1	<b>Exports of goods, services, and income</b> .....	<b>23,320</b>	<b>22,024</b>	<b>5,698</b>	<b>5,618</b>	<b>5,429</b>	<b>5,279</b>
2	Goods, adjusted, excluding military <sup>2</sup> .....	11,913	11,785	3,109	2,858	2,925	2,893
3	Services <sup>3</sup> .....	5,390	5,231	1,306	1,358	1,309	1,258
4	Transfers under U.S. military agency sales contracts <sup>4</sup> .....	377	518	212	219	43	44
5	Travel .....	1,839	1,534	337	356	456	385
6	Passenger fares .....	621	500	117	120	135	128
7	Other transportation .....	324	322	76	77	83	86
8	Royalties and license fees <sup>5</sup> .....	697	723	158	180	181	204
9	Other private services <sup>5</sup> .....	1,520	1,610	402	400	405	403
10	U.S. Government miscellaneous services .....	12	24	4	6	6	8
11	Income receipts on U.S. assets abroad .....	6,017	5,008	1,283	1,402	1,195	1,128
12	Direct investment receipts .....	3,287	2,026	508	631	462	425
13	Other private receipts .....	2,730	2,982	775	771	733	703
14	U.S. Government receipts .....						
15	<b>Imports of goods, services, and income</b> .....	<b>-8,624</b>	<b>-9,939</b>	<b>-2,441</b>	<b>-2,438</b>	<b>-2,511</b>	<b>-2,549</b>
16	Goods, adjusted, excluding military <sup>2</sup> .....	-4,881	-5,366	-1,262	-1,434	-1,312	-1,358
17	Services <sup>3</sup> .....	-2,762	-2,772	-722	-555	-736	-759
18	Direct defense expenditures .....	-73	-39	-11	-9	-7	-12
19	Travel .....	-965	-985	-260	-159	-298	-268
20	Passenger fares .....	-546	-554	-150	-112	-135	-157
21	Other transportation .....	-229	-212	-67	-40	-52	-53
22	Royalties and license fees <sup>5</sup> .....	-85	-46	-17	-9	-9	-11
23	Other private services <sup>5</sup> .....	-810	-888	-205	-214	-223	-246
24	U.S. Government miscellaneous services .....	-54	-48	-12	-12	-12	-12
25	Income payments on foreign assets in the United States .....	-981	-1,801	-457	-449	-463	-432
26	Direct investment payments .....	-62	-802	-190	-213	-243	-156
27	Other private payments .....	-546	-641	-172	-160	-159	-150
28	U.S. Government payments .....	-373	-358	-95	-76	-61	-126
29	<b>Unilateral transfers, net</b> .....	<b>-117</b>	<b>-165</b>	<b>-40</b>	<b>-39</b>	<b>-43</b>	<b>-43</b>
30	U.S. Government grants <sup>4</sup> .....						
31	U.S. Government pensions and other transfers .....	-36	-36	-9	-9	-9	-9
32	Private remittances and other transfers <sup>6</sup> .....	-81	-129	-31	-30	-34	-34
33	<b>U.S. assets abroad, net (increase/capital outflow (-))</b> .....	<b>-3,819</b>	<b>-10,167</b>	<b>-1,431</b>	<b>-7,496</b>	<b>-1,862</b>	<b>622</b>
34	U.S. official reserve assets, net <sup>7</sup> .....						
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	-2	-1	-1		
40	U.S. credits and other long-term assets .....						
41	Repayments on U.S. credits and other long-term assets <sup>8</sup> .....			-1	-1		
42	U.S. foreign currency holdings and U.S. short-term assets, net .....	1	-2	-1	-1		
43	U.S. private assets, net .....	-3,820	-10,165	-1,430	-7,495	-1,862	622
44	Direct investment .....	-1,100	-7,014	-1,316	-4,743	-587	-368
45	Foreign securities .....	-3,032	-1,334	-15	-1,348	-403	432
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	-10	256	128	129	-513	
47	U.S. claims reported by U.S. banks, not included elsewhere .....	322	-1,561	-227	-1,533	-359	558
48	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b> .....	<b>3,881</b>	<b>381</b>	<b>-674</b>	<b>2,738</b>	<b>-3,198</b>	<b>1,515</b>
49	Foreign official assets in the United States, net .....	(18)	(18)	(18)	(18)	(18)	(18)
50	U.S. Government securities .....	(18)	(18)	(18)	(18)	(18)	(18)
51	U.S. Treasury securities <sup>9</sup> .....	(18)	(18)	(18)	(18)	(18)	(18)
52	Other <sup>10</sup> .....	(18)	(18)	(18)	(18)	(18)	(18)
53	Other U.S. Government liabilities <sup>11</sup> .....	-150	-344	-178	-179	-2	15
54	U.S. liabilities reported by U.S. banks, not included elsewhere .....	(18)	(18)	(18)	(18)	(18)	(18)
55	Other foreign official assets <sup>12</sup> .....	(18)	(18)	(18)	(18)	(18)	(18)
56	Other foreign assets in the United States, net .....	(18)	(18)	(18)	(18)	(18)	(18)
57	Direct investment .....	2,557	1,985	1,475	487	-265	288
58	U.S. Treasury securities .....	(18)	(18)	(18)	(18)	(18)	(18)
59	U.S. currency .....						
60	U.S. securities other than U.S. Treasury securities .....	681	823	175	-325	7	966
61	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	-93	1,561	-159	1,623	97	
62	U.S. liabilities reported by U.S. banks, not included elsewhere .....	18 886	18 -3,644	18 -1,987	18 1,132	18 -3,035	18 246
63	<b>Allocations of special drawing rights</b> .....						
64	<b>Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed)</b> .....	<b>-14,641</b>	<b>-2,134</b>	<b>-1,112</b>	<b>1,617</b>	<b>2,185</b>	<b>-4,824</b>
<b>Memoranda:</b>							
65	Balance on goods (lines 2 and 16) .....	7,032	6,419	1,847	1,424	1,613	1,535
66	Balance on services (lines 3 and 17) .....	2,628	2,459	584	803	573	499
67	Balance on goods and services (lines 65 and 66) .....	9,660	8,878	2,431	2,227	2,186	2,034
68	Balance on investment income (lines 11 and 25) .....	5,036	3,207	826	953	732	696
69	Balance on goods, services, and income (lines 1 and 15 or lines 67 and 68) <sup>13</sup> .....	14,696	12,085	3,257	3,180	2,918	2,730
70	Unilateral transfers, net (line 29) .....	-117	-165	-40	-39	-43	-43
71	Balance on current account (lines 1, 15, and 29 or lines 69 and 70) <sup>13</sup> .....	14,579	11,920	3,217	3,141	2,875	2,687

Transactions, by Area—Continued

[of dollars]

Other countries in Asia and Africa						International organizations and unallocated <sup>16</sup>						Line
1997	1998 <sup>p</sup>	1998				1997	1998 <sup>p</sup>	1998				
		I	II	III <sup>r</sup>	IV <sup>p</sup>			I	II	III <sup>r</sup>	IV <sup>p</sup>	
240,817	213,864	53,789	51,851	51,275	56,949	22,693	24,682	5,849	5,999	6,299	6,535	1
155,781	136,907	34,244	32,927	31,292	38,444							2
57,617	54,252	13,706	13,097	14,446	13,003	5,872	6,258	1,503	1,472	1,606	1,677	3
11,598	9,657	2,486	2,422	2,391	2,358	6						4
12,137	10,454	2,126	2,805	3,361	2,162							5
1,903	1,623	377	394	507	345							6
6,602	8,171	1,999	1,990	2,019	2,163	532	748	130	134	247	237	7
4,377	4,271	1,046	1,021	1,069	1,135	1,741	1,813	434	444	441	494	8
18,691	19,725	5,584	4,377	5,011	4,753	3,593	3,697	939	894	918	946	9
309	351	88	88	88	87							10
27,419	22,705	5,839	5,827	5,537	5,502	16,821	18,424	4,346	4,527	4,693	4,858	11
15,290	11,210	2,916	2,862	2,611	2,821	9,081	10,300	2,319	2,465	2,672	2,844	12
10,841	10,388	2,646	2,731	2,601	2,410	7,175	7,309	1,845	1,867	1,810	1,787	13
1,288	1,107	277	234	325	271	565	815	182	195	211	227	14
-314,046	-325,942	-76,018	-79,516	-87,459	-82,949	-8,698	-10,831	-2,748	-2,547	-2,830	-2,706	15
-255,087	-263,611	-61,035	-63,802	-71,445	-67,329							16
-31,800	-34,651	-8,179	-8,597	-8,883	-8,992	-2,574	-3,680	-1,054	-720	-1,001	-905	17
-2,640	-4,009	-892	-1,003	-973	-1,141							18
-9,607	-9,887	-2,427	-2,477	-2,620	-2,363							19
-4,505	-4,651	-1,103	-1,197	-1,168	-1,183							20
-7,388	-7,810	-1,796	-1,885	-2,040	-2,089	-1,093	-1,905	-332	-358	-646	-569	21
-183	-155	-38	-38	-37	-42	-639	-1,097	-545	-187	-188	-177	22
-6,670	-7,331	-1,721	-1,795	-1,843	-1,972	-842	-678	-177	-175	-167	-159	23
-807	-808	-202	-202	-202	-202							24
-27,159	-27,680	-6,804	-7,117	-7,131	-6,628	-6,124	-7,151	-1,694	-1,827	-1,829	-1,801	25
384	316	182	15	-38	157	-3,172	-3,872	-902	-976	-978	-1,016	26
-9,746	-10,252	-2,653	-2,569	-2,614	-2,416	-2,946	-3,259	-789	-838	-848	-784	27
-17,797	-17,744	-4,333	-4,563	-4,479	-4,369	-6	-20	-3	-13	-3	-1	28
-15,422	-16,559	-3,433	-2,940	-3,602	-6,584	-9,402	-9,029	-2,272	-2,139	-1,949	-2,669	29
-8,132	-8,398	-1,338	-999	-1,481	-4,590	-818	-801	-247	-223	-168	-163	30
-502	-462	-122	-120	-97	-123	-1,150	-1,146	-241	-137	-82	-696	31
-6,786	-7,699	-1,973	-1,821	-2,024	-1,881	-7,434	-7,082	-1,784	-1,779	-1,699	-1,820	32
-38,600	-8,767	4,618	489	947	-14,821	-9,921	-5,133	-3,037	-3,481	-6,451	7,836	33
						-3,925	-5,267	-267	-959	-1,890	-2,151	34
						-350	-149	-182	72	188	-227	35
						-3,575	-5,118	-85	-1,031	-2,078	-1,924	36
												37
												38
341	-489	-374	-322	162	45	-1,220	-1,161	-286	-317	-291	-267	39
-2,017	-1,454	-391	-635	-206	-222	-1,220	-1,161	-286	-317	-291	-267	40
2,423	1,339	410	275	365	289							41
-65	-374	-393	38	3	-22							42
-38,941	-8,278	4,992	811	785	-14,866	-4,776	1,295	-2,484	-2,205	-4,270	10,254	43
-16,834	-9,589	-2,178	-979	-3,904	-2,528	-8,052	-8,506	-1,727	-2,302	-1,999	-2,478	44
-19,132	-3,732	-3,778	-4,789	4,384	451	3,051	-525	-125	158	104	-682	45
-1,380	1,185	-690	2,261	-386		42	11,761	18	-15	-45	11,803	46
-1,595	3,858	11,638	4,318	691	-12,789	183	-1,435	-650	-46	-2,330	1,591	47
32,051	17,117	19,974	-1,760	-16,362	15,265	25,979	9,371	7,754	114	7,447	-5,944	48
(18)	(18)	(18)	(18)	(18)	(18)	1	1					49
(18)	(18)	(18)	(18)	(18)	(18)							50
(18)	(18)	(18)	(18)	(18)	(18)							51
(18)	(18)	(18)	(18)	(18)	(18)							52
-2,416	-1,424	-167	-647	-233	-377							53
(18)	(18)	(18)	(18)	(18)	(18)	1	1					54
(18)	(18)	(18)	(18)	(18)	(18)							55
(18)	(18)	(18)	(18)	(18)	(18)	25,978	9,370	7,754	114	7,447	-5,945	56
3,407	-1,474	-2,116	706	-291	227	2,701	3,351	811	838	851	851	57
(18)	(18)	(18)	(18)	(18)	(18)	3,298	2,578	449	752	605	772	66
						3,298	2,578	449	752	605	772	67
0,076	-1,452	3,217	655	-7,262	1,938	24,782	16,622	746	2,349	7,277	6,250	59
1,833	-43	1,563	59	-1,665		-49	-144	-74	215	-203	-82	60
<sup>18</sup> 21,151	<sup>18</sup> 21,510	<sup>18</sup> 17,477	<sup>18</sup> -2,533	<sup>18</sup> -6,911	<sup>18</sup> 13,477	<sup>18</sup> -1,619	<sup>18</sup> 481	<sup>18</sup> 6,214	<sup>18</sup> -3,361	<sup>18</sup> -527	<sup>18</sup> -1,845	62
												63
95,200	120,287	1,070	31,876	55,201	32,140	-20,651	-9,060	-5,546	2,054	-2,516	-3,052	64
-99,306	-126,704	-26,791	-30,875	-40,153	-28,885							65
25,817	19,601	5,527	4,500	5,563	4,011	3,298	2,578	449	752	605	772	66
-73,489	-107,103	-21,264	-26,375	-34,590	-24,874	3,298	2,578	449	752	605	772	67
260	-4,975	-965	-1,290	-1,594	-1,126	10,697	11,273	2,652	2,700	2,864	3,057	68
-73,229	-112,078	-22,229	-27,665	-36,184	-26,000	13,995	13,851	3,101	3,452	3,469	3,829	69
-15,422	-16,559	-3,433	-2,940	-3,602	-6,584	-9,402	-9,029	-2,272	-2,139	-1,949	-2,669	70
-88,651	-128,637	-25,662	-30,605	-39,786	-32,584	4,593	4,822	829	1,313	1,520	1,160	71

# National Data

## 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 March 31, 1999 and include the "final" estimates for the fourth 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]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>Gross domestic product</b>	<b>8,110.9</b>	<b>8,511.0</b>	<b>8,170.8</b>	<b>8,254.5</b>	<b>8,384.2</b>	<b>8,440.6</b>	<b>8,537.9</b>	<b>8,681.2</b>
<b>Personal consumption expenditures</b>	<b>5,493.7</b>	<b>5,807.9</b>	<b>5,540.3</b>	<b>5,593.2</b>	<b>5,676.5</b>	<b>5,773.7</b>	<b>5,846.7</b>	<b>5,934.8</b>
Durable goods	673.0	724.7	681.2	682.2	705.1	720.1	718.9	754.5
Nondurable goods	1,600.6	1,662.4	1,611.3	1,613.2	1,633.1	1,655.2	1,670.0	1,691.3
Services	3,220.1	3,420.8	3,247.9	3,297.8	3,338.2	3,398.4	3,457.7	3,488.9
<b>Gross private domestic investment</b>	<b>1,256.0</b>	<b>1,367.1</b>	<b>1,265.7</b>	<b>1,292.0</b>	<b>1,366.6</b>	<b>1,345.0</b>	<b>1,364.4</b>	<b>1,392.4</b>
Fixed investment	1,188.6	1,307.8	1,211.1	1,220.1	1,271.1	1,305.8	1,307.5	1,346.7
Nonresidential	860.7	938.2	882.3	882.8	921.3	941.9	931.6	957.9
Structures	240.2	246.9	243.8	246.4	245.0	245.4	246.2	250.9
Producers' durable equipment	620.5	691.3	638.5	636.4	676.3	696.6	685.4	706.9
Residential	327.9	369.6	328.8	337.4	349.8	363.8	375.8	388.9
Change in business inventories	67.4	59.3	54.6	71.9	95.5	39.2	57.0	45.7
<b>Net exports of goods and services</b>	<b>-93.4</b>	<b>-151.2</b>	<b>-94.7</b>	<b>-98.8</b>	<b>-123.7</b>	<b>-159.3</b>	<b>-165.5</b>	<b>-156.2</b>
Exports	965.4	959.0	981.7	988.6	973.3	949.6	936.2	976.8
Goods	688.3	680.8	700.2	708.9	694.5	668.8	663.3	696.6
Services	277.1	278.2	281.5	279.7	278.8	280.8	272.9	280.2
Imports	1,058.8	1,110.2	1,076.4	1,087.4	1,097.1	1,108.9	1,101.7	1,133.0
Goods	888.3	932.4	902.7	912.4	920.9	931.8	924.7	952.2
Services	170.4	177.8	173.6	174.9	176.2	177.1	177.0	180.8
<b>Government consumption expenditures and gross investment</b>	<b>1,454.6</b>	<b>1,487.1</b>	<b>1,459.5</b>	<b>1,468.1</b>	<b>1,464.9</b>	<b>1,481.2</b>	<b>1,492.3</b>	<b>1,510.2</b>
Federal	520.2	520.6	521.0	520.1	511.6	520.7	519.4	530.7
National defense	346.0	340.4	347.1	346.5	331.6	339.8	343.7	346.4
Nondefense	174.3	180.2	173.9	173.6	180.0	180.9	175.7	184.3
State and local	934.4	966.5	938.5	947.9	953.3	960.4	972.9	979.5

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]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>Gross domestic product</b>	<b>7,269.8</b>	<b>7,551.9</b>	<b>7,311.2</b>	<b>7,364.6</b>	<b>7,464.7</b>	<b>7,498.6</b>	<b>7,566.5</b>	<b>7,677.7</b>
<b>Personal consumption expenditures</b>	<b>4,913.5</b>	<b>5,153.3</b>	<b>4,947.0</b>	<b>4,981.0</b>	<b>5,055.1</b>	<b>5,130.2</b>	<b>5,181.8</b>	<b>5,246.0</b>
Durable goods	668.6	737.1	679.6	684.8	710.3	729.4	733.7	775.0
Nondurable goods	1,486.3	1,544.1	1,495.7	1,494.3	1,521.2	1,540.9	1,549.1	1,565.1
Services	2,761.5	2,879.5	2,775.4	2,804.8	2,829.3	2,866.8	2,904.8	2,917.2
<b>Gross private domestic investment</b>	<b>1,206.4</b>	<b>1,330.1</b>	<b>1,215.8</b>	<b>1,241.9</b>	<b>1,321.8</b>	<b>1,306.5</b>	<b>1,331.6</b>	<b>1,360.6</b>
Fixed investment	1,138.0	1,267.8	1,159.3	1,169.5	1,224.9	1,264.1	1,270.9	1,311.0
Nonresidential	859.4	960.7	882.2	886.2	931.9	960.4	958.7	991.9
Structures	203.2	203.0	205.2	205.7	203.1	201.9	202.0	205.0
Producers' durable equipment	660.9	770.2	682.6	686.4	738.8	771.3	769.3	801.5
Residential	282.8	312.0	282.3	287.9	298.5	309.1	316.5	324.1
Change in business inventories	63.2	57.4	51.0	66.5	91.4	38.2	55.7	44.2
<b>Net exports of goods and services</b>	<b>-136.1</b>	<b>-238.2</b>	<b>-142.4</b>	<b>-149.0</b>	<b>-198.5</b>	<b>-245.2</b>	<b>-259.0</b>	<b>-250.0</b>
Exports	970.0	984.7	988.1	998.8	991.9	972.1	965.3	1,009.6
Goods	726.5	742.6	740.6	754.9	748.5	726.3	727.3	768.4
Services	247.0	246.4	251.1	248.6	247.8	248.8	242.1	247.0
Imports	1,106.1	1,222.9	1,130.5	1,147.8	1,190.4	1,217.3	1,224.3	1,259.6
Goods	945.7	1,054.4	966.7	981.8	1,021.0	1,048.8	1,056.3	1,091.7
Services	161.8	171.2	165.2	167.5	171.3	171.0	170.8	171.6
<b>Government consumption expenditures and gross investment</b>	<b>1,285.0</b>	<b>1,296.9</b>	<b>1,288.9</b>	<b>1,289.2</b>	<b>1,283.0</b>	<b>1,294.8</b>	<b>1,299.6</b>	<b>1,310.3</b>
Federal	458.0	453.3	458.9	456.5	446.1	454.1	452.5	460.6
National defense	308.9	300.4	310.2	308.7	293.3	300.3	303.5	304.6
Nondefense	148.6	152.1	148.2	147.3	151.9	152.9	148.4	155.2
State and local	827.1	843.8	830.1	832.9	837.1	840.9	847.3	850.0
Residual	-7.3	-11.1	-8.9	-8.9	-14.2	-8.4	-6.1	-16.3

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]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>Gross domestic product</b> .....	<b>8,110.9</b>	<b>8,511.0</b>	<b>8,170.8</b>	<b>8,254.5</b>	<b>8,384.2</b>	<b>8,440.6</b>	<b>8,537.9</b>	<b>8,681.2</b>
Plus: Receipts of factor income from the rest of the world .....	265.5	269.2	274.3	266.3	270.3	270.6	265.0	270.7
Less: Payments of factor income to the rest of the world .....	273.5	289.6	283.0	285.9	285.1	289.3	292.1	291.9
<b>Equals: Gross national product</b> .....	<b>8,102.9</b>	<b>8,490.5</b>	<b>8,162.0</b>	<b>8,234.9</b>	<b>8,369.4</b>	<b>8,421.8</b>	<b>8,510.9</b>	<b>8,660.0</b>
Less: Consumption of fixed capital .....	871.8	908.0	877.0	887.6	894.5	902.3	912.3	923.0
Private .....	720.2	753.3	725.2	734.7	741.1	748.5	757.3	766.4
Capital consumption allowances .....	760.5	810.4	765.8	778.2	790.5	803.2	816.8	831.0
Less: Capital consumption adjustment .....	40.4	57.0	40.6	43.5	49.4	54.7	59.5	64.6
Government .....	151.6	154.7	151.8	152.9	153.4	153.7	155.0	156.6
General government .....	128.3	130.4	128.3	129.1	129.4	129.6	130.6	131.9
Government enterprises .....	23.4	24.3	23.5	23.7	24.0	24.2	24.4	24.7
<b>Equals: Net national product</b> .....	<b>7,231.1</b>	<b>7,582.5</b>	<b>7,285.1</b>	<b>7,347.3</b>	<b>7,474.9</b>	<b>7,519.6</b>	<b>7,598.5</b>	<b>7,737.1</b>
Less: Indirect business tax and nontax liability .....	627.2	655.3	632.0	634.5	641.9	647.7	656.5	675.1
Business transfer payments .....	35.1	36.1	35.4	35.6	35.6	36.0	36.3	36.4
Statistical discrepancy .....	-55.8	-76.5	-65.1	-67.3	-54.1	-85.7	-102.0	-64.2
Plus: Subsidies less current surplus of government enterprises .....	21.9	27.1	22.0	23.4	23.5	23.9	24.6	36.3
<b>Equals: National income</b> .....	<b>6,646.5</b>	<b>6,994.7</b>	<b>6,704.8</b>	<b>6,767.9</b>	<b>6,875.0</b>	<b>6,945.5</b>	<b>7,032.3</b>	<b>7,126.0</b>
Less: Corporate profits with inventory valuation and capital consumption adjustments .....	817.9	824.6	840.9	820.8	829.2	820.6	827.0	821.7
Net interest .....	432.0	449.3	433.3	432.4	440.5	447.1	454.0	455.6
Contributions for social insurance .....	727.0	767.5	730.8	740.9	755.0	762.9	771.6	780.7
Wage accruals less disbursements .....	3.7	4.0	3.7	3.7	4.0	4.0	4.0	4.0
Plus: Personal interest income .....	747.3	764.8	750.5	753.0	757.0	763.0	769.2	769.9
Personal dividend income .....	260.3	263.1	260.4	261.3	261.6	262.1	263.0	265.7
Government transfer payments to persons .....	1,083.3	1,120.8	1,086.7	1,093.1	1,111.2	1,117.7	1,124.6	1,129.6
Business transfer payments to persons .....	27.2	28.2	27.3	27.5	27.8	28.1	28.3	28.6
<b>Equals: Personal income</b> .....	<b>6,784.0</b>	<b>7,126.1</b>	<b>6,820.9</b>	<b>6,904.9</b>	<b>7,003.9</b>	<b>7,081.9</b>	<b>7,160.8</b>	<b>7,257.9</b>
<b>Addenda:</b>								
Gross domestic income .....	8,166.7	8,587.5	8,235.9	8,321.8	8,438.4	8,526.3	8,639.9	8,745.4
Gross national income .....	8,158.7	8,567.0	8,227.1	8,302.2	8,423.6	8,507.6	8,612.8	8,724.2
Net domestic product .....	7,239.1	7,603.0	7,293.8	7,366.9	7,489.8	7,538.3	7,625.6	7,758.2

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

[Billions of chained (1992) dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>Gross domestic product</b> .....	<b>7,269.8</b>	<b>7,551.9</b>	<b>7,311.2</b>	<b>7,364.6</b>	<b>7,464.7</b>	<b>7,498.6</b>	<b>7,566.5</b>	<b>7,677.7</b>
Plus: Receipts of factor income from the rest of the world .....	238.0	239.5	245.6	237.6	241.0	241.0	235.7	240.4
Less: Payments of factor income to the rest of the world .....	240.7	252.7	248.9	250.5	249.6	252.8	254.6	253.9
<b>Equals: Gross national product</b> .....	<b>7,266.2</b>	<b>7,537.8</b>	<b>7,307.0</b>	<b>7,350.7</b>	<b>7,455.2</b>	<b>7,485.9</b>	<b>7,546.7</b>	<b>7,663.3</b>
Less: Consumption of fixed capital .....	808.8	861.5	814.0	829.3	841.1	854.4	867.8	882.6
Private .....	672.2	713.9	676.0	683.1	694.4	707.2	719.8	734.0
Government .....	137.4	139.4	137.7	138.1	138.6	139.0	139.8	140.3
General government .....	116.1	117.5	116.3	116.6	116.9	117.2	117.8	118.1
Government enterprises .....	20.6	21.2	20.7	20.9	21.0	21.1	21.3	21.5
<b>Equals: Net national product</b> .....	<b>6,457.3</b>	<b>6,680.8</b>	<b>6,493.3</b>	<b>6,525.1</b>	<b>6,617.8</b>	<b>6,635.8</b>	<b>6,683.8</b>	<b>6,785.8</b>
<b>Addenda:</b>								
Gross domestic income <sup>1</sup> .....	7,319.7	7,619.7	7,369.5	7,424.7	7,512.9	7,574.8	7,656.8	7,734.5
Gross national income <sup>2</sup> .....	7,316.2	7,605.7	7,365.2	7,410.8	7,503.4	7,562.1	7,637.0	7,720.1
Net domestic product .....	6,460.8	6,695.4	6,497.6	6,539.4	6,627.8	6,649.0	6,704.0	6,800.7

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]

	1997	1998	1997	1998	1997	1998	1997	1998
<b>Gross national product</b> .....	<b>7,266.2</b>	<b>7,537.8</b>	<b>7,307.0</b>	<b>7,350.7</b>	<b>7,455.2</b>	<b>7,485.9</b>	<b>7,546.7</b>	<b>7,663.3</b>
Less: Exports of goods and services and receipts of factor income from the rest of the world .....	1,208.2	1,224.2	1,234.2	1,235.8	1,232.8	1,213.7	1,201.1	1,249.2
Plus: Command-basis exports of goods and services and receipts of factor income <sup>1</sup> .....	1,246.7	1,294.8	1,277.2	1,280.2	1,296.5	1,283.4	1,275.1	1,324.2
<b>Equals: Command-basis gross national product</b> .....	<b>7,304.7</b>	<b>7,608.4</b>	<b>7,350.1</b>	<b>7,395.1</b>	<b>7,518.9</b>	<b>7,555.6</b>	<b>7,620.7</b>	<b>7,738.2</b>
<b>Addendum:</b>								
Terms of trade <sup>2</sup> .....	103.2	105.8	103.5	103.6	105.2	105.7	106.2	106.0

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.

Table 1.14.—National Income by Type of Income

(Billions of dollars)

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>National income</b> .....	<b>6,646.5</b>	<b>6,994.7</b>	<b>6,704.8</b>	<b>6,767.9</b>	<b>6,875.0</b>	<b>6,945.5</b>	<b>7,032.3</b>	<b>7,126.0</b>
<b>Compensation of employees</b> ...	<b>4,687.2</b>	<b>4,981.0</b>	<b>4,715.5</b>	<b>4,798.0</b>	<b>4,882.8</b>	<b>4,945.2</b>	<b>5,011.6</b>	<b>5,084.3</b>
Wage and salary accruals .....	3,893.6	4,153.9	3,919.3	3,993.6	4,065.9	4,121.6	4,181.1	4,246.8
Government .....	664.2	689.3	666.7	671.4	679.5	685.8	692.7	699.2
Other .....	3,229.4	3,464.6	3,252.6	3,322.2	3,386.4	3,435.8	3,488.4	3,547.6
Supplements to wages and salaries .....	793.7	827.1	796.2	804.4	816.8	823.5	830.5	837.5
Employer contributions for social insurance .....	400.7	420.1	402.7	407.4	414.1	417.9	422.1	426.5
Other labor income .....	392.9	406.9	393.6	397.0	402.8	405.7	408.4	411.0
<b>Proprietors' income with inventory valuation and capital consumption adjustments</b> .....	<b>551.2</b>	<b>577.2</b>	<b>556.5</b>	<b>558.0</b>	<b>564.2</b>	<b>571.7</b>	<b>576.1</b>	<b>596.9</b>
Farm .....	35.5	28.7	36.3	31.4	27.4	27.7	25.2	34.7
Proprietors' income with inventory valuation adjustment .....	43.0	36.0	43.8	38.8	34.7	35.0	32.3	41.9
Capital consumption adjustment .....	-7.5	-7.2	-7.5	-7.4	-7.3	-7.2	-7.2	-7.2
Nonfarm .....	515.8	548.5	520.2	526.6	536.8	544.0	550.9	562.2
Proprietors' income .....	485.3	514.6	489.8	495.5	502.9	511.6	516.9	527.0
Inventory valuation adjustment .....	.6	1.0	.4	.5	2.4	-1	.7	1.0
Capital consumption adjustment .....	29.9	32.9	30.0	30.6	31.5	32.4	33.3	34.2
<b>Rental income of persons with capital consumption adjustment</b> .....	<b>158.2</b>	<b>162.6</b>	<b>158.6</b>	<b>158.8</b>	<b>158.3</b>	<b>161.0</b>	<b>163.6</b>	<b>167.5</b>
Rental income of persons .....	208.6	214.5	209.4	210.2	209.5	212.2	215.7	220.6
Capital consumption adjustment .....	-50.4	-51.9	-50.8	-51.4	-51.2	-51.3	-52.0	-53.1
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	<b>817.9</b>	<b>824.6</b>	<b>840.9</b>	<b>820.8</b>	<b>829.2</b>	<b>820.6</b>	<b>827.0</b>	<b>821.7</b>
Corporate profits with inventory valuation adjustment .....	741.2	732.3	763.7	740.7	744.3	731.3	732.1	721.5
Profits before tax .....	734.4	717.8	758.9	736.4	719.1	723.5	720.5	708.1
Profits tax liability .....	246.1	240.1	254.2	249.3	239.9	241.6	243.2	235.6
Profits after tax .....	488.3	477.7	504.7	487.1	479.2	481.8	477.3	472.5
Dividends .....	275.1	279.2	275.1	276.4	277.3	278.1	279.0	282.3
Undistributed profits ...	213.2	198.5	229.5	210.6	201.8	203.7	198.3	190.2
Inventory valuation adjustment .....	6.9	14.5	4.8	4.3	25.3	7.8	11.7	13.4
Capital consumption adjustment .....	76.6	92.3	77.2	80.1	84.9	89.4	94.8	100.2
<b>Net interest</b> .....	<b>432.0</b>	<b>449.3</b>	<b>433.3</b>	<b>432.4</b>	<b>440.5</b>	<b>447.1</b>	<b>454.0</b>	<b>455.6</b>
<b>Addenda:</b>								
Corporate profits after tax with inventory valuation and capital consumption adjustments .....	571.8	584.5	586.7	571.4	589.3	579.0	583.7	586.2
Net cash flow with inventory valuation and capital consumption adjustments ...	774.1	806.0	792.3	782.6	804.5	798.7	807.9	812.8
Undistributed profits with inventory valuation and capital consumption adjustments .....	296.7	305.4	311.5	295.0	312.0	300.9	304.8	303.9
Consumption of fixed capital .....	477.3	500.6	480.8	487.7	492.5	497.8	503.1	508.9
Less: Inventory valuation adjustment .....	6.9	14.5	4.8	4.3	25.3	7.8	11.7	13.4
Equals: Net cash flow .....	767.2	791.4	787.5	778.4	779.2	790.9	796.2	799.3

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

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>Gross domestic product of corporate business</b> .....	<b>4,960.9</b>	<b>5,252.1</b>	<b>5,015.5</b>	<b>5,090.8</b>	<b>5,160.6</b>	<b>5,210.0</b>	<b>5,286.0</b>	<b>5,351.8</b>
Consumption of fixed capital .....	477.3	500.6	480.8	487.7	492.5	497.8	503.1	508.9
Net domestic product .....	4,483.5	4,751.5	4,534.7	4,603.2	4,668.0	4,712.2	4,782.8	4,842.9
Indirect business tax and nontax liability plus business transfer payments less subsidies .....	477.8	506.5	484.7	489.1	495.0	499.2	506.5	525.1
Domestic income .....	4,005.7	4,245.0	4,049.9	4,114.0	4,173.0	4,213.0	4,276.3	4,317.8
Compensation of employees .....	3,139.8	3,353.5	3,160.8	3,228.8	3,283.2	3,327.8	3,375.1	3,427.9
Wage and salary accruals .....	2,644.4	2,837.2	2,664.1	2,728.3	2,773.3	2,813.7	2,856.7	2,905.1
Supplements to wages and salaries .....	495.5	516.3	496.7	500.5	509.9	514.1	518.4	522.8
Corporate profits with inventory valuation and capital consumption adjustments .....	718.9	729.0	738.6	728.8	730.6	723.3	737.0	724.9
Profits before tax .....	635.4	622.1	656.6	644.5	620.5	626.2	630.5	611.3
Profits tax liability .....	246.1	240.1	254.2	249.3	239.9	241.6	243.2	235.6
Profits after tax .....	389.3	382.0	402.3	395.1	380.6	384.5	387.3	375.7
Dividends .....	234.7	254.0	229.7	244.0	240.6	259.9	251.0	264.6
Undistributed profits .....	154.5	128.0	172.7	151.2	140.0	124.6	136.3	111.1
Inventory valuation adjustment .....	6.9	14.5	4.8	4.3	25.3	7.8	11.7	13.4
Capital consumption adjustment .....	76.6	92.3	77.2	80.1	84.9	89.4	94.8	100.2
Net interest .....	147.1	162.5	150.5	156.4	159.2	161.9	164.1	164.9
<b>Gross domestic product of financial corporate business</b> .....	<b>546.4</b>	<b>594.7</b>	<b>553.6</b>	<b>577.7</b>	<b>586.4</b>	<b>591.2</b>	<b>597.1</b>	<b>604.0</b>
<b>Gross domestic product of nonfinancial corporate business</b> .....	<b>4,414.5</b>	<b>4,657.4</b>	<b>4,461.9</b>	<b>4,513.2</b>	<b>4,574.2</b>	<b>4,618.8</b>	<b>4,688.9</b>	<b>4,747.8</b>
Consumption of fixed capital .....	415.4	435.3	418.4	424.4	428.5	433.1	437.4	442.3
Net domestic product .....	3,999.1	4,222.1	4,043.4	4,088.8	4,145.7	4,185.7	4,251.4	4,305.5
Indirect business tax and nontax liability plus business transfer payments less subsidies .....	436.8	461.3	442.1	445.0	450.5	454.2	461.1	479.2
Domestic income .....	3,562.3	3,760.8	3,601.4	3,643.8	3,695.2	3,731.4	3,790.3	3,826.4
Compensation of employees .....	2,871.2	3,066.6	2,889.8	2,952.6	3,002.3	3,043.1	3,086.3	3,134.6
Wage and salary accruals .....	2,416.6	2,592.9	2,434.3	2,494.2	2,534.5	2,571.4	2,610.7	2,654.9
Supplements to wages and salaries .....	454.6	473.7	455.5	458.4	467.8	471.7	475.6	479.7
Corporate profits with inventory valuation and capital consumption adjustments .....	594.2	598.7	615.2	599.3	599.3	593.2	607.5	594.8
Profits before tax .....	505.4	487.9	528.0	509.8	484.2	491.8	497.3	478.2
Profits tax liability .....	169.8	160.4	178.1	170.1	159.7	162.1	163.8	156.1
Profits after tax .....	335.6	327.4	349.9	339.6	324.5	329.6	333.5	322.1
Dividends .....	229.3	249.6	226.1	239.6	237.3	254.3	247.3	259.3
Undistributed profits .....	106.3	77.9	123.8	100.1	87.2	75.3	86.2	62.8
Inventory valuation adjustment .....	6.9	14.5	4.8	4.3	25.3	7.8	11.7	13.4
Capital consumption adjustment .....	81.9	96.3	82.5	85.3	89.8	93.7	98.5	103.2
Net interest .....	96.9	95.6	96.3	91.9	93.6	95.2	96.5	96.9
Billions of chained (1992) dollars								
<b>Gross domestic product of nonfinancial corporate business</b> <sup>1</sup> .....	<b>4,154.4</b>	<b>4,388.8</b>	<b>4,198.5</b>	<b>4,247.5</b>	<b>4,309.2</b>	<b>4,352.0</b>	<b>4,417.2</b>	<b>4,477.0</b>
Consumption of fixed capital <sup>2</sup> .....	394.6	422.4	397.2	402.1	409.3	417.7	426.6	436.0
Net domestic product <sup>3</sup> .....	3,759.8	3,966.4	3,801.3	3,845.5	3,899.9	3,934.3	3,990.6	4,040.9

1. Chained-dollar gross domestic product of nonfinancial corporate business equals the current-dollar product deflated by the implicit price deflator for goods and structures in gross domestic product.  
 2. Chained-dollar consumption of fixed capital of nonfinancial corporate business is calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100.  
 3. Chained-dollar net domestic product of nonfinancial corporate business is the difference between the gross product and the consumption of fixed capital.



## 2. Personal Income and Outlays

Table 2.1.—Personal Income and Its Disposition

(Billions of dollars)

			Seasonally adjusted at annual rates					
	1997	1998	1997		1998			
			III	IV	I	II	III	IV
<b>Personal income</b> .....	<b>6,784.0</b>	<b>7,126.1</b>	<b>6,820.9</b>	<b>6,904.9</b>	<b>7,003.9</b>	<b>7,081.9</b>	<b>7,160.8</b>	<b>7,257.9</b>
<b>Wage and salary disbursements</b> .....	<b>3,889.8</b>	<b>4,149.9</b>	<b>3,915.5</b>	<b>3,989.9</b>	<b>4,061.9</b>	<b>4,117.6</b>	<b>4,177.1</b>	<b>4,242.8</b>
Private industries .....	3,225.7	3,460.5	3,248.9	3,318.4	3,382.4	3,431.8	3,484.4	3,543.5
Goods-producing industries .....	975.0	1,026.9	979.4	1,003.7	1,019.0	1,023.2	1,028.0	1,037.4
Manufacturing .....	719.5	751.5	722.3	741.3	750.4	750.8	750.9	754.1
Distributive industries .....	879.8	939.6	886.3	904.5	918.9	932.2	945.8	961.5
Service industries .....	1,370.8	1,494.0	1,383.2	1,410.2	1,444.5	1,476.4	1,510.6	1,544.6
Government .....	664.2	689.3	666.7	671.4	679.5	685.8	692.7	699.2
<b>Other labor income</b> .....	<b>392.9</b>	<b>406.9</b>	<b>393.6</b>	<b>397.0</b>	<b>402.8</b>	<b>405.7</b>	<b>408.4</b>	<b>411.0</b>
<b>Proprietors' income with inventory valuation and capital consumption adjustments</b> .....	<b>551.2</b>	<b>577.2</b>	<b>556.5</b>	<b>558.0</b>	<b>564.2</b>	<b>571.7</b>	<b>576.1</b>	<b>596.9</b>
Farm .....	35.5	28.7	36.3	31.4	27.4	27.7	25.2	34.7
Nonfarm .....	515.8	548.5	520.2	526.6	536.8	544.0	550.9	562.2
<b>Rental income of persons with capital consumption adjustment</b> .....	<b>158.2</b>	<b>162.6</b>	<b>158.6</b>	<b>158.8</b>	<b>158.3</b>	<b>161.0</b>	<b>163.6</b>	<b>167.5</b>
<b>Personal dividend income</b> .....	<b>260.3</b>	<b>263.1</b>	<b>260.4</b>	<b>261.3</b>	<b>261.6</b>	<b>262.1</b>	<b>263.0</b>	<b>265.7</b>
<b>Personal interest income</b> .....	<b>747.3</b>	<b>764.8</b>	<b>750.5</b>	<b>753.0</b>	<b>757.0</b>	<b>763.0</b>	<b>769.2</b>	<b>769.9</b>
<b>Transfer payments to persons</b> .....	<b>1,110.4</b>	<b>1,149.0</b>	<b>1,114.0</b>	<b>1,120.5</b>	<b>1,139.0</b>	<b>1,145.8</b>	<b>1,152.9</b>	<b>1,158.3</b>
Old-age, survivors, disability, and health insurance benefits .....	565.9	586.5	568.3	572.2	581.6	585.0	589.0	590.6
Government unemployment insurance benefits .....	19.9	19.5	19.6	19.3	19.6	19.5	19.5	19.5
Veterans benefits .....	22.4	23.3	22.6	22.3	23.3	23.2	23.3	23.3
Government employees retirement benefits .....	151.4	159.2	152.2	153.8	156.8	158.4	160.3	161.4
Other transfer payments .....	350.8	360.4	351.3	352.9	357.6	359.6	360.9	363.5
Family assistance <sup>1</sup> .....	19.7	17.6	19.5	19.1	18.7	18.0	17.1	16.7
Other .....	331.1	342.8	331.8	333.8	338.9	341.6	343.8	346.8
<b>Less: Personal contributions for social insurance</b> .....	<b>326.2</b>	<b>347.4</b>	<b>328.2</b>	<b>333.6</b>	<b>340.9</b>	<b>345.1</b>	<b>349.5</b>	<b>354.1</b>
<b>Less: Personal tax and nontax payments</b> .....	<b>989.0</b>	<b>1,098.3</b>	<b>999.0</b>	<b>1,025.5</b>	<b>1,066.8</b>	<b>1,092.9</b>	<b>1,108.4</b>	<b>1,124.9</b>
<b>Equals: Disposable personal income</b> .....	<b>5,795.1</b>	<b>6,027.9</b>	<b>5,821.8</b>	<b>5,879.4</b>	<b>5,937.1</b>	<b>5,988.9</b>	<b>6,052.4</b>	<b>6,133.1</b>
<b>Less: Personal outlays</b> .....	<b>5,674.1</b>	<b>6,000.2</b>	<b>5,723.3</b>	<b>5,781.2</b>	<b>5,864.0</b>	<b>5,963.3</b>	<b>6,039.8</b>	<b>6,133.6</b>
Personal consumption expenditures .....	5,493.7	5,807.9	5,540.3	5,593.2	5,676.5	5,773.7	5,846.7	5,934.8
Interest paid by persons .....	161.5	172.4	163.5	168.2	168.3	169.8	173.2	178.3
Personal transfer payments to the rest of the world (net) .....	18.9	19.9	19.5	19.8	19.2	19.9	20.0	20.6
<b>Equals: Personal saving</b> .....	<b>121.0</b>	<b>27.7</b>	<b>98.5</b>	<b>98.2</b>	<b>73.0</b>	<b>25.6</b>	<b>12.6</b>	<b>-6</b>
<b>Addenda:</b>								
Disposable personal income: Total, billions of chained (1992) dollars <sup>2</sup> .....	5,183.1	5,348.5	5,198.4	5,235.8	5,287.1	5,321.5	5,364.1	5,421.2
Per capita: Current dollars .....	21,633	22,304	21,709	21,871	22,046	22,192	22,373	22,604
Chained (1992) dollars .....	19,349	19,790	19,385	19,478	19,632	19,719	19,829	19,980
Population (mid-period, millions) .....	267.9	270.3	268.2	268.8	269.3	269.9	270.5	271.3
<b>Personal saving as a percentage of disposable personal income</b> .....	<b>2.1</b>	<b>.5</b>	<b>1.7</b>	<b>1.7</b>	<b>1.2</b>	<b>.4</b>	<b>.2</b>	<b>0</b>

1. Consists of aid to families with dependent children and, beginning with 1996, assistance programs operating under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

2. Equals disposable personal income deflated by the implicit price deflator for personal consumption expenditures.

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

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

(Billions of dollars)

			Seasonally adjusted at annual rates					
	1997	1998	1997		1998			
			III	IV	I	II	III	IV
<b>Personal consumption expenditures</b> .....	<b>5,493.7</b>	<b>5,807.9</b>	<b>5,540.3</b>	<b>5,593.2</b>	<b>5,676.5</b>	<b>5,773.7</b>	<b>5,846.7</b>	<b>5,934.8</b>
<b>Durable goods</b> .....	<b>673.0</b>	<b>724.7</b>	<b>681.2</b>	<b>682.2</b>	<b>705.1</b>	<b>720.1</b>	<b>718.9</b>	<b>754.5</b>
Motor vehicles and parts .....	269.5	290.5	274.5	271.6	277.0	288.8	282.6	313.6
Furniture and household equipment .....	271.4	292.2	273.8	276.0	288.5	288.9	294.1	297.3
Other .....	132.1	141.9	132.8	134.6	139.6	142.3	142.2	143.6
<b>Nondurable goods</b> .....	<b>1,600.6</b>	<b>1,662.4</b>	<b>1,611.3</b>	<b>1,613.2</b>	<b>1,633.1</b>	<b>1,655.2</b>	<b>1,670.0</b>	<b>1,691.3</b>
Food .....	780.9	815.3	785.3	787.1	796.9	810.2	818.7	835.6
Clothing and shoes .....	278.0	293.8	280.9	280.7	291.0	295.3	293.7	295.1
Gasoline and oil .....	126.5	112.1	125.7	125.9	116.2	111.6	111.7	109.0
Fuel oil and coal .....	11.2	9.6	11.2	10.7	9.5	9.8	9.8	9.0
Other .....	403.9	431.6	408.1	408.8	419.4	428.3	436.2	442.7
<b>Services</b> .....	<b>3,220.1</b>	<b>3,420.8</b>	<b>3,247.9</b>	<b>3,297.8</b>	<b>3,338.2</b>	<b>3,398.4</b>	<b>3,457.7</b>	<b>3,488.9</b>
Housing .....	829.8	877.9	835.4	847.0	859.1	871.9	883.8	896.7
Household operation .....	327.3	338.6	330.4	337.0	327.6	339.2	348.4	339.0
Electricity and gas .....	126.2	122.1	127.0	129.2	116.8	124.1	129.8	117.6
Other household operation .....	201.1	216.5	203.4	207.8	210.9	215.1	218.5	221.5
Transportation .....	240.3	252.7	242.2	246.3	249.5	253.2	253.4	254.8
Medical care .....	843.4	888.2	848.7	857.9	871.5	884.2	893.0	904.0
Other .....	979.3	1,063.5	991.3	1,009.5	1,030.5	1,049.8	1,079.1	1,094.4

Table 2.3.—Real Personal Consumption Expenditures by Major Type of Product

(Billions of chained (1992) dollars)

			Seasonally adjusted at annual rates					
	1997	1998	1997		1998			
			III	IV	I	II	III	IV
<b>Personal consumption expenditures</b> .....	<b>4,913.5</b>	<b>5,153.3</b>	<b>4,947.0</b>	<b>4,981.0</b>	<b>5,055.1</b>	<b>5,130.2</b>	<b>5,181.8</b>	<b>5,246.0</b>
<b>Durable goods</b> .....	<b>668.6</b>	<b>737.1</b>	<b>679.6</b>	<b>684.8</b>	<b>710.3</b>	<b>729.4</b>	<b>733.7</b>	<b>775.0</b>
Motor vehicles and parts .....	239.3	259.6	244.4	242.7	247.8	258.9	252.6	279.3
Furniture and household equipment .....	307.7	347.3	312.7	318.1	335.8	339.3	352.0	362.1
Other .....	127.7	138.5	128.5	130.8	135.1	138.6	139.1	141.0
<b>Nondurable goods</b> .....	<b>1,486.3</b>	<b>1,544.1</b>	<b>1,495.7</b>	<b>1,494.3</b>	<b>1,521.2</b>	<b>1,540.9</b>	<b>1,549.1</b>	<b>1,565.1</b>
Food .....	699.3	718.0	700.6	699.9	706.8	716.3	718.9	730.1
Clothing and shoes .....	288.4	310.3	291.9	292.3	307.4	311.4	309.8	312.5
Gasoline and oil .....	117.9	119.9	118.4	118.1	118.5	118.4	121.1	121.5
Fuel oil and coal .....	10.3	9.6	10.7	10.1	9.2	9.7	9.9	9.5
Other .....	373.0	390.3	377.0	376.8	383.5	389.2	393.4	395.2
<b>Services</b> .....	<b>2,761.5</b>	<b>2,879.5</b>	<b>2,775.4</b>	<b>2,804.8</b>	<b>2,829.3</b>	<b>2,866.8</b>	<b>2,904.8</b>	<b>2,917.2</b>
Housing .....	717.4	735.0	719.5	723.9	728.7	732.7	737.1	741.5
Household operation .....	301.3	316.8	305.0	311.1	306.3	316.5	326.3	318.2
Electricity and gas .....	116.0	116.2	117.2	118.4	110.5	117.4	123.8	112.9
Other household operation .....	185.1	200.5	187.7	192.5	195.6	198.9	202.4	205.0
Transportation .....	212.2	220.4	213.7	215.9	217.9	221.4	220.5	221.8
Medical care .....	701.7	723.2	704.2	709.4	714.9	721.6	725.3	730.8
Other .....	830.5	886.0	834.8	846.6	862.9	876.7	898.2	906.3
<b>Residual</b> .....	-13.0	-21.5	-14.3	-14.5	-19.5	-20.3	-22.3	-23.5

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.

Chain-type quantity indexes for the series in this table appear in table 7.4.

3. Government Receipts, Current Expenditures, and Gross Investment

Table 3.1.—Government Receipts and Current Expenditures

[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>Receipts</b> .....	<b>2,589.2</b>	<b>2,761.2</b>	<b>2,616.0</b>	<b>2,650.3</b>	<b>2,703.6</b>	<b>2,745.2</b>	<b>2,779.7</b>	<b>2,816.2</b>
Personal tax and nontax receipts .....	989.0	1,098.3	999.0	1,025.5	1,066.8	1,092.9	1,108.4	1,124.9
Corporate profits tax accruals .....	246.1	240.1	254.2	249.3	239.9	241.6	243.2	235.6
Indirect business tax and nontax accruals .....	627.2	655.3	632.0	634.5	641.9	647.7	656.5	675.1
Contributions for social insurance .....	727.0	767.5	730.8	740.9	755.0	762.9	771.6	780.7
<b>Current expenditures</b> .....	<b>2,476.1</b>	<b>2,538.2</b>	<b>2,479.8</b>	<b>2,506.7</b>	<b>2,504.6</b>	<b>2,529.5</b>	<b>2,538.9</b>	<b>2,579.8</b>
Consumption expenditures .....	1,219.2	1,250.2	1,222.3	1,231.6	1,227.5	1,248.7	1,252.6	1,271.9
Transfer payments (net) .....	1,096.0	1,134.0	1,096.6	1,114.6	1,121.1	1,126.7	1,135.8	1,152.2
To persons .....	1,083.3	1,120.8	1,086.7	1,093.1	1,111.2	1,117.7	1,124.6	1,129.6
To the rest of the world (net) .....	12.7	13.2	9.9	21.5	9.9	9.0	11.2	22.6
Net interest paid .....	153.8	143.1	153.7	152.3	148.2	146.2	141.9	136.1
Interest paid .....	316.9	312.3	317.7	317.2	314.3	314.5	312.0	308.3
To persons and business .....	229.4	222.3	226.9	226.5	224.4	223.4	221.7	219.9
To the rest of the world .....	87.5	89.9	90.8	90.7	89.9	91.0	90.3	88.5
Less: Interest received by government .....	163.1	169.2	164.0	164.9	166.1	168.3	170.1	172.2
Less: Dividends received by government .....	14.8	16.1	14.8	15.2	15.7	16.0	16.0	16.6
Subsidies less current surplus of government enterprises .....	21.9	27.1	22.0	23.4	23.5	23.9	24.6	36.3
Subsidies .....	33.4	34.2	33.3	32.7	31.8	31.4	31.0	42.8
Less: Current surplus of government enterprises .....	11.5	7.2	11.3	9.3	8.4	7.5	6.4	6.5
Less: Wage accruals less disbursements .....	0	0	0	0	0	0	0	0
<b>Current surplus or deficit (-), national income and product accounts</b> .....	<b>113.1</b>	<b>223.0</b>	<b>136.2</b>	<b>143.6</b>	<b>199.0</b>	<b>215.7</b>	<b>240.7</b>	<b>236.3</b>
Social insurance funds .....	138.5	161.9	140.8	148.5	152.0	158.3	163.8	173.3
Other .....	-25.4	61.1	-4.6	-4.9	47.0	57.4	76.9	63.0

Table 3.2.—Federal Government Receipts and Current Expenditures

[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>Receipts</b> .....	<b>1,719.9</b>	<b>1,844.2</b>	<b>1,739.6</b>	<b>1,765.5</b>	<b>1,809.1</b>	<b>1,838.3</b>	<b>1,858.8</b>	<b>1,870.4</b>
Personal tax and nontax receipts	769.1	858.0	776.9	798.6	836.5	855.7	863.8	875.9
Income taxes .....	745.8	829.6	753.7	774.2	810.0	826.3	836.5	845.7
Estate and gift taxes .....	20.6	25.1	20.5	21.6	23.5	26.2	23.8	26.8
Nontaxes .....	2.7	3.3	2.7	2.8	3.0	3.2	3.5	3.4
Corporate profits tax accruals ....	210.0	204.9	217.0	212.8	204.8	206.2	207.5	201.0
Federal Reserve banks .....	20.6	21.7	20.8	21.2	21.6	21.5	21.8	21.7
Other .....	189.5	183.2	196.2	191.6	183.2	184.7	185.7	179.3
Indirect business tax and nontax accruals .....	93.8	95.9	95.1	93.8	93.9	95.2	98.3	96.0
Excise taxes .....	59.5	62.6	59.7	60.8	60.7	61.9	63.8	64.0
Customs duties .....	19.6	19.6	20.5	18.9	19.1	19.3	20.7	19.2
Nontaxes .....	14.6	13.6	14.9	14.2	14.1	13.9	13.7	12.8
Contributions for social insurance	647.0	685.4	650.6	660.3	673.9	681.2	689.2	697.5
<b>Current expenditures</b> .....	<b>1,741.0</b>	<b>1,771.4</b>	<b>1,739.9</b>	<b>1,763.4</b>	<b>1,750.3</b>	<b>1,763.9</b>	<b>1,766.7</b>	<b>1,804.6</b>
Consumption expenditures .....	460.4	461.0	460.0	460.1	450.9	464.0	458.7	470.6
Transfer payments (net) .....	791.9	816.6	791.2	805.9	808.5	811.1	817.0	829.8
To persons .....	779.2	803.4	781.2	784.4	798.6	802.1	805.8	807.2
To the rest of the world (net) .....	12.7	13.2	9.9	21.5	9.9	9.0	11.2	22.6
Grants-in-aid to State and local governments .....	225.0	231.1	224.4	231.8	228.7	226.9	231.4	237.4
Net interest paid .....	231.2	226.1	231.9	231.8	228.8	228.3	225.7	221.4
Interest paid .....	253.6	248.4	254.4	253.8	250.7	250.6	248.0	244.2
To persons and business .....	166.1	158.4	163.6	163.1	160.7	159.6	157.7	155.7
To the rest of the world .....	87.5	89.9	90.8	90.7	89.9	91.0	90.3	88.5
Less: Interest received by government .....	22.4	22.3	22.5	22.0	21.8	22.3	22.3	22.8
Subsidies less current surplus of government enterprises .....	32.5	36.6	32.5	33.7	33.4	33.5	34.0	45.4
Subsidies .....	33.0	33.9	32.9	32.4	31.5	31.0	30.6	42.4
Less: Current surplus of government enterprises .....	.5	-2.7	.4	-1.4	-1.9	-2.5	-3.4	-3.0
Less: Wage accruals less disbursements .....	0	0	0	0	0	0	0	0
<b>Current surplus or deficit (-), national income and product accounts</b> .....	<b>-21.1</b>	<b>72.8</b>	<b>-3</b>	<b>2.2</b>	<b>58.8</b>	<b>74.4</b>	<b>92.0</b>	<b>65.8</b>
Social insurance funds .....	70.3	94.2	72.9	80.9	84.5	90.6	96.4	105.4
Other .....	-91.4	-21.5	-73.3	-78.7	-25.7	-16.2	-4.4	-39.6

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

[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>Receipts</b> .....	<b>1,094.3</b>	<b>1,148.1</b>	<b>1,100.8</b>	<b>1,116.5</b>	<b>1,123.3</b>	<b>1,133.8</b>	<b>1,152.3</b>	<b>1,183.7</b>
Personal tax and nontax receipts	219.9	240.3	222.1	226.9	230.4	237.2	244.6	248.9
Income taxes .....	164.3	180.7	166.1	169.9	172.3	178.3	184.5	187.7
Nontaxes .....	32.0	34.5	32.3	32.9	33.6	34.2	34.9	35.5
Other .....	23.6	25.0	23.8	24.1	24.5	24.7	25.3	25.7
Corporate profits tax accruals ....	36.0	35.2	37.3	36.5	35.1	35.4	35.7	34.5
Indirect business tax and nontax accruals .....	533.4	559.4	536.9	540.7	548.0	552.5	558.2	579.1
Sales taxes .....	261.5	271.6	261.9	265.7	268.4	270.4	271.1	276.6
Property taxes .....	209.1	217.4	209.9	211.5	213.9	216.3	218.5	221.1
Other .....	62.8	70.4	65.1	63.5	65.7	65.9	68.6	81.3
Contributions for social insurance	79.9	82.1	80.2	80.6	81.1	81.7	82.4	83.2
Federal grants-in-aid .....	225.0	231.1	224.4	231.8	228.7	226.9	231.4	237.4
<b>Current expenditures</b> .....	<b>960.1</b>	<b>997.9</b>	<b>964.3</b>	<b>975.1</b>	<b>983.0</b>	<b>992.5</b>	<b>1,003.6</b>	<b>1,012.6</b>
Consumption expenditures .....	758.8	789.1	762.2	771.5	776.7	784.7	793.9	801.2
Transfer payments to persons ...	304.1	317.4	305.5	308.6	312.6	315.6	318.8	322.5
Net interest paid .....	-77.4	-83.0	-78.2	-79.5	-80.7	-82.2	-83.7	-85.3
Interest paid .....	63.3	63.9	63.3	63.4	63.6	63.8	64.0	64.2
Less: Interest received by government .....	140.6	146.9	141.5	142.9	144.3	146.0	147.7	149.4
Less: Dividends received by government .....	14.8	16.1	14.8	15.2	15.7	16.0	16.0	16.6
Subsidies less current surplus of government enterprises .....	-10.6	-9.5	-10.5	-10.3	-9.9	-9.6	-9.4	-9.1
Subsidies .....	.4	.4	.4	.4	.4	.4	.4	.4
Less: Current surplus of government enterprises .....	10.9	9.9	10.9	10.7	10.3	10.0	9.8	9.5
Less: Wage accruals less disbursements .....	0	0	0	0	0	0	0	0
<b>Current surplus or deficit (-), national income and product accounts</b> .....	<b>134.1</b>	<b>150.2</b>	<b>136.6</b>	<b>141.4</b>	<b>140.2</b>	<b>141.3</b>	<b>148.7</b>	<b>170.5</b>
Social insurance funds .....	68.1	67.6	67.9	67.6	67.5	67.7	67.4	67.9
Other .....	66.0	82.5	68.7	73.8	72.7	73.6	81.3	102.6

**Table 3.7.—Government Consumption Expenditures and Gross Investment by Type**

[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>Government consumption expenditures and gross investment<sup>1</sup></b>	<b>1,454.6</b>	<b>1,487.1</b>	<b>1,459.5</b>	<b>1,468.1</b>	<b>1,464.9</b>	<b>1,481.2</b>	<b>1,492.3</b>	<b>1,510.2</b>
<b>Federal</b>	<b>520.2</b>	<b>520.6</b>	<b>521.0</b>	<b>520.1</b>	<b>511.6</b>	<b>520.7</b>	<b>519.4</b>	<b>530.7</b>
<b>National defense</b>	<b>346.0</b>	<b>340.4</b>	<b>347.1</b>	<b>346.5</b>	<b>331.6</b>	<b>339.8</b>	<b>343.7</b>	<b>346.4</b>
Consumption expenditures	306.3	301.5	306.0	304.8	293.3	303.0	302.9	306.7
Durable goods <sup>2</sup>	20.7	21.2	19.6	20.8	20.4	20.8	21.8	21.6
Nondurable goods	7.4	6.7	7.4	7.2	6.5	6.4	7.3	6.6
Services	278.2	273.6	279.1	276.7	266.4	275.8	273.8	278.4
Compensation of general government employees, except force-account construction <sup>3</sup>	133.3	132.2	133.1	131.9	133.4	132.2	132.3	130.9
Consumption of general government fixed capital <sup>4</sup>	56.3	54.8	56.0	55.7	55.3	54.8	54.5	54.7
Other services	88.6	86.6	90.0	89.1	77.7	88.9	87.0	92.8
Gross investment	39.7	38.9	41.1	41.7	38.3	36.8	40.9	39.7
Structures	5.7	5.2	5.7	5.7	5.4	4.9	5.0	5.0
Equipment	34.0	33.7	35.4	36.1	32.9	31.9	35.4	34.7
<b>Nondefense</b>	<b>174.3</b>	<b>180.2</b>	<b>173.9</b>	<b>173.6</b>	<b>180.0</b>	<b>180.9</b>	<b>175.7</b>	<b>184.3</b>
Consumption expenditures	154.2	159.6	154.0	155.3	157.6	160.9	155.8	164.0
Durable goods <sup>2</sup>	1.0	-3	.9	.9	1.2	1.3	-4.8	1.1
Nondurable goods	6.8	7.9	6.7	7.4	7.3	7.6	8.1	8.4
Commodity Credit Corporation inventory change ...	-1	.5	-2	.1	0	.2	.8	.9
Other nondurables	6.9	7.4	6.9	7.3	7.3	7.4	7.3	7.4
Services	146.3	152.0	146.4	147.0	149.1	152.0	152.5	154.5
Compensation of general government employees, except force-account construction <sup>3</sup>	80.2	82.7	80.3	79.5	81.5	82.3	82.7	84.4
Consumption of general government fixed capital <sup>4</sup>	11.5	12.1	11.5	11.7	11.8	11.9	12.2	12.4
Other services	54.7	57.2	54.6	55.8	55.8	57.9	57.5	57.8
Gross investment	20.1	20.7	19.8	18.3	22.4	20.0	19.9	20.4
Structures	10.0	10.8	10.8	8.7	10.6	10.4	11.3	11.0
Equipment	10.0	9.8	9.1	9.6	11.8	9.6	8.6	9.4
<b>State and local</b>	<b>934.4</b>	<b>966.5</b>	<b>938.5</b>	<b>947.9</b>	<b>953.3</b>	<b>960.4</b>	<b>972.9</b>	<b>979.5</b>
Consumption expenditures	758.8	789.1	762.2	771.5	776.7	784.7	793.9	801.2
Durable goods <sup>2</sup>	16.2	16.8	16.3	16.4	16.6	16.7	16.9	17.1
Nondurable goods	79.7	78.1	79.2	80.1	78.0	78.4	78.4	77.7
Services	662.9	694.2	666.8	675.0	682.1	689.6	698.5	706.4
Compensation of general government employees, except force-account construction <sup>3</sup>	566.7	590.9	570.1	575.4	581.1	587.8	594.2	600.3
Consumption of general government fixed capital <sup>4</sup>	60.5	63.5	60.8	61.8	62.4	62.9	63.9	64.8
Other services	35.7	39.8	36.0	37.8	38.6	38.9	40.4	41.3
Gross investment	175.6	177.4	176.3	176.4	176.6	175.7	179.0	178.3
Structures	142.4	141.9	142.8	142.6	142.0	140.6	143.2	141.8
Equipment	33.2	35.5	33.4	33.9	34.6	35.2	35.8	36.5
<b>Addenda:</b>								
Compensation of general government employees <sup>3</sup>	784.7	810.4	788.0	791.4	800.6	806.8	813.9	820.2
Federal	213.5	215.0	213.4	211.5	215.0	214.6	215.2	215.4
State and local	571.2	595.3	574.6	579.9	585.6	592.2	598.8	604.8

**Table 3.8.—Real Government Consumption Expenditures and Real Gross Investment by Type**

[Billions of chained (1992) dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>Government consumption expenditures and gross investment<sup>1</sup></b>	<b>1,285.0</b>	<b>1,296.9</b>	<b>1,288.9</b>	<b>1,289.2</b>	<b>1,283.0</b>	<b>1,294.8</b>	<b>1,299.6</b>	<b>1,310.3</b>
<b>Federal</b>	<b>458.0</b>	<b>453.3</b>	<b>458.9</b>	<b>456.5</b>	<b>446.1</b>	<b>454.1</b>	<b>452.5</b>	<b>460.6</b>
<b>National defense</b>	<b>308.9</b>	<b>300.4</b>	<b>310.2</b>	<b>308.7</b>	<b>293.3</b>	<b>300.3</b>	<b>303.5</b>	<b>304.6</b>
Consumption expenditures	272.4	264.1	272.3	270.0	257.9	266.1	265.1	267.3
Durable goods <sup>2</sup>	20.4	21.0	19.2	20.6	20.1	20.7	21.7	21.6
Nondurable goods	7.0	7.1	7.1	6.9	6.7	6.7	7.8	7.1
Services	244.9	236.1	245.7	242.4	231.1	238.7	235.9	238.7
Compensation of general government employees, except force-account construction <sup>3</sup>	112.9	109.4	112.9	111.4	110.6	109.5	109.4	108.0
Consumption of general government fixed capital <sup>4</sup>	50.5	49.1	50.3	50.0	49.6	49.3	49.0	48.7
Other services	81.8	77.9	82.9	81.5	70.8	80.3	77.8	82.6
Gross investment	36.5	36.3	37.9	38.7	35.4	34.1	38.5	37.2
Structures	4.5	4.1	4.5	4.5	4.3	3.8	4.3	3.9
Equipment	31.9	32.2	33.3	34.2	31.0	30.3	34.2	33.4
<b>Nondefense</b>	<b>148.6</b>	<b>152.1</b>	<b>148.2</b>	<b>147.3</b>	<b>151.9</b>	<b>152.9</b>	<b>148.4</b>	<b>155.2</b>
Consumption expenditures	128.7	131.5	128.5	129.0	130.0	132.9	128.4	134.6
Durable goods <sup>2</sup>	1.4	.3	1.3	1.3	1.5	1.7	-3.3	1.4
Nondurable goods	6.1	7.2	6.0	6.6	6.6	6.9	7.6	7.8
Commodity Credit Corporation inventory change ...	-1	.6	-2	.2	0	.3	1.0	1.1
Other nondurables	6.2	6.6	6.2	6.5	6.5	6.6	6.6	6.7
Services	121.4	124.2	121.3	121.2	122.0	124.5	124.5	125.8
Compensation of general government employees, except force-account construction <sup>3</sup>	60.8	61.5	61.0	59.9	60.7	61.4	61.5	62.6
Consumption of general government fixed capital <sup>4</sup>	11.0	11.6	11.1	11.2	11.3	11.4	11.7	11.8
Other services	50.3	52.1	50.0	51.1	51.0	52.8	52.2	52.3
Gross investment	19.8	20.7	19.6	18.1	22.2	19.9	19.9	20.5
Structures	8.6	8.9	9.2	7.3	8.8	8.6	9.3	9.0
Equipment	11.6	12.1	10.6	11.3	14.1	11.7	10.7	11.8
<b>State and local</b>	<b>827.1</b>	<b>843.8</b>	<b>830.1</b>	<b>832.9</b>	<b>837.1</b>	<b>840.9</b>	<b>847.3</b>	<b>850.0</b>
Consumption expenditures	672.3	689.3	674.7	678.5	682.8	687.3	691.6	695.6
Durable goods <sup>2</sup>	15.1	15.6	15.2	15.3	15.4	15.6	15.7	15.9
Nondurable goods	73.4	75.7	73.7	74.3	74.9	75.6	76.0	76.6
Services	583.9	598.1	586.0	589.1	592.7	596.5	600.1	603.3
Compensation of general government employees, except force-account construction <sup>3</sup>	492.8	501.9	494.4	496.2	498.1	500.9	503.4	505.3
Consumption of general government fixed capital <sup>4</sup>	54.8	57.0	55.0	55.6	56.1	56.7	57.2	57.8
Other services	37.7	41.2	38.0	38.9	40.2	40.7	41.5	42.4
Gross investment	154.8	154.4	155.3	154.3	154.2	153.5	155.6	154.3
Structures	121.0	117.5	121.0	119.5	118.5	117.0	118.2	116.1
Equipment	34.3	38.3	34.8	35.5	36.7	37.7	38.8	39.8
Residual	-2.9	-4.8	-2.6	-4.0	-3.9	-4.3	-5.1	-5.6
<b>Addenda:</b>								
Compensation of general government employees <sup>3</sup>	670.2	676.2	671.9	670.8	672.8	675.1	677.7	679.2
Federal	174.2	171.5	174.3	171.7	171.8	171.5	171.6	171.3
State and local	496.7	505.6	498.3	500.0	501.9	504.6	507.1	509.0

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 7.11. See footnotes to table 3.7.

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 by the Federal Government.

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 addenda.

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 3.10.—National Defense Consumption Expenditures and Gross Investment

[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>National defense consumption expenditures and gross investment<sup>1</sup> .....</b>	<b>346.0</b>	<b>340.4</b>	<b>347.1</b>	<b>346.5</b>	<b>331.6</b>	<b>339.8</b>	<b>343.7</b>	<b>346.4</b>
<b>Consumption expenditures .....</b>	<b>306.3</b>	<b>301.5</b>	<b>306.0</b>	<b>304.8</b>	<b>293.3</b>	<b>303.0</b>	<b>302.9</b>	<b>306.7</b>
<b>Durable goods<sup>2</sup> .....</b>	<b>20.7</b>	<b>21.2</b>	<b>19.6</b>	<b>20.8</b>	<b>20.4</b>	<b>20.8</b>	<b>21.8</b>	<b>21.6</b>
Aircraft .....	9.6	10.1	8.7	9.7	9.3	10.1	9.9	10.9
Missiles .....	2.6	2.4	2.5	2.7	2.4	2.2	2.7	2.3
Ships .....	.7	.6	.7	.7	.7	.6	.6	.7
Vehicles .....	.9	1.0	.9	1.0	1.0	.9	1.0	1.0
Electronics .....	2.6	2.5	2.7	2.4	2.6	2.5	2.5	2.4
Other durable goods .....	4.3	4.6	4.1	4.4	4.4	4.6	5.1	4.4
<b>Nondurable goods .....</b>	<b>7.4</b>	<b>6.7</b>	<b>7.4</b>	<b>7.2</b>	<b>6.5</b>	<b>6.4</b>	<b>7.3</b>	<b>6.6</b>
Petroleum products .....	2.9	1.9	3.1	2.5	2.0	2.0	2.0	1.7
Ammunition .....	1.5	1.7	1.2	1.7	1.4	1.2	2.3	1.8
Other nondurable goods .....	3.0	3.1	3.2	3.1	3.1	3.1	3.0	3.2
<b>Services .....</b>	<b>278.2</b>	<b>273.6</b>	<b>279.1</b>	<b>276.7</b>	<b>266.4</b>	<b>275.8</b>	<b>273.8</b>	<b>278.4</b>
Compensation of general government employees, except force-account construction <sup>3</sup> .....	133.3	132.2	133.1	131.9	133.4	132.2	132.3	130.9
Military .....	84.2	84.5	84.1	83.7	85.0	84.4	84.5	84.0
Civilian .....	49.1	47.7	48.9	48.2	48.4	47.8	47.8	46.9
Consumption of general government fixed capital <sup>4</sup> .....	56.3	54.8	56.0	55.7	55.3	54.8	54.5	54.7
Other services .....	88.6	86.6	90.0	89.1	77.7	88.9	87.0	92.8
Research and development .....	28.9	27.0	29.3	28.6	22.0	27.5	28.4	29.9
Installation support .....	26.3	25.5	26.9	25.7	25.1	25.8	25.2	25.7
Weapons support .....	6.4	6.1	6.9	7.0	5.6	6.4	5.8	6.7
Personnel support .....	20.1	20.8	20.4	21.0	18.6	21.5	20.3	22.7
Transportation of material .....	4.6	4.7	4.5	4.7	4.6	4.7	4.7	5.0
Travel of persons .....	3.6	3.5	3.6	3.6	3.5	3.5	3.5	3.5
Other .....	-1.3	-1.0	-1.5	-1.4	-1.8	-6	-8	-7
<b>Gross investment .....</b>	<b>39.7</b>	<b>38.9</b>	<b>41.1</b>	<b>41.7</b>	<b>38.3</b>	<b>36.8</b>	<b>40.9</b>	<b>39.7</b>
<b>Structures .....</b>	<b>5.7</b>	<b>5.2</b>	<b>5.7</b>	<b>5.7</b>	<b>5.4</b>	<b>4.9</b>	<b>5.5</b>	<b>5.0</b>
<b>Equipment .....</b>	<b>34.0</b>	<b>33.7</b>	<b>35.4</b>	<b>36.1</b>	<b>32.9</b>	<b>31.9</b>	<b>35.4</b>	<b>34.7</b>
Aircraft .....	6.0	5.6	7.1	8.3	5.1	4.3	6.1	7.1
Missiles .....	3.0	2.9	3.1	3.1	3.2	2.7	2.9	3.0
Ships .....	6.1	6.4	6.4	5.8	6.3	6.0	6.5	6.8
Vehicles .....	1.5	1.5	1.5	1.4	1.3	1.8	1.5	1.4
Electronics .....	3.6	3.4	3.6	3.2	3.4	3.6	3.3	3.2
Other equipment .....	13.9	13.8	13.6	14.3	13.6	13.5	15.1	13.1
<b>Addendum:</b>								
Compensation of general government employees <sup>3</sup> .....	133.3	132.2	133.1	131.9	133.5	132.2	132.3	130.9

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]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>National defense consumption expenditures and gross investment<sup>1</sup> .....</b>	<b>308.9</b>	<b>300.4</b>	<b>310.2</b>	<b>308.7</b>	<b>293.3</b>	<b>300.3</b>	<b>303.5</b>	<b>304.6</b>
<b>Consumption expenditures .....</b>	<b>272.4</b>	<b>264.1</b>	<b>272.3</b>	<b>270.0</b>	<b>257.9</b>	<b>266.1</b>	<b>265.1</b>	<b>267.3</b>
<b>Durable goods<sup>2</sup> .....</b>	<b>20.4</b>	<b>21.0</b>	<b>19.2</b>	<b>20.6</b>	<b>20.1</b>	<b>20.7</b>	<b>21.7</b>	<b>21.6</b>
Aircraft .....	9.4	9.9	8.5	9.6	9.1	9.9	9.7	10.8
Missiles .....	2.7	2.5	2.6	2.8	2.5	2.3	2.9	2.5
Ships .....	.7	.6	.7	.6	.7	.6	.6	.6
Vehicles .....	.8	.8	.8	.8	.8	.7	.8	.8
Electronics .....	2.8	2.7	2.9	2.6	2.8	2.7	2.8	2.7
Other durable goods .....	4.1	4.4	3.8	4.2	4.2	4.4	4.8	4.2
<b>Nondurable goods .....</b>	<b>7.0</b>	<b>7.1</b>	<b>7.1</b>	<b>6.9</b>	<b>6.7</b>	<b>6.7</b>	<b>7.8</b>	<b>7.1</b>
Petroleum products .....	2.8	2.6	3.2	2.5	2.5	2.7	2.8	2.4
Ammunition .....	1.4	1.6	1.1	1.6	1.3	1.2	2.2	1.7
Other nondurable goods .....	2.8	2.9	3.0	2.9	2.9	2.9	2.8	3.0
<b>Services .....</b>	<b>244.9</b>	<b>236.1</b>	<b>245.7</b>	<b>242.4</b>	<b>231.1</b>	<b>238.7</b>	<b>235.9</b>	<b>238.7</b>
Compensation of general government employees, except force-account construction <sup>3</sup> .....	112.9	109.4	112.9	111.4	110.6	109.5	109.4	108.0
Military .....	74.8	73.1	74.9	74.3	73.8	73.1	73.2	72.4
Civilian .....	38.3	36.5	38.2	37.3	37.0	36.7	36.5	35.8
Consumption of general government fixed capital <sup>4</sup> .....	50.5	49.1	50.3	50.0	49.6	49.3	49.0	48.7
Other services .....	81.8	77.9	82.9	81.5	70.8	80.3	77.8	82.6
Research and development .....	28.5	26.0	28.7	27.9	21.4	26.6	27.4	28.7
Installation support .....	23.8	22.6	24.3	23.1	22.6	23.1	22.2	22.5
Weapons support .....	5.6	5.3	6.1	6.1	4.9	5.6	5.0	5.8
Personnel support .....	17.5	17.3	17.8	18.0	15.8	18.1	16.8	18.6
Transportation of material .....	4.5	4.6	4.3	4.6	4.5	4.5	4.5	4.9
Travel of persons .....	3.4	3.1	3.3	3.3	3.1	3.1	3.1	3.1
Other .....	-1.1	-8	-1.3	-1.2	-1.5	-5	-7	-6
<b>Gross investment .....</b>	<b>36.5</b>	<b>36.3</b>	<b>37.9</b>	<b>38.7</b>	<b>35.4</b>	<b>34.1</b>	<b>38.5</b>	<b>37.2</b>
<b>Structures .....</b>	<b>4.5</b>	<b>4.1</b>	<b>4.5</b>	<b>4.5</b>	<b>4.3</b>	<b>3.8</b>	<b>4.3</b>	<b>3.9</b>
<b>Equipment .....</b>	<b>31.9</b>	<b>32.2</b>	<b>33.3</b>	<b>34.2</b>	<b>31.0</b>	<b>30.3</b>	<b>34.2</b>	<b>33.4</b>
Aircraft .....	4.9	4.8	5.9	7.0	4.2	3.5	5.4	6.1
Missiles .....	3.1	3.0	3.3	3.2	3.2	2.8	2.9	3.1
Ships .....	5.4	5.8	5.6	5.1	5.6	5.4	5.8	6.2
Vehicles .....	1.3	1.4	1.4	1.3	1.2	1.6	1.4	1.3
Electronics .....	4.9	5.2	5.1	4.6	5.0	5.4	5.3	5.2
Other equipment .....	13.0	12.9	12.7	13.4	12.7	12.6	14.1	12.3
Residual .....	-1.5	-1.6	-1.5	-1.4	-9	-1.8	-2.1	-2.1
<b>Addendum:</b>								
Compensation of general government employees <sup>3</sup> .....	112.9	109.4	112.9	111.4	110.6	109.5	109.5	108.0

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]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>Receipts from the rest of the world</b> .....	<b>1,230.9</b>	<b>1,228.1</b>	<b>1,256.0</b>	<b>1,254.9</b>	<b>1,243.6</b>	<b>1,220.2</b>	<b>1,201.2</b>	<b>1,247.5</b>
Exports of goods and services ...	965.4	959.0	981.7	988.6	973.3	949.6	936.2	976.8
Goods <sup>1</sup> .....	688.3	680.8	700.2	708.9	694.5	668.8	663.3	696.6
Durable .....	483.0	487.4	495.3	498.7	495.4	474.3	476.6	503.3
Nondurable .....	205.3	193.4	204.9	210.2	199.2	194.5	186.6	193.3
Services <sup>1</sup> .....	277.1	278.2	281.5	279.7	278.8	280.8	272.9	280.2
Receipts of factor income .....	265.5	269.2	274.3	266.3	270.3	270.6	265.0	270.7
Capital grants received by the United States (net) .....	0	0	0	0	0	0	0	0
<b>Payments to the rest of the world</b> .....	<b>1,230.9</b>	<b>1,228.1</b>	<b>1,256.0</b>	<b>1,254.9</b>	<b>1,243.6</b>	<b>1,220.2</b>	<b>1,201.2</b>	<b>1,247.5</b>
Imports of goods and services ...	1,058.8	1,110.2	1,076.4	1,087.4	1,097.1	1,108.9	1,101.7	1,133.0
Goods <sup>1</sup> .....	888.3	932.4	902.7	912.4	920.9	931.8	924.7	952.2
Durable .....	589.5	637.6	600.5	608.7	625.6	634.1	630.1	660.6
Nondurable .....	298.8	294.8	302.3	303.7	295.2	297.7	294.6	291.6
Services <sup>1</sup> .....	170.4	177.8	173.6	174.9	176.2	177.1	177.0	180.8
Payments of factor income .....	273.5	289.6	283.0	285.9	285.1	289.3	292.1	291.9
Transfer payments (net) .....	39.5	41.0	37.6	49.4	37.0	36.8	39.1	51.0
From persons (net) .....	18.9	19.9	19.5	19.8	19.2	19.9	20.0	20.6
From government (net) .....	12.7	13.2	9.9	21.5	9.9	9.0	11.2	22.6
From business .....	8.0	7.9	8.1	8.1	7.9	7.9	8.0	7.8
Net foreign investment .....	-140.9	-212.6	-141.0	-167.8	-175.6	-214.8	-231.6	-228.3

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]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>Exports of goods and services</b> .....	<b>970.0</b>	<b>984.7</b>	<b>988.1</b>	<b>998.8</b>	<b>991.9</b>	<b>972.1</b>	<b>965.3</b>	<b>1,009.6</b>
Goods <sup>1</sup> .....	726.5	742.6	740.6	754.9	748.5	726.3	727.3	768.4
Durable .....	554.5	573.3	570.4	578.1	577.9	556.2	562.9	596.4
Nondurable .....	180.8	179.7	180.4	186.3	181.1	179.3	174.9	183.5
Services <sup>1</sup> .....	247.0	246.4	251.1	248.6	247.8	248.8	242.1	247.0
<b>Receipts of factor income</b> .....	<b>238.0</b>	<b>239.5</b>	<b>245.6</b>	<b>237.6</b>	<b>241.0</b>	<b>241.0</b>	<b>235.7</b>	<b>240.4</b>
<b>Imports of goods and services</b> .....	<b>1,106.1</b>	<b>1,222.9</b>	<b>1,130.5</b>	<b>1,147.8</b>	<b>1,190.4</b>	<b>1,217.3</b>	<b>1,224.3</b>	<b>1,259.6</b>
Goods <sup>1</sup> .....	945.7	1,054.4	966.7	981.8	1,021.0	1,048.8	1,056.3	1,091.7
Durable .....	667.7	752.8	681.2	696.6	726.9	745.5	749.8	789.1
Nondurable .....	280.3	305.4	287.7	288.1	297.6	306.7	309.9	307.6
Services <sup>1</sup> .....	161.8	171.2	165.2	167.5	171.3	171.0	170.8	171.6
<b>Payments of factor income</b> .....	<b>240.7</b>	<b>252.7</b>	<b>248.9</b>	<b>250.5</b>	<b>249.6</b>	<b>252.8</b>	<b>254.6</b>	<b>253.9</b>

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.

Table 4.3.—Exports and Imports of Goods and Services by Type of Product

[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>Exports of goods and services</b>	<b>965.4</b>	<b>959.0</b>	<b>981.7</b>	<b>988.6</b>	<b>973.3</b>	<b>949.6</b>	<b>936.2</b>	<b>976.8</b>
<b>Exports of goods<sup>1</sup></b>	<b>688.3</b>	<b>680.8</b>	<b>700.2</b>	<b>708.9</b>	<b>694.5</b>	<b>668.8</b>	<b>663.3</b>	<b>696.6</b>
Foods, feeds, and beverages	51.5	46.1	49.4	54.0	49.8	44.9	42.4	47.5
Industrial supplies and materials	152.5	142.5	155.1	154.4	148.6	144.2	138.1	139.3
Durable goods	55.1	53.7	55.7	55.8	56.4	53.6	51.8	52.8
Nondurable goods	97.5	88.9	99.4	98.6	92.1	90.5	86.3	86.5
Capital goods, except automotive	295.3	301.2	305.7	306.5	302.0	288.4	299.2	315.0
Civilian aircraft, engines, and parts	41.4	54.7	42.8	43.6	48.9	44.8	58.0	66.9
Computers, peripherals, and parts	49.4	45.3	51.9	49.1	45.5	44.8	45.1	45.9
Other	204.6	201.2	211.0	213.9	207.7	198.9	196.1	202.1
Automotive vehicles, engines, and parts	74.0	72.3	74.8	76.6	77.7	72.2	65.3	73.9
Consumer goods, except automotive	77.4	79.6	77.5	78.8	78.3	80.1	80.3	79.7
Durable goods	39.9	40.8	40.3	40.5	40.2	40.5	41.4	41.0
Nondurable goods	37.6	38.9	37.2	38.3	38.1	39.6	39.0	38.8
Other	37.5	39.1	37.7	38.5	38.1	39.1	37.9	41.1
Durable goods	18.8	19.5	18.9	19.2	19.1	19.6	19.0	20.6
Nondurable goods	18.8	19.5	18.9	19.2	19.1	19.6	19.0	20.6
<b>Exports of services<sup>1</sup></b>	<b>277.1</b>	<b>278.2</b>	<b>281.5</b>	<b>279.7</b>	<b>278.8</b>	<b>280.8</b>	<b>272.9</b>	<b>280.2</b>
Transfers under U.S. military agency sales contracts	17.5	16.3	18.9	15.8	17.9	15.6	15.7	15.9
Travel	73.3	72.0	73.3	72.8	72.8	73.9	68.2	73.1
Passenger fares	20.9	20.8	20.8	21.5	21.4	21.8	19.6	20.3
Other transportation	27.9	27.6	27.7	28.3	27.2	26.9	27.4	28.8
Royalties and license fees	33.7	33.4	34.3	33.5	33.1	33.9	32.5	33.9
Other private services	82.2	85.9	84.7	86.0	84.4	86.4	87.0	85.5
Other	21.6	22.3	21.7	21.8	21.9	22.2	22.5	22.6
<b>Imports of goods and services</b>	<b>1,058.8</b>	<b>1,110.2</b>	<b>1,076.4</b>	<b>1,087.4</b>	<b>1,097.1</b>	<b>1,108.9</b>	<b>1,101.7</b>	<b>1,133.0</b>
<b>Imports of goods<sup>1</sup></b>	<b>888.3</b>	<b>932.4</b>	<b>902.7</b>	<b>912.4</b>	<b>920.9</b>	<b>931.8</b>	<b>924.7</b>	<b>952.2</b>
Foods, feeds, and beverages	39.7	41.3	40.5	40.3	41.7	41.8	40.5	41.1
Industrial supplies and materials, except petroleum and products	135.4	142.7	137.8	139.0	141.3	144.4	144.8	140.2
Durable goods	69.3	75.9	70.4	71.8	73.4	72.2	77.7	75.3
Nondurable goods	66.2	66.8	67.4	67.2	67.9	67.2	67.0	64.9
Petroleum and products	71.8	51.2	70.3	68.6	54.9	53.9	49.2	46.6
Capital goods, except automotive	254.2	270.4	260.9	264.8	268.9	270.5	267.0	275.1
Civilian aircraft, engines, and parts	16.6	21.6	19.0	18.1	17.9	22.4	21.9	24.1
Computers, peripherals, and parts	70.2	72.5	72.8	70.9	72.4	71.7	71.1	74.7
Other	167.4	176.3	169.1	175.8	178.7	176.4	173.9	176.3
Automotive vehicles, engines, and parts	140.8	150.3	141.7	141.0	148.0	146.0	143.5	163.7
Consumer goods, except automotive	193.0	215.6	196.0	202.3	209.3	217.5	217.2	218.3
Durable goods	98.5	110.5	99.6	102.9	107.0	111.6	110.6	112.8
Nondurable goods	94.5	105.1	96.3	99.4	102.3	105.9	106.6	105.5
Other	53.4	61.0	55.5	56.5	56.7	57.7	62.6	67.1
Durable goods	26.7	30.5	27.8	28.2	28.4	28.9	31.3	33.6
Nondurable goods	26.7	30.5	27.8	28.2	28.4	28.9	31.3	33.6
<b>Imports of services<sup>1</sup></b>	<b>170.4</b>	<b>177.8</b>	<b>173.6</b>	<b>174.9</b>	<b>176.2</b>	<b>177.1</b>	<b>177.0</b>	<b>180.8</b>
Direct defense expenditures	11.5	12.5	11.8	12.2	12.6	12.2	12.2	13.0
Travel	51.2	52.5	51.6	51.3	52.7	53.2	51.3	52.8
Passenger fares	18.2	18.1	18.8	18.2	18.3	18.5	17.7	18.1
Other transportation	29.3	30.2	29.1	29.9	29.1	29.6	30.4	31.7
Royalties and license fees	9.4	10.2	10.2	10.3	11.5	10.0	9.7	9.7
Other private services	43.8	46.9	45.0	45.9	44.9	46.4	48.4	48.1
Other	7.0	7.2	7.2	7.1	7.2	7.2	7.3	7.3
<b>Addenda:</b>								
Exports of agricultural goods <sup>2</sup>	58.4	52.8	57.3	60.5	56.4	52.0	49.0	53.9
Exports of nonagricultural goods	629.9	628.0	642.9	648.4	638.1	616.8	614.3	642.7
Imports of nonpetroleum goods	816.6	881.2	832.4	843.8	865.9	877.8	875.5	905.6

Table 4.4.—Real Exports and Imports of Goods and Services by Type of Product

[Billions of chained (1992) dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>Exports of goods and services</b>	<b>970.0</b>	<b>984.7</b>	<b>988.1</b>	<b>998.8</b>	<b>991.9</b>	<b>972.1</b>	<b>965.3</b>	<b>1,009.6</b>
<b>Exports of goods<sup>1</sup></b>	<b>726.5</b>	<b>742.6</b>	<b>740.6</b>	<b>754.9</b>	<b>748.5</b>	<b>726.3</b>	<b>727.3</b>	<b>768.4</b>
Foods, feeds, and beverages	43.9	43.1	42.3	47.4	45.6	41.7	39.9	45.4
Industrial supplies and materials	132.4	130.6	134.2	134.7	132.8	130.7	127.9	131.1
Durable goods	48.8	49.6	49.1	50.2	51.4	49.2	48.2	49.7
Nondurable goods	83.6	81.1	85.1	84.6	81.5	81.6	79.8	81.5
Capital goods, except automotive	388.6	408.4	404.7	408.7	405.5	389.7	407.6	430.6
Civilian aircraft, engines, and parts	35.0	45.7	36.1	36.7	41.0	37.4	48.6	55.7
Computers, peripherals, and parts	143.9	153.5	156.2	152.4	146.2	149.2	156.4	162.2
Other	242.8	241.4	250.7	254.9	248.4	238.3	235.6	243.6
Automotive vehicles, engines, and parts	70.4	68.7	71.1	72.9	73.9	68.7	62.1	70.0
Consumer goods, except automotive	73.7	75.8	73.7	74.8	74.4	76.3	76.6	76.1
Durable goods	38.5	39.5	38.8	39.0	38.7	39.2	40.1	39.8
Nondurable goods	35.3	36.4	34.9	35.8	35.6	37.0	36.5	36.3
Other	37.2	39.7	37.5	38.3	38.3	39.5	38.7	42.3
Durable goods	18.6	19.9	18.7	19.2	19.2	19.8	19.4	21.2
Nondurable goods	18.6	19.9	18.7	19.2	19.2	19.8	19.4	21.2
<b>Exports of services<sup>1</sup></b>	<b>247.0</b>	<b>246.4</b>	<b>251.1</b>	<b>248.6</b>	<b>247.8</b>	<b>248.8</b>	<b>242.1</b>	<b>247.0</b>
Transfers under U.S. military agency sales contracts	16.1	15.4	17.7	14.9	16.7	14.6	15.4	15.1
Travel	64.0	61.2	64.1	62.8	62.5	62.7	57.7	61.7
Passenger fares	19.7	19.8	19.3	20.4	20.3	21.2	19.2	18.5
Other transportation	26.3	26.9	26.3	26.6	26.4	26.2	26.6	28.4
Royalties and license fees	30.2	29.7	30.7	29.9	29.5	30.2	29.9	30.1
Other private services	75.0	77.8	77.3	78.2	76.7	78.3	78.8	77.4
Other	16.1	16.2	16.1	16.1	16.2	16.2	16.2	16.2
Residual	-56.8	-61.1	-65.1	-62.4	-57.1	-59.2	-63.5	-64.4
<b>Imports of goods and services</b>	<b>1,106.1</b>	<b>1,222.9</b>	<b>1,130.5</b>	<b>1,147.8</b>	<b>1,190.4</b>	<b>1,217.3</b>	<b>1,224.3</b>	<b>1,259.6</b>
<b>Imports of goods<sup>1</sup></b>	<b>945.7</b>	<b>1,054.4</b>	<b>966.7</b>	<b>981.8</b>	<b>1,021.0</b>	<b>1,048.8</b>	<b>1,056.3</b>	<b>1,091.7</b>
Foods, feeds, and beverages	35.5	38.1	36.3	36.3	38.2	38.3	37.8	38.2
Industrial supplies and materials, except petroleum and products	123.7	137.0	125.9	127.3	132.8	137.3	140.3	137.6
Durable goods	61.8	71.1	62.4	64.5	67.2	71.4	73.3	72.4
Nondurable goods	61.8	65.7	63.5	62.7	65.6	65.6	66.7	64.9
Petroleum and products	66.7	71.8	69.1	66.9	68.3	74.5	73.4	70.8
Capital goods, except automotive	373.3	426.7	385.0	396.7	413.6	424.7	426.2	442.3
Civilian aircraft, engines, and parts	14.1	18.0	16.1	15.2	15.0	18.8	18.3	20.0
Computers, peripherals, and parts	163.5	202.5	171.9	173.1	187.9	197.7	202.3	222.1
Other	217.6	237.8	220.2	231.1	238.5	237.2	237.0	238.6
Automotive vehicles, engines, and parts	129.4	138.0	130.2	129.1	135.5	133.9	132.2	150.3
Consumer goods, except automotive	188.8	213.7	191.9	198.6	206.3	215.5	216.1	216.8
Durable goods	97.7	112.5	99.0	102.9	107.8	113.4	113.3	115.4
Nondurable goods	91.1	101.3	92.8	95.7	98.5	102.2	102.8	101.6
Other	49.9	57.3	51.9	52.8	53.4	53.9	58.8	62.9
Durable goods	24.9	28.6	25.9	26.4	26.7	27.0	29.4	31.5
Nondurable goods	24.9	28.6	25.9	26.4	26.7	27.0	29.4	31.5
<b>Imports of services<sup>1</sup></b>	<b>161.8</b>	<b>171.2</b>	<b>165.2</b>	<b>167.5</b>	<b>171.3</b>	<b>171.0</b>	<b>170.8</b>	<b>171.6</b>
Direct defense expenditures	11.6	13.1	12.2	12.6	13.7	13.1	12.7	12.9
Travel	47.2	49.9	47.6	48.4	50.6	50.7	49.4	48.7
Passenger fares	16.3	16.0	16.6	16.2	16.3	16.4	15.5	15.9
Other transportation	28.1	29.6	28.1	29.0	28.9	29.1	29.6	30.8
Royalties and license fees	8.4	9.1	9.2	9.2	10.3	8.9	8.6	8.6
Other private services	44.1	47.4	45.4	46.1	45.3	46.7	48.9	48.7
Other	6.3	6.5	6.5	6.4	6.5	6.5	6.6	6.5
Residual	-44.9	-62.7	-48.4	-50.4	-57.1	-61.1	-62.9	-69.8
<b>Addenda:</b>								
Exports of agricultural goods <sup>2</sup>	49.3	48.9	48.6	52.2	50.9	47.6	45.8	51.6
Exports of nonagricultural goods	681.1	697.9	696.3	706.4	701.5	682.9	686.1	721.1

5. Saving and Investment

Table 5.1.—Gross Saving and Investment

[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>Gross saving</b> .....	<b>1,406.3</b>	<b>1,468.0</b>	<b>1,427.0</b>	<b>1,428.0</b>	<b>1,482.5</b>	<b>1,448.5</b>	<b>1,474.5</b>	<b>1,466.6</b>
<b>Gross private saving</b> .....	<b>1,141.6</b>	<b>1,090.4</b>	<b>1,139.0</b>	<b>1,131.6</b>	<b>1,130.1</b>	<b>1,079.0</b>	<b>1,078.7</b>	<b>1,073.7</b>
Personal saving .....	121.0	27.7	98.5	98.2	73.0	25.6	12.6	-6
Undistributed corporate profits with inventory valuation and capital consumption adjustments .....	296.7	305.4	311.5	295.0	312.0	300.9	304.8	303.9
Undistributed profits .....	213.2	198.5	229.5	210.6	201.8	203.7	198.3	190.2
Inventory valuation adjustment .....	6.9	14.5	4.8	4.3	25.3	7.8	11.7	13.4
Capital consumption adjustment .....	76.6	92.3	77.2	80.1	84.9	89.4	94.8	100.2
Corporate consumption of fixed capital .....	477.3	500.6	480.8	487.7	492.5	497.8	503.1	508.9
Noncorporate consumption of fixed capital .....	242.8	252.7	244.4	247.0	248.6	250.7	254.2	257.5
Wage accruals less disbursements .....	3.7	4.0	3.7	3.7	4.0	4.0	4.0	4.0
<b>Gross government saving</b> .....	<b>264.7</b>	<b>377.6</b>	<b>288.0</b>	<b>296.4</b>	<b>352.4</b>	<b>369.4</b>	<b>395.7</b>	<b>392.9</b>
Federal .....	49.5	142.5	70.0	72.3	128.7	143.9	161.6	135.8
Consumption of fixed capital .....	70.6	69.7	70.3	70.2	69.9	69.5	69.6	70.0
Current surplus or deficit (-), national income and product accounts .....	-21.1	72.8	-3	2.2	58.8	74.4	92.0	65.8
State and local .....	215.2	235.1	218.0	224.1	223.7	225.6	234.2	257.1
Consumption of fixed capital .....	81.1	85.0	81.4	82.7	83.5	84.3	85.4	86.6
Current surplus or deficit (-), national income and product accounts .....	134.1	150.2	136.6	141.4	140.2	141.3	148.7	170.5
<b>Capital grants received by the United States (net)</b> .....	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Gross investment</b> .....	<b>1,350.5</b>	<b>1,391.5</b>	<b>1,361.9</b>	<b>1,360.7</b>	<b>1,428.4</b>	<b>1,362.7</b>	<b>1,372.5</b>	<b>1,402.4</b>
Gross private domestic investment .....	1,256.0	1,367.1	1,265.7	1,292.0	1,366.6	1,345.0	1,364.4	1,392.4
Gross government investment .....	235.4	237.0	237.3	236.5	237.4	232.5	239.7	238.3
Net foreign investment .....	-140.9	-212.6	-141.0	-167.8	-175.6	-214.8	-231.6	-228.3
<b>Statistical discrepancy</b> .....	<b>-55.8</b>	<b>-76.5</b>	<b>-65.1</b>	<b>-67.3</b>	<b>-54.1</b>	<b>-85.7</b>	<b>-102.0</b>	<b>-64.2</b>
<b>Addendum:</b>								
Gross saving as a percentage of gross national product .....	17.4	17.3	17.5	17.3	17.7	17.2	17.3	16.9

Table 5.4.—Private Fixed Investment by Type

[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>Private fixed investment</b> .....	<b>1,188.6</b>	<b>1,307.8</b>	<b>1,211.1</b>	<b>1,220.1</b>	<b>1,271.1</b>	<b>1,305.8</b>	<b>1,307.5</b>	<b>1,346.7</b>
<b>Nonresidential</b> .....	<b>860.7</b>	<b>938.2</b>	<b>882.3</b>	<b>882.8</b>	<b>921.3</b>	<b>941.9</b>	<b>931.6</b>	<b>957.9</b>
<b>Structures</b> .....	<b>240.2</b>	<b>246.9</b>	<b>243.8</b>	<b>246.4</b>	<b>245.0</b>	<b>245.4</b>	<b>246.2</b>	<b>250.9</b>
Nonresidential buildings, including farm .....	177.3	184.1	180.0	178.9	180.6	181.8	183.7	190.1
Utilities .....	33.5	34.7	34.1	34.1	34.2	34.7	35.0	35.1
Mining exploration, shafts, and wells .....	22.7	21.3	23.8	24.3	23.5	22.4	20.7	18.7
Other structures .....	6.7	6.8	6.1	9.2	6.6	6.5	6.8	7.1
<b>Producers' durable equipment</b> .....	<b>620.5</b>	<b>691.3</b>	<b>638.5</b>	<b>636.4</b>	<b>676.3</b>	<b>696.6</b>	<b>685.4</b>	<b>706.9</b>
Information processing and related equipment .....	206.6	233.3	213.0	213.6	226.5	231.6	235.2	239.9
Computers and peripheral equipment <sup>1</sup> .....	81.1	95.1	84.0	83.7	91.8	94.8	95.6	98.0
Other .....	125.5	138.3	129.0	129.9	134.7	136.8	139.5	142.0
Industrial equipment .....	138.6	147.0	140.7	142.1	145.4	146.8	147.4	148.3
Transportation and related equipment .....	152.0	175.1	158.8	155.9	172.4	181.2	164.0	182.8
Other .....	123.3	135.9	126.0	124.8	132.0	137.0	138.8	135.9
<b>Residential</b> .....	<b>327.9</b>	<b>369.6</b>	<b>328.8</b>	<b>337.4</b>	<b>349.8</b>	<b>363.8</b>	<b>375.8</b>	<b>388.9</b>
<b>Structures</b> .....	<b>319.9</b>	<b>361.1</b>	<b>320.8</b>	<b>329.4</b>	<b>341.5</b>	<b>355.4</b>	<b>367.3</b>	<b>380.3</b>
Single family .....	164.4	187.3	164.0	168.7	175.8	183.8	190.9	198.7
Multifamily .....	22.6	24.4	22.0	23.8	25.1	23.5	23.9	25.3
Other structures .....	132.8	149.4	134.7	136.8	140.6	148.1	152.6	156.3
<b>Producers' durable equipment</b> .....	<b>8.0</b>	<b>8.5</b>	<b>8.0</b>	<b>8.0</b>	<b>8.3</b>	<b>8.5</b>	<b>8.5</b>	<b>8.6</b>

1. Includes new computers and peripheral equipment only.

Table 5.5.—Real Private Fixed Investment by Type

[Billions of chained (1992) dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>Private fixed investment</b> .....	<b>1,138.0</b>	<b>1,267.8</b>	<b>1,159.3</b>	<b>1,169.5</b>	<b>1,224.9</b>	<b>1,264.1</b>	<b>1,270.9</b>	<b>1,311.0</b>
<b>Nonresidential</b> .....	<b>859.4</b>	<b>960.7</b>	<b>882.2</b>	<b>886.2</b>	<b>931.9</b>	<b>960.4</b>	<b>958.7</b>	<b>991.9</b>
<b>Structures</b> .....	<b>203.2</b>	<b>203.0</b>	<b>205.2</b>	<b>205.7</b>	<b>203.1</b>	<b>201.9</b>	<b>202.0</b>	<b>205.0</b>
Nonresidential buildings, including farm .....	150.5	150.9	152.0	149.5	150.1	149.8	150.1	153.8
Utilities .....	28.7	29.5	29.1	29.2	29.2	29.5	29.7	29.7
Mining exploration, shafts, and wells .....	17.9	16.7	18.6	18.9	17.9	17.0	16.4	15.3
Other structures .....	5.8	5.7	5.2	7.8	5.6	5.5	5.8	6.0
<b>Producers' durable equipment</b> .....	<b>660.9</b>	<b>770.2</b>	<b>682.6</b>	<b>686.4</b>	<b>738.8</b>	<b>771.3</b>	<b>769.3</b>	<b>801.5</b>
Information processing and related equipment .....	298.0	388.1	311.5	320.7	353.4	376.8	399.6	422.5
Computers and peripheral equipment <sup>1</sup> .....	214.8	351.8	229.9	242.9	292.2	331.5	370.5	413.0
Other .....	126.6	141.2	130.0	131.5	136.7	139.7	142.8	145.6
Industrial equipment .....	125.9	132.7	127.7	128.6	131.5	132.5	133.1	133.5
Transportation and related equipment .....	140.3	162.0	145.9	143.8	159.6	167.9	151.7	168.7
Other .....	113.0	123.3	115.6	114.1	120.2	124.6	125.8	122.5
<b>Residential</b> .....	<b>282.8</b>	<b>312.0</b>	<b>282.3</b>	<b>287.9</b>	<b>298.5</b>	<b>309.1</b>	<b>316.5</b>	<b>324.1</b>
<b>Structures</b> .....	<b>275.1</b>	<b>303.9</b>	<b>274.5</b>	<b>280.1</b>	<b>290.5</b>	<b>300.9</b>	<b>308.3</b>	<b>315.7</b>
Single family .....	137.2	153.0	136.1	139.0	145.2	151.3	155.6	159.7
Multifamily .....	20.2	21.3	19.5	21.0	22.1	20.7	20.8	21.7
Other structures .....	118.5	130.2	119.7	120.9	123.8	129.6	132.6	135.0
<b>Producers' durable equipment</b> .....	<b>7.7</b>	<b>8.2</b>	<b>7.8</b>	<b>7.8</b>	<b>8.0</b>	<b>8.2</b>	<b>8.2</b>	<b>8.3</b>
<b>Residual</b> .....	<b>-69.1</b>	<b>-158.7</b>	<b>-77.8</b>	<b>-85.5</b>	<b>-117.2</b>	<b>-143.7</b>	<b>-172.2</b>	<b>-201.8</b>

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]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>Change in business inventories</b> ....	<b>67.4</b>	<b>59.3</b>	<b>54.6</b>	<b>71.9</b>	<b>95.5</b>	<b>39.2</b>	<b>57.0</b>	<b>45.7</b>
Farm .....	4.3	6.7	7.3	4.9	5.0	7.7	7.7	6.3
Nonfarm .....	63.1	52.7	47.3	66.9	90.5	31.5	49.3	39.3
Change in book value <sup>1</sup> .....	52.1	33.2	41.8	61.1	56.3	21.2	32.0	23.3
Inventory valuation adjustment <sup>2</sup> .....	11.0	19.5	5.5	5.9	34.3	10.3	17.3	16.0
Manufacturing .....	21.4	20.9	16.9	18.7	31.8	25.1	20.1	6.5
Durable goods .....	12.5	14.5	8.8	8.4	21.9	19.9	12.3	3.9
Nondurable goods .....	8.9	6.4	8.0	10.4	9.9	5.3	7.7	2.6
Wholesale trade .....	23.3	20.1	17.5	21.5	28.1	7.9	30.5	14.1
Durable goods .....	13.8	13.9	4.6	8.9	25.8	1.6	15.5	12.5
Nondurable goods .....	9.5	6.3	12.9	12.6	2.3	6.2	15.0	1.5
Merchant wholesalers .....	19.6	18.2	15.6	19.0	26.0	4.8	29.2	12.5
Durable goods .....	11.4	12.1	3.7	7.3	23.3	-1	13.8	11.4
Nondurable goods .....	8.2	6.0	11.9	11.7	2.7	5.0	15.4	1.1
Nonmerchant wholesalers .....	3.8	2.0	1.9	2.5	2.0	3.0	1.3	1.6
Durable goods .....	2.4	1.8	.9	1.6	2.4	1.8	1.7	1.1
Nondurable goods .....	1.4	.2	1.0	.9	-4	1.2	-4	.5
Retail trade .....	7.3	3.0	5.5	17.8	18.3	-12.7	-5.5	11.7
Durable goods .....	5.1	-2.9	3.7	15.3	1.8	-17.8	-8.2	12.5
Motor vehicle dealers <sup>3</sup> .....	1.3	-6.4	.8	11.7	-4.1	-15.3	-10.0	3.7
Other <sup>3</sup> .....	3.9	3.5	2.9	3.5	5.9	-2.5	1.8	8.7
Nondurable goods .....	2.2	5.9	1.7	2.5	16.5	5.1	2.7	-7
Other .....	11.0	8.7	7.4	8.9	12.3	11.2	4.3	7.0
Durable goods .....	2.2	-2	2.7	1.4	.4	.8	-1	-1.9
Nondurable goods .....	8.8	8.9	4.7	7.5	11.9	10.4	4.4	9.0

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 IVA's 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]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>Change in business inventories</b> ....	<b>63.2</b>	<b>57.4</b>	<b>51.0</b>	<b>66.5</b>	<b>91.4</b>	<b>38.2</b>	<b>55.7</b>	<b>44.2</b>
Farm .....	4.3	7.6	7.3	3.7	5.3	8.7	9.1	7.2
Nonfarm .....	58.8	50.1	44.0	62.7	85.9	29.9	47.0	37.5
Manufacturing .....	20.1	19.9	15.8	17.7	30.2	23.9	19.2	6.2
Durable goods .....	12.0	14.0	8.4	8.1	21.0	19.1	12.0	3.8
Nondurable goods .....	8.1	5.9	7.4	9.5	9.2	4.9	7.2	2.4
Wholesale trade .....	22.0	19.5	16.7	20.2	27.0	7.6	29.6	13.7
Durable goods .....	13.3	13.5	4.5	8.6	25.1	1.6	15.2	12.3
Nondurable goods .....	8.7	6.0	11.8	11.4	2.3	5.9	14.3	1.5
Merchant wholesalers .....	18.5	17.5	14.9	17.8	24.8	4.7	28.3	12.2
Durable goods .....	11.0	11.8	3.6	7.0	22.6	-2	13.5	11.2
Nondurable goods .....	7.5	5.7	10.9	10.5	2.6	4.7	14.5	1.1
Nonmerchant wholesalers .....	3.6	2.0	1.8	2.4	2.1	3.0	1.3	1.5
Durable goods .....	2.3	1.7	.9	1.5	2.4	1.8	1.7	1.1
Nondurable goods .....	1.2	.2	.9	.9	-3	1.2	-4	.4
Retail trade .....	6.8	2.8	5.0	16.9	17.3	-11.9	-5.3	10.9
Durable goods .....	4.7	-2.8	3.4	14.1	1.6	-16.3	-7.7	11.4
Motor vehicle dealers .....	1.1	-5.8	.7	10.5	-3.7	-13.8	-9.1	3.3
Other .....	3.6	3.2	2.7	3.3	5.5	-2.3	1.7	8.1
Nondurable goods .....	2.1	5.7	1.6	2.5	16.1	4.9	2.6	-7
Other .....	9.9	8.1	6.5	8.1	11.5	10.4	4.0	6.6
Durable goods .....	1.9	-2	2.3	1.2	.4	.7	-1	-1.7
Nondurable goods .....	8.1	8.6	4.2	6.9	11.5	10.0	4.3	8.8
Residual .....	0	-1.0	.1	.9	-1.2	-1.5	-1.3	-8

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			
	III	IV	I	II	III	IV
<b>Inventories</b> <sup>1</sup> .....	<b>1,339.9</b>	<b>1,348.4</b>	<b>1,363.6</b>	<b>1,366.5</b>	<b>1,369.1</b>	<b>1,372.7</b>
Farm .....	110.5	109.1	110.8	108.9	103.9	104.6
Nonfarm .....	1,229.4	1,239.3	1,252.8	1,257.6	1,265.2	1,268.1
Durable goods .....	704.1	711.0	721.5	720.0	721.8	724.6
Nondurable goods .....	525.2	528.3	531.3	537.6	543.4	543.5
Manufacturing .....	458.6	462.0	466.1	469.1	471.1	467.5
Durable goods .....	286.0	287.9	292.1	295.4	296.1	293.9
Nondurable goods .....	172.7	174.1	174.0	173.7	175.0	173.6
Wholesale trade .....	317.8	321.0	324.8	326.0	332.0	334.8
Durable goods .....	199.1	200.5	206.2	205.6	208.4	210.8
Nondurable goods .....	118.8	120.5	118.6	120.4	123.6	124.0
Merchant wholesalers .....	272.9	276.0	280.2	280.7	286.7	289.5
Durable goods .....	172.4	173.6	178.7	177.9	180.4	182.6
Nondurable goods .....	100.4	102.5	101.4	102.8	106.3	106.9
Nonmerchant wholesalers .....	45.0	44.9	44.6	45.2	45.4	45.3
Durable goods .....	26.6	26.9	27.4	27.7	28.0	28.2
Nondurable goods .....	18.4	18.0	17.2	17.5	17.3	17.1
Retail trade .....	318.1	321.4	325.3	323.6	323.0	326.6
Durable goods .....	172.1	175.3	175.8	171.3	169.8	173.1
Motor vehicle dealers .....	85.6	88.0	86.9	83.2	81.2	82.3
Other .....	86.5	87.4	88.8	88.1	88.6	90.9
Nondurable goods .....	146.0	146.0	149.5	152.3	153.2	153.5
Other .....	134.8	135.0	136.6	138.9	139.1	139.2
Durable goods .....	47.1	47.3	47.4	47.6	47.5	46.8
Nondurable goods .....	87.8	87.7	89.2	91.3	91.6	92.4
<b>Final sales of domestic business</b> <sup>2</sup> .....	<b>569.7</b>	<b>574.6</b>	<b>582.3</b>	<b>590.6</b>	<b>596.0</b>	<b>607.8</b>
<b>Final sales of goods and structures of domestic business</b> <sup>2</sup> .....	<b>305.7</b>	<b>306.8</b>	<b>312.5</b>	<b>315.2</b>	<b>316.9</b>	<b>325.7</b>
<b>Ratio of inventories to final sales of domestic business</b>						
Inventories to final sales .....	2.35	2.35	2.34	2.31	2.30	2.26
Nonfarm inventories to final sales .....	2.16	2.16	2.15	2.13	2.12	2.09
Nonfarm inventories to final sales of goods and structures .....	4.02	4.04	4.01	3.99	3.99	3.89

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			
	III	IV	I	II	III	IV
<b>Inventories</b> <sup>1</sup> .....	<b>1,260.8</b>	<b>1,277.5</b>	<b>1,300.3</b>	<b>1,309.9</b>	<b>1,323.8</b>	<b>1,334.8</b>
Farm .....	108.6	109.6	110.9	113.1	115.3	117.1
Nonfarm .....	1,151.7	1,167.4	1,188.9	1,196.4	1,208.1	1,217.5
Durable goods .....	664.4	672.4	684.2	685.3	689.9	696.4
Nondurable goods .....	487.3	494.9	504.6	511.0	518.1	521.1
Manufacturing .....	430.8	435.2	442.8	448.7	453.5	455.1
Durable goods .....	273.8	275.8	281.1	285.9	288.9	289.8
Nondurable goods .....	157.1	159.5	161.8	163.0	164.8	165.4
Wholesale trade .....	299.8	304.9	311.6	313.5	320.9	324.3
Durable goods .....	192.4	194.5	200.8	201.2	205.0	208.1
Nondurable goods .....	107.7	110.6	111.2	112.6	116.2	116.6
Merchant wholesalers .....	256.8	261.3	267.5	268.7	275.7	278.8
Durable goods .....	166.2	168.0	173.6	173.6	177.0	179.8
Nondurable goods .....	90.9	93.5	94.1	95.3	99.0	99.2
Nonmerchant wholesalers .....	43.0	43.6	44.1	44.8	45.2	45.5
Durable goods .....	26.2	26.5	27.1	27.6	28.0	28.3
Nondurable goods .....	16.9	17.1	17.0	17.3	17.2	17.3
Retail trade .....	298.7	302.9	307.3	304.3	302.9	305.7
Durable goods .....	157.6	161.2	161.6	157.5	155.6	158.4
Motor vehicle dealers .....	77.0	79.6	78.7	75.3	73.0	73.8
Other .....	80.7	81.5	82.9	82.3	82.8	84.8
Nondurable goods .....	140.7	141.3	145.3	146.6	147.2	147.1
Other .....	122.4	124.4	127.3	129.9	130.9	132.5
Durable goods .....	40.7	41.0	41.0	41.2	41.2	40.8
Nondurable goods .....	81.8	83.5	86.4	88.9	90.0	92.2
Residual .....	.2	.6	.4	-.2	-.6	-.8
<b>Final sales of domestic business</b> <sup>2</sup> .....	<b>512.3</b>	<b>515.5</b>	<b>521.6</b>	<b>528.4</b>	<b>532.2</b>	<b>542.1</b>
<b>Final sales of goods and structures of domestic business</b> <sup>2</sup> .....	<b>287.3</b>	<b>288.4</b>	<b>294.0</b>	<b>296.5</b>	<b>298.0</b>	<b>306.6</b>
<b>Ratio of inventories to final sales of domestic business</b>						
Inventories to final sales .....	2.46	2.48	2.49	2.48	2.49	2.46
Nonfarm inventories to final sales .....	2.25	2.26	2.28	2.26	2.27	2.25
Nonfarm inventories to final sales of goods and structures .....	4.01	4.05	4.04	4.03	4.05	3.97

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]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>National income without capital consumption adjustment</b> .....	<b>6,598.0</b>	<b>6,928.6</b>	<b>6,655.8</b>	<b>6,716.0</b>	<b>6,817.1</b>	<b>6,882.3</b>	<b>6,963.3</b>	<b>7,051.9</b>
<b>Domestic industries</b> .....	<b>6,606.0</b>	<b>6,949.3</b>	<b>6,664.5</b>	<b>6,735.4</b>	<b>6,832.2</b>	<b>6,901.3</b>	<b>6,990.6</b>	<b>7,073.3</b>
<b>Private industries</b> .....	<b>5,728.5</b>	<b>6,043.0</b>	<b>5,783.9</b>	<b>5,849.7</b>	<b>5,937.2</b>	<b>5,999.1</b>	<b>6,080.4</b>	<b>6,155.5</b>
Agriculture, forestry, and fishing .....	106.0	104.2	107.5	103.0	99.9	102.0	100.9	114.0
Mining .....	52.5	50.6	52.8	53.8	54.9	51.2	49.0	47.4
Construction .....	305.1	331.1	306.0	312.5	320.1	326.7	334.3	343.1
Manufacturing .....	1,151.0	1,168.7	1,168.8	1,175.1	1,170.9	1,169.3	1,170.3	1,164.1
Durable goods .....	659.4	684.2	674.1	680.0	678.8	680.2	682.7	695.2
Nondurable goods .....	491.6	484.4	494.6	495.1	492.1	489.1	487.6	468.9
Transportation and public utilities .....	480.9	500.8	484.4	489.4	497.3	495.1	503.9	506.9
Transportation .....	208.0	216.2	210.6	213.6	213.7	214.9	217.2	219.1
Communications .....	139.3	149.3	141.4	142.0	148.5	147.3	150.8	150.4
Electric, gas, and sanitary services .....	133.6	135.3	132.4	133.8	135.0	132.9	136.0	137.4
Wholesale trade .....	384.2	409.2	389.4	390.3	400.9	408.5	414.0	413.5
Retail trade .....	543.2	580.0	546.6	552.8	567.0	576.5	584.4	592.3
Finance, insurance, and real estate .....	1,192.0	1,273.5	1,201.9	1,223.0	1,245.4	1,264.4	1,281.8	1,302.4
Services .....	1,513.6	1,624.9	1,526.5	1,549.8	1,580.6	1,605.4	1,641.6	1,671.7
<b>Government</b> .....	<b>877.5</b>	<b>906.3</b>	<b>880.6</b>	<b>885.7</b>	<b>895.0</b>	<b>902.2</b>	<b>910.2</b>	<b>917.8</b>
<b>Rest of the world</b> .....	<b>-8.0</b>	<b>-20.4</b>	<b>-8.7</b>	<b>-19.6</b>	<b>-14.8</b>	<b>-18.8</b>	<b>-27.0</b>	<b>-21.2</b>

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

Table 6.16C.—Corporate Profits by Industry Group

[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>Corporate profits with inventory valuation and capital consumption adjustments</b> .....	<b>817.9</b>	<b>824.6</b>	<b>840.9</b>	<b>820.8</b>	<b>829.2</b>	<b>820.6</b>	<b>827.0</b>	<b>821.7</b>
<b>Domestic industries</b> .....	<b>718.9</b>	<b>729.0</b>	<b>738.6</b>	<b>728.8</b>	<b>730.6</b>	<b>723.3</b>	<b>737.0</b>	<b>724.9</b>
Financial .....	124.7	130.3	123.3	129.5	131.3	130.1	129.5	130.1
Nonfinancial .....	594.2	598.7	615.2	599.3	599.3	593.2	607.5	594.8
<b>Rest of the world</b> .....	<b>99.0</b>	<b>95.7</b>	<b>102.3</b>	<b>92.0</b>	<b>98.6</b>	<b>97.3</b>	<b>89.9</b>	<b>96.8</b>
Receipts from the rest of the world .....	149.5	145.8	157.2	142.5	146.1	146.0	140.5	150.6
Less: Payments to the rest of the world .....	50.4	50.1	54.8	50.6	47.5	48.7	50.5	53.8
<b>Corporate profits with inventory valuation adjustment</b> .....	<b>741.2</b>	<b>732.3</b>	<b>763.7</b>	<b>740.7</b>	<b>744.3</b>	<b>731.3</b>	<b>732.1</b>	<b>721.5</b>
<b>Domestic industries</b> .....	<b>642.2</b>	<b>636.6</b>	<b>661.4</b>	<b>648.7</b>	<b>645.8</b>	<b>633.9</b>	<b>642.2</b>	<b>624.7</b>
Financial .....	130.0	134.2	128.6	134.7	136.3	134.4	133.2	133.0
Federal Reserve banks .....	23.3	24.6	23.6	24.1	24.5	24.4	24.7	24.6
Other .....	106.6	109.7	105.0	110.6	111.8	110.0	108.5	108.4
Nonfinancial .....	512.3	502.4	532.8	514.0	509.4	499.5	509.0	491.7
Manufacturing .....	214.4	192.8	228.9	212.3	197.1	194.6	195.0	184.5
Durable goods .....	107.3	108.3	120.0	107.5	100.8	104.5	109.4	118.7
Primary metal industries .....	5.6	5.4	6.6	5.8	6.3	5.7	4.9	4.8
Fabricated metal products .....	15.5	15.0	17.3	15.7	12.6	15.5	17.5	14.6
Industrial machinery and equipment .....	27.6	29.2	31.5	30.1	23.2	28.5	30.4	34.5
Electronic and other electric equipment .....	24.8	21.8	27.6	24.0	21.9	19.8	20.5	25.0
Motor vehicles and equipment .....	3.8	5.8	6.0	2.1	6.2	4.9	4.6	7.3
Other .....	30.0	31.2	31.0	29.8	30.7	30.1	31.5	32.4
Nondurable goods .....	107.1	84.5	109.0	104.8	96.2	90.2	85.6	65.8
Food and kindred products .....	22.7	17.9	22.2	25.9	20.6	21.4	22.0	7.5
Chemicals and allied products .....	28.1	21.1	28.9	28.4	27.0	18.9	18.4	20.0
Petroleum and coal products .....	18.0	8.4	18.2	14.9	10.9	10.0	7.2	5.4
Other .....	38.3	37.1	39.7	35.7	37.8	39.8	38.0	32.9
Transportation and public utilities .....	88.4	90.4	88.3	88.6	91.7	87.5	92.7	89.7
Transportation .....	17.6	17.7	18.0	17.0	17.3	17.5	18.5	17.7
Communications .....	31.2	33.3	32.3	31.3	34.1	32.5	34.8	31.9
Electric, gas, and sanitary services .....	39.7	39.3	38.0	40.3	40.3	37.5	39.5	40.0
Wholesale trade .....	49.8	51.3	52.7	47.6	51.5	53.5	53.9	46.3
Retail trade .....	61.2	67.2	62.7	62.2	67.4	67.4	67.1	66.8
Other .....	98.5	100.7	100.1	103.4	101.8	96.5	100.2	104.4
<b>Rest of the world</b> .....	<b>99.0</b>	<b>95.7</b>	<b>102.3</b>	<b>92.0</b>	<b>98.6</b>	<b>97.3</b>	<b>89.9</b>	<b>96.8</b>

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

## 7. Quantity and Price Indexes

Table 7.1.—Quantity and Price Indexes for Gross Domestic Product

[Index numbers, 1992=100]

	1997	1998	Seasonally adjusted						1997	1998	Seasonally adjusted									
			1997		1998						1997		1998							
			III	IV	I	II	III	IV			III	IV	I	II	III	IV				
<b>Gross domestic product:</b>																				
Current dollars .....	129.89	136.30	130.85	132.19	134.27	135.17	136.73	139.02												
Chain-type quantity index .....	116.42	120.94	117.08	117.94	119.54	120.09	121.17	122.95												
Chain-type price index .....	111.57	112.71	111.77	112.09	112.33	112.57	112.85	113.08												
Implicit price deflator .....	111.57	112.70	111.76	112.08	112.32	112.56	112.84	113.07												
<b>Personal consumption expenditures:</b>																				
Current dollars .....	130.19	137.63	131.29	132.55	134.52	136.82	138.55	140.64												
Chain-type quantity index .....	116.44	122.12	117.23	118.04	119.79	121.58	122.80	124.32												
Chain-type price index .....	111.81	112.70	112.00	112.30	112.30	112.55	112.84	113.14												
Implicit price deflator .....	111.81	112.70	111.99	112.29	112.29	112.54	112.83	113.13												
<b>Durable goods:</b>																				
Current dollars .....	137.77	148.33	139.43	139.64	144.34	147.39	147.15	154.45												
Chain-type quantity index .....	136.86	150.87	139.12	140.17	145.39	149.30	150.18	158.64												
Chain-type price index .....	100.66	98.33	100.23	99.62	99.27	98.72	97.98	97.35												
Implicit price deflator .....	100.66	98.32	100.23	99.63	99.28	98.73	97.99	97.36												
<b>Nondurable goods:</b>																				
Current dollars .....	121.09	125.77	121.90	122.04	123.55	125.22	126.34	127.95												
Chain-type quantity index .....	112.44	116.81	113.16	113.05	115.09	116.57	117.19	118.41												
Chain-type price index .....	107.69	107.66	107.72	107.95	107.35	107.41	107.80	108.06												
Implicit price deflator .....	107.69	107.66	107.72	107.96	107.36	107.42	107.81	108.06												
<b>Services:</b>																				
Current dollars .....	133.64	141.98	134.80	136.87	138.55	141.04	143.51	144.80												
Chain-type quantity index .....	114.61	119.51	115.19	116.41	117.42	118.98	120.56	121.07												
Chain-type price index .....	116.61	118.80	117.04	117.59	118.00	118.55	119.05	119.61												
Implicit price deflator .....	116.61	118.80	117.03	117.58	117.99	118.54	119.04	119.60												
<b>Gross private domestic investment:</b>																				
Current dollars .....	158.90	172.96	160.13	163.46	172.90	170.16	172.62	176.16												
Chain-type quantity index .....	152.62	168.28	153.82	157.12	167.22	165.29	168.46	172.14												
Chain-type price index .....	104.10	102.76	104.12	103.99	103.39	102.92	102.43	102.28												
Implicit price deflator .....	104.11	102.78	104.10	104.03	103.39	102.95	102.47	102.34												
<b>Fixed investment:</b>																				
Current dollars .....	151.72	166.93	154.59	155.74	162.25	166.67	166.89	171.90												
Chain-type quantity index .....	145.25	161.82	147.98	149.28	156.36	161.36	162.23	167.35												
Chain-type price index .....	104.45	103.20	104.50	104.37	103.81	103.33	102.91	102.76												
Implicit price deflator .....	104.45	103.16	104.47	104.33	103.77	103.29	102.87	102.72												
<b>Nonresidential:</b>																				
Current dollars .....	154.28	168.17	158.16	158.24	165.14	168.85	166.99	171.70												
Chain-type quantity index .....	154.04	172.21	158.13	158.86	167.04	172.15	171.84	177.79												
Chain-type price index .....	100.15	97.71	100.04	99.64	98.90	98.12	97.21	96.61												
Implicit price deflator .....	100.15	97.66	100.02	99.61	98.86	98.08	97.18	96.57												
<b>Structures:</b>																				
Current dollars .....	141.97	145.92	144.13	145.64	144.79	145.02	145.55	148.33												
Chain-type quantity index .....	120.09	120.00	121.29	121.56	120.06	119.36	119.42	121.16												
Chain-type price index .....	118.22	121.58	118.83	119.79	120.58	121.49	121.85	122.40												
Implicit price deflator .....	118.22	121.60	118.83	119.81	120.60	121.51	121.87	122.42												
<b>Producers' durable equipment:</b>																				
Current dollars .....	159.64	177.85	164.27	163.72	174.00	179.21	176.33	181.87												
Chain-type quantity index .....	170.04	198.16	175.62	176.58	190.08	198.43	197.91	206.20												
Chain-type price index .....	93.88	89.82	93.54	92.75	91.57	90.35	89.13	88.23												
Implicit price deflator .....	93.88	89.75	93.53	92.72	91.54	90.32	89.10	88.20												
<b>Residential:</b>																				
Current dollars .....	145.37	163.86	145.77	149.58	155.10	161.30	166.63	172.40												
Chain-type quantity index .....	125.36	138.34	125.14	127.64	132.34	137.05	140.31	143.68												
Chain-type price index .....	115.96	118.42	116.50	117.20	117.21	117.71	118.77	120.00												
Implicit price deflator .....	115.96	118.44	116.49	117.19	117.20	117.69	118.76	119.99												
<b>Exports of goods and services:</b>																				
Current dollars .....	150.98	149.98	153.52	154.61	152.22	148.51	146.41	152.76												
Chain-type quantity index .....	151.70	154.00	154.53	156.21	155.12	152.03	150.96	157.89												
Chain-type price index .....	99.53	97.39	99.36	98.97	98.13	97.68	96.98	96.75												
Implicit price deflator .....	99.53	97.39	99.35	98.97	98.13	97.68	96.98	96.75												
<b>Exports of goods:</b>																				
Current dollars .....	153.42	151.73	156.05	157.99	154.79	149.06	147.83	155.26												
Chain-type quantity index .....	161.92	165.52	165.07	168.25	166.82	161.87	162.10	171.27												
Chain-type price index .....	94.75	91.67	94.54	93.89	92.78	92.07	91.18	90.64												
Implicit price deflator .....	94.75	91.67	94.54	93.90	92.79	92.09	91.20	90.65												
<b>Exports of services:</b>																				
Current dollars .....	145.25	145.84	147.58	146.64	146.17	147.21	143.08	146.90												
Chain-type quantity index .....	129.48	129.20	131.64	130.32	129.91	130.46	126.93	129.48												
Chain-type price index .....	112.18	112.89	112.11	112.53	112.52	112.84	112.73	113.46												
Implicit price deflator .....	112.18	112.88	112.11	112.53	112.52	112.84	112.72	113.46												
<b>Imports of goods and services:</b>																				
Current dollars .....	158.27	165.95	160.90	162.55	164.00	165.76	164.69	169.37												
Chain-type quantity index .....	165.35	182.81	169.00	171.59	177.95	181.97	183.02	188.30												
Chain-type price index .....	95.72	90.69	95.16	94.62	92.05	90.98	89.87	89.84												
Implicit price deflator .....	95.72	90.78	95.21	94.73	92.16	91.09	89.98	89.95												
<b>Imports of goods:</b>					</															

**Table 7.2.—Quantity and Price Indexes for Gross Domestic Product, Final Sales, and Purchases**

[Index numbers, 1992=100]

	1997	1998	Seasonally adjusted					
			1997		1998			
			III	IV	I	II	III	IV
<b>Gross domestic product:</b>								
Current dollars .....	129.89	136.30	130.85	132.19	134.27	135.17	136.73	139.02
Chain-type quantity index .....	116.42	120.94	117.08	117.94	119.54	120.09	121.17	122.95
Chain-type price index .....	111.57	112.71	111.77	112.09	112.33	112.57	112.85	113.08
Implicit price deflator .....	111.57	112.70	111.76	112.08	112.32	112.56	112.84	113.07
<b>Final sales of domestic product:</b>								
Current dollars .....	128.95	135.50	130.12	131.19	132.89	134.69	135.97	138.45
Chain-type quantity index .....	115.49	120.10	116.33	116.95	118.20	119.54	120.36	122.31
Chain-type price index .....	111.66	112.84	111.87	112.19	112.45	112.69	112.99	113.22
Implicit price deflator .....	111.66	112.82	111.85	112.17	112.43	112.67	112.97	113.20
<b>Gross domestic purchases:</b>								
Current dollars .....	130.77	138.06	131.74	133.14	135.61	137.07	138.72	140.86
Chain-type quantity index .....	117.89	123.78	118.63	119.57	121.85	123.03	124.30	125.94
Chain-type price index .....	110.92	111.66	111.06	111.34	111.29	111.42	111.60	111.84
Implicit price deflator .....	110.92	111.54	111.05	111.35	111.29	111.42	111.60	111.85
<b>Final sales to domestic purchasers:</b>								
Current dollars .....	129.84	137.27	131.02	132.14	134.23	136.60	137.97	140.29
Chain-type quantity index .....	116.97	122.95	117.89	118.59	120.51	122.49	123.50	125.30
Chain-type price index .....	111.00	111.66	111.15	111.44	111.40	111.53	111.72	111.97
Implicit price deflator .....	111.00	111.65	111.14	111.43	111.39	111.52	111.71	111.96
<b>Addenda:</b>								
Chain-type price indexes for gross domestic purchases:								
Food .....	111.24	112.89	111.62	111.95	112.18	112.50	113.16	113.73
Energy .....	107.69	98.07	106.54	107.09	100.84	98.80	97.22	95.43
Gross domestic purchases less food and energy .....	111.05	112.01	111.23	111.49	111.69	111.88	112.09	112.39

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

**Table 7.3.—Quantity and Price Indexes for Gross National Product and Command-Basis Gross National Product**

[Index numbers, 1992=100]

	1997	1998	1997	1998	1997	1998	1997	1998
<b>Gross national product:</b>								
Current dollars .....	129.53	135.73	130.48	131.64	133.79	134.63	136.05	138.44
Chain-type quantity index .....	116.16	120.50	116.81	117.51	119.18	119.67	120.64	122.51
Chain-type price index .....	111.51	112.65	111.72	112.04	112.28	112.51	112.79	113.01
Implicit price deflator .....	111.52	112.64	111.70	112.03	112.26	112.50	112.78	113.01
<b>Less: Exports of goods and services and receipts of factor income:</b>								
Chain-type quantity index .....	155.43	157.49	158.77	158.99	158.60	156.14	154.52	160.71
<b>Plus: Command-basis exports of goods and services and receipts of factor income:</b>								
Chain-type quantity index .....	160.36	166.55	164.29	164.67	166.77	165.08	164.02	170.33
<b>Equals: Command-basis gross national product:</b>								
Chain-type quantity index .....	116.77	121.62	117.50	118.22	120.19	120.78	121.82	123.70

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

**Table 7.4.—Chain-Type Quantity and Price Indexes for Personal Consumption Expenditures by Major Type of Product**

[Index numbers, 1992=100]

	1997	1998	Seasonally adjusted					
			1997		1998			
			III	IV	I	II	III	IV
<b>Chain-type quantity indexes</b>								
<b>Personal consumption expenditures</b> .....	<b>116.44</b>	<b>122.12</b>	<b>117.23</b>	<b>118.04</b>	<b>119.79</b>	<b>121.58</b>	<b>122.80</b>	<b>124.32</b>
<b>Durable goods</b> .....	<b>136.86</b>	<b>150.87</b>	<b>139.12</b>	<b>140.17</b>	<b>145.39</b>	<b>149.30</b>	<b>150.18</b>	<b>158.64</b>
Motor vehicles and parts .....	115.66	125.51	118.15	117.33	119.77	125.13	122.10	135.03
Furniture and household equipment .....	162.50	183.42	165.15	168.01	177.34	179.20	185.88	191.25
Other .....	138.41	150.02	139.26	141.74	146.43	150.12	150.74	152.81
<b>Nondurable goods</b> .....	<b>112.44</b>	<b>116.81</b>	<b>113.16</b>	<b>113.05</b>	<b>115.09</b>	<b>116.57</b>	<b>117.19</b>	<b>118.41</b>
Food .....	105.96	108.80	106.15	106.06	107.10	108.54	108.93	110.64
Clothing and shoes .....	127.87	137.57	129.44	129.62	136.29	138.07	137.36	138.54
Gasoline and oil .....	110.59	112.47	111.08	110.79	111.18	111.10	113.60	114.00
Fuel oil and coal .....	93.96	87.87	97.69	92.27	84.48	89.08	91.10	86.82
Other .....	116.99	122.43	118.25	118.17	120.30	122.06	123.39	123.97
<b>Services</b> .....	<b>114.61</b>	<b>119.51</b>	<b>115.19</b>	<b>116.41</b>	<b>117.42</b>	<b>118.98</b>	<b>120.56</b>	<b>121.07</b>
Housing .....	110.92	113.63	111.24	111.93	112.67	113.28	113.95	114.64
Household operation .....	121.36	127.63	122.87	125.31	123.38	127.48	131.47	128.20
Electricity and gas .....	108.85	109.00	109.94	111.09	103.67	110.13	116.21	105.99
Other household operation .....	130.63	141.50	132.46	135.87	138.04	140.42	142.87	144.66
Transportation .....	134.28	139.45	135.22	136.61	137.85	140.09	139.49	140.35
Medical care .....	108.52	111.83	108.90	109.70	110.55	111.60	112.17	113.02
Other .....	117.02	124.85	117.63	119.29	121.58	123.53	126.57	127.70
<b>Chain-type price indexes</b>								
<b>Personal consumption expenditures</b> .....	<b>111.81</b>	<b>112.70</b>	<b>112.00</b>	<b>112.30</b>	<b>112.30</b>	<b>112.55</b>	<b>112.84</b>	<b>113.14</b>
<b>Durable goods</b> .....	<b>100.66</b>	<b>98.33</b>	<b>100.23</b>	<b>99.62</b>	<b>99.27</b>	<b>98.72</b>	<b>97.98</b>	<b>97.35</b>
Motor vehicles and parts .....	112.65	111.87	112.31	111.88	111.79	111.55	111.89	112.26
Furniture and household equipment .....	88.20	84.18	87.57	86.75	85.92	85.14	83.55	82.09
Other .....	103.41	102.52	103.34	102.92	103.29	102.74	102.21	101.86
<b>Nondurable goods</b> .....	<b>107.69</b>	<b>107.66</b>	<b>107.72</b>	<b>107.95</b>	<b>107.35</b>	<b>107.41</b>	<b>107.80</b>	<b>108.06</b>
Food .....	111.67	113.54	112.10	112.45	112.74	113.10	113.88	114.43
Clothing and shoes .....	96.39	94.69	96.20	96.00	94.68	94.84	94.79	94.44
Gasoline and oil .....	107.33	93.51	106.11	106.60	98.05	94.17	92.19	89.64
Fuel oil and coal .....	109.60	99.60	105.38	106.02	103.44	101.20	98.30	95.46
Other .....	108.30	110.58	108.26	108.52	109.36	110.06	110.90	112.01
<b>Services</b> .....	<b>116.61</b>	<b>118.80</b>	<b>117.04</b>	<b>117.59</b>	<b>118.00</b>	<b>118.55</b>	<b>119.05</b>	<b>119.61</b>
Housing .....	115.66	119.44	116.11	117.00	117.90	119.00	119.92	120.94
Household operation .....	108.65	106.85	108.31	108.33	106.96	107.19	106.73	106.52
Electricity and gas .....	108.79	105.10	108.38	109.12	105.69	105.76	104.86	104.09
Other household operation .....	108.68	107.97	108.38	107.95	107.80	108.12	107.93	108.04
Transportation .....	113.23	114.66	113.32	114.06	114.51	114.35	114.92	114.86
Medical care .....	120.18	122.82	120.52	120.95	121.92	122.54	123.13	123.70
Other .....	117.91	120.05	118.77	119.28	119.45	119.78	120.17	120.78
<b>Addenda:</b>								
Price indexes for personal consumption expenditures:								
Food .....	111.67	113.54	112.10	112.45	112.74	113.10	113.88	114.43
Energy <sup>1</sup> .....	108.13	99.24	107.17	107.79	101.89	99.93	98.44	96.72
Personal consumption expenditures less food and energy .....	112.10	113.41	112.32	112.59	112.89	113.25	113.57	113.94

1. Consists of prices for gasoline and oil, fuel oil and coal, and electricity and gas.

**Table 7.6.—Chain-Type Quantity and Price Indexes for Private Fixed Investment by Type**

[Index numbers, 1992=100]

	1997	1998	Seasonally adjusted					
			1997		1998			
			III	IV	I	II	III	IV
<b>Chain-type quantity indexes</b>								
<b>Private fixed investment</b>	<b>145.25</b>	<b>161.82</b>	<b>147.98</b>	<b>149.28</b>	<b>156.36</b>	<b>161.36</b>	<b>162.23</b>	<b>167.35</b>
Nonresidential	154.04	172.21	158.13	158.86	167.04	172.15	171.84	177.79
<b>Structures</b>	<b>120.09</b>	<b>120.00</b>	<b>121.29</b>	<b>121.56</b>	<b>120.06</b>	<b>119.36</b>	<b>119.42</b>	<b>121.16</b>
Nonresidential buildings, including farm	132.99	133.35	134.27	132.12	132.62	132.32	132.58	135.90
Utilities	83.31	85.65	84.35	84.59	84.77	85.64	86.08	86.12
Mining exploration, shafts, and wells	134.77	125.35	139.96	141.90	134.72	127.70	123.57	115.40
Other structures	70.12	69.81	63.73	95.34	68.64	67.01	70.27	73.33
<b>Producers' durable equipment</b>	<b>170.04</b>	<b>198.16</b>	<b>175.62</b>	<b>176.58</b>	<b>190.08</b>	<b>198.43</b>	<b>197.91</b>	<b>206.20</b>
Information processing and related equipment	222.13	289.24	232.17	239.04	263.41	280.84	297.80	314.91
Computers and peripheral equipment <sup>1</sup>	488.82	800.44	523.22	552.78	664.79	754.21	843.02	939.75
Other	140.28	156.49	144.09	145.72	151.52	154.79	158.26	161.38
Industrial equipment	140.93	148.53	143.00	144.03	147.28	148.36	148.98	149.49
Transportation and related equipment	162.83	188.02	169.27	166.94	185.27	194.89	176.07	195.83
Other	142.95	155.99	146.25	144.39	152.09	157.63	159.20	155.04
Residential	125.36	138.34	125.14	127.64	132.34	137.05	140.31	143.68
<b>Structures</b>	<b>125.33</b>	<b>138.43</b>	<b>125.07</b>	<b>127.62</b>	<b>132.34</b>	<b>137.10</b>	<b>140.43</b>	<b>143.84</b>
Single family	117.72	131.29	116.78	119.34	124.67	129.88	133.54	137.05
Multifamily	154.04	162.96	149.30	160.01	169.09	158.07	158.70	165.96
Other structures	131.79	144.85	133.12	134.47	137.71	144.15	147.42	150.12
<b>Producers' durable equipment</b>	<b>126.88</b>	<b>135.09</b>	<b>128.14</b>	<b>128.56</b>	<b>132.40</b>	<b>135.23</b>	<b>135.42</b>	<b>137.33</b>
<b>Chain-type price indexes</b>								
<b>Private fixed investment</b>	<b>104.45</b>	<b>103.20</b>	<b>104.50</b>	<b>104.37</b>	<b>103.81</b>	<b>103.33</b>	<b>102.91</b>	<b>102.76</b>
Nonresidential	100.15	97.71	100.04	99.64	98.90	98.12	97.21	96.61
<b>Structures</b>	<b>118.22</b>	<b>121.58</b>	<b>118.83</b>	<b>119.79</b>	<b>120.58</b>	<b>121.49</b>	<b>121.85</b>	<b>122.40</b>
Nonresidential buildings, including farm	117.79	121.90	118.41	119.57	120.29	121.38	122.38	123.53
Utilities	116.62	117.60	117.05	116.73	117.13	117.36	117.91	117.99
Mining exploration, shafts, and wells	126.85	127.66	127.82	128.91	131.00	131.83	126.05	121.77
Other structures	115.51	118.16	115.87	117.39	117.66	117.60	118.43	118.95
<b>Producers' durable equipment</b>	<b>93.88</b>	<b>89.82</b>	<b>93.54</b>	<b>92.75</b>	<b>91.57</b>	<b>90.35</b>	<b>89.13</b>	<b>88.23</b>
Information processing and related equipment	69.31	60.33	68.31	66.63	64.12	61.49	58.89	56.81
Computers and peripheral equipment <sup>1</sup>	37.75	27.21	36.25	34.25	31.23	28.40	25.65	23.57
Other	99.14	97.99	99.24	98.84	98.58	98.04	97.79	97.56
Industrial equipment	110.12	110.79	110.17	110.46	110.52	110.77	110.80	111.07
Transportation and related equipment	108.35	108.08	108.87	108.37	107.99	107.91	108.06	108.33
Other	109.15	110.25	109.01	109.34	109.84	109.97	110.33	110.88
Residential	115.96	118.42	116.50	117.20	117.21	117.71	118.77	120.00
<b>Structures</b>	<b>116.29</b>	<b>118.82</b>	<b>116.85</b>	<b>117.58</b>	<b>118.10</b>	<b>119.17</b>	<b>120.45</b>	
Single family	119.90	122.40	120.52	121.36	121.04	121.45	122.68	124.42
Multifamily	112.20	114.51	112.79	113.49	113.25	113.62	114.78	116.40
Other structures	112.11	114.71	112.59	113.19	113.59	114.27	115.14	115.82
<b>Producers' durable equipment</b>	<b>104.03</b>	<b>103.68</b>	<b>103.54</b>	<b>103.18</b>	<b>103.92</b>	<b>103.41</b>	<b>103.92</b>	<b>103.45</b>

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]

	1997	1998	Seasonally adjusted					
			1997		1998			
			III	IV	I	II	III	IV
<b>Chain-type quantity indexes</b>								
<b>Exports of goods and services</b>	<b>151.70</b>	<b>154.00</b>	<b>154.53</b>	<b>156.21</b>	<b>155.12</b>	<b>152.03</b>	<b>150.96</b>	<b>157.89</b>
Goods <sup>1</sup>	161.92	165.52	165.07	168.25	166.82	161.87	162.10	171.27
Durable	184.30	190.56	189.57	192.15	192.06	184.87	187.09	198.20
Nondurable	122.31	121.60	122.04	126.07	122.56	121.32	118.34	124.17
Services <sup>1</sup>	129.48	129.20	131.64	130.32	129.91	130.46	126.93	129.48
<b>Receipts of factor income</b>	<b>172.59</b>	<b>173.71</b>	<b>178.10</b>	<b>172.29</b>	<b>174.77</b>	<b>174.79</b>	<b>170.96</b>	<b>174.30</b>
<b>Imports of goods and services</b>	<b>165.35</b>	<b>182.81</b>	<b>169.00</b>	<b>171.59</b>	<b>177.95</b>	<b>181.97</b>	<b>183.02</b>	<b>188.30</b>
Goods <sup>1</sup>	173.56	193.53	177.43	180.19	187.38	192.49	193.87	200.36
Durable	192.73	217.30	196.63	201.07	209.81	215.18	216.42	227.78
Nondurable	141.26	153.94	144.99	145.23	149.97	154.59	156.18	155.03
Services <sup>1</sup>	130.39	137.93	133.11	135.01	138.03	137.82	137.60	138.29
<b>Payments of factor income</b>	<b>189.82</b>	<b>199.28</b>	<b>196.25</b>	<b>197.50</b>	<b>196.82</b>	<b>199.34</b>	<b>200.76</b>	<b>200.21</b>
<b>Chain-type price indexes</b>								
<b>Exports of goods and services</b>	<b>99.53</b>	<b>97.39</b>	<b>99.36</b>	<b>98.97</b>	<b>98.13</b>	<b>97.68</b>	<b>96.98</b>	<b>96.75</b>
Goods <sup>1</sup>	94.75	91.67	94.54	93.89	92.78	92.07	91.18	90.64
Durable	87.10	84.98	86.84	86.23	85.69	85.23	84.64	84.36
Nondurable	113.58	107.67	113.58	112.85	109.99	108.54	106.75	105.39
Services <sup>1</sup>	112.18	112.89	112.11	112.53	112.52	112.84	112.73	113.46
<b>Receipts of factor income</b>	<b>111.56</b>	<b>112.37</b>	<b>111.70</b>	<b>112.09</b>	<b>112.16</b>	<b>112.27</b>	<b>112.42</b>	<b>112.64</b>
<b>Imports of goods and services</b>	<b>95.72</b>	<b>90.69</b>	<b>95.16</b>	<b>94.62</b>	<b>92.05</b>	<b>90.98</b>	<b>89.87</b>	<b>89.84</b>
Goods <sup>1</sup>	93.94	88.33	93.32	92.81	90.07	88.72	87.42	87.11
Durable	88.29	84.67	88.14	87.33	86.02	85.01	83.98	83.66
Nondurable	106.63	96.31	104.91	105.15	98.99	96.82	94.86	94.59
Services <sup>1</sup>	105.33	103.83	105.10	104.40	102.85	103.52	103.63	105.32
<b>Payments of factor income</b>	<b>113.61</b>	<b>114.59</b>	<b>113.74</b>	<b>114.15</b>	<b>114.23</b>	<b>114.46</b>	<b>114.71</b>	<b>114.97</b>

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 7.10.—Chain-Type Quantity and Price Indexes for Exports and Imports of Goods and Services by Type of Product

[Index numbers, 1992=100]

	Seasonally adjusted									Seasonally adjusted								
	1997	1998	1997		1998					1997	1998	1997		1998				
			III	IV	I	II	III	IV				III	IV	I	II	III	IV	
<b>Chain-type quantity indexes</b>									<b>Chain-type price indexes</b>									
<b>Exports of goods and services</b>	<b>151.70</b>	<b>154.00</b>	<b>154.53</b>	<b>156.21</b>	<b>155.12</b>	<b>152.03</b>	<b>150.96</b>	<b>157.89</b>	<b>Exports of goods and services</b>	<b>99.53</b>	<b>97.39</b>	<b>99.36</b>	<b>98.97</b>	<b>98.13</b>	<b>97.68</b>	<b>96.98</b>	<b>96.75</b>	
<b>Exports of goods <sup>1</sup></b>	<b>161.92</b>	<b>165.52</b>	<b>165.07</b>	<b>168.25</b>	<b>166.82</b>	<b>161.87</b>	<b>162.10</b>	<b>171.27</b>	<b>Exports of goods <sup>1</sup></b>	<b>94.75</b>	<b>91.67</b>	<b>94.54</b>	<b>93.89</b>	<b>92.78</b>	<b>92.07</b>	<b>91.18</b>	<b>90.64</b>	
Foods, feeds, and beverages	108.86	106.95	104.84	117.42	112.93	103.30	99.03	112.53	Foods, feeds, and beverages	117.30	107.12	116.76	114.31	109.56	107.87	106.26	104.81	
Industrial supplies and materials	126.02	124.34	127.73	128.26	126.37	124.42	121.74	124.83	Industrial supplies and materials	115.23	109.10	115.59	114.60	111.90	110.29	107.99	106.23	
Durable goods	132.60	134.73	133.37	136.26	139.53	133.62	130.85	134.94	Durable goods	112.74	108.13	113.34	111.17	109.79	109.01	107.47	106.24	
Nondurable goods	122.56	118.91	124.76	124.05	119.48	119.62	116.99	119.54	Nondurable goods	116.60	109.53	116.82	116.52	113.02	110.89	108.13	106.07	
Capital goods, except automotive	220.70	231.93	229.84	232.10	230.31	221.33	231.50	244.56	Capital goods, except automotive	75.99	73.69	75.52	74.93	74.40	73.93	73.33	73.08	
Civilian aircraft, engines, and parts	92.90	121.08	95.72	97.25	108.63	99.20	128.77	147.70	Civilian aircraft, engines, and parts	118.02	119.52	118.43	118.73	119.11	119.52	119.38	120.06	
Computers, peripherals, and parts	500.14	533.64	542.94	529.93	508.13	518.86	543.70	563.88	Computers, peripherals, and parts	34.31	29.40	33.04	32.01	30.94	29.83	28.66	28.16	
Other	221.55	220.33	228.74	232.61	226.64	217.43	214.98	222.26	Other	84.26	83.28	84.19	83.85	83.57	83.41	83.20	82.94	
Automotive vehicles, engines, and parts	149.78	145.99	151.26	154.96	157.10	146.00	131.96	148.90	Automotive vehicles, engines, and parts	105.10	105.28	105.18	105.17	105.17	105.16	105.23	105.58	
Consumer goods, except automotive	143.37	147.46	143.24	145.41	144.58	148.30	148.97	147.98	Consumer goods, except automotive	105.05	105.00	105.18	105.32	105.35	104.98	104.87	104.78	
Durable goods	144.74	148.50	146.08	146.71	145.75	147.63	150.92	149.72	Durable goods	103.71	103.30	103.77	103.91	103.79	103.22	103.16	103.02	
Nondurable goods	141.93	146.36	140.26	144.04	143.35	148.97	146.94	146.16	Nondurable goods	106.48	106.83	106.70	106.84	107.04	106.88	106.71	106.68	
Other	129.34	138.15	130.34	133.18	133.29	137.45	134.70	147.16	Other	100.84	98.37	100.65	100.50	99.46	99.01	97.89	97.14	
Durable goods	129.34	138.15	130.34	133.18	133.29	137.45	134.70	147.17	Durable goods	100.84	98.35	100.65	100.48	99.43	98.99	97.87	97.12	
Nondurable goods	129.33	138.15	130.33	133.18	133.29	137.45	134.70	147.16	Nondurable goods	100.84	98.35	100.65	100.48	99.43	98.99	97.87	97.12	
<b>Exports of services <sup>1</sup></b>	<b>129.48</b>	<b>129.20</b>	<b>131.64</b>	<b>130.32</b>	<b>129.91</b>	<b>130.46</b>	<b>126.93</b>	<b>129.48</b>	<b>Exports of services <sup>1</sup></b>	<b>112.18</b>	<b>112.89</b>	<b>112.11</b>	<b>112.53</b>	<b>112.52</b>	<b>112.84</b>	<b>112.73</b>	<b>113.46</b>	
Transfers under U.S. military agency sales contracts	148.15	141.76	162.54	137.13	153.02	133.79	141.39	138.85	Transfers under U.S. military agency sales contracts	108.28	105.79	107.00	105.95	107.77	107.67	102.47	105.26	
Travel	116.82	111.73	117.01	114.80	114.23	114.53	105.36	112.79	Travel	114.57	117.75	114.43	115.87	116.46	117.86	118.32	118.38	
Passenger fares	118.43	119.24	116.43	122.84	122.28	127.59	115.50	111.60	Passenger fares	106.17	104.97	107.75	105.11	105.51	102.80	102.08	109.50	
Other transportation	111.02	113.46	111.13	112.39	111.43	110.38	112.31	119.71	Other transportation	106.20	102.54	105.34	106.11	102.90	102.85	102.76	101.63	
Royalties and license fees	150.73	148.25	153.42	149.34	147.50	150.86	144.17	150.47	Royalties and license fees	111.61	112.43	111.76	112.15	112.22	112.33	112.48	112.70	
Other private services	150.52	156.05	155.06	156.81	153.83	157.10	158.11	155.16	Other private services	109.51	110.36	109.58	110.05	110.12	110.35	110.41	110.56	
Other	107.75	108.50	108.04	108.17	108.35	108.42	108.47	108.77	Other	134.50	137.86	134.33	135.34	135.46	137.30	139.13	139.56	
<b>Imports of goods and services</b>	<b>165.35</b>	<b>182.81</b>	<b>169.00</b>	<b>171.59</b>	<b>177.95</b>	<b>181.97</b>	<b>183.02</b>	<b>188.30</b>	<b>Imports of goods and services</b>	<b>95.72</b>	<b>90.69</b>	<b>95.16</b>	<b>94.62</b>	<b>92.05</b>	<b>90.98</b>	<b>89.87</b>	<b>89.84</b>	
<b>Imports of goods <sup>1</sup></b>	<b>173.56</b>	<b>193.53</b>	<b>177.43</b>	<b>180.19</b>	<b>187.38</b>	<b>192.49</b>	<b>193.87</b>	<b>200.36</b>	<b>Imports of goods <sup>1</sup></b>	<b>93.94</b>	<b>88.33</b>	<b>93.32</b>	<b>92.81</b>	<b>90.07</b>	<b>88.72</b>	<b>87.42</b>	<b>87.11</b>	
Foods, feeds, and beverages	128.72	138.04	131.31	131.58	138.43	138.70	136.81	138.20	Foods, feeds, and beverages	111.70	108.32	111.82	110.85	109.24	109.13	107.21	107.71	
Industrial supplies and materials, except petroleum and products	150.31	166.41	152.87	154.60	161.33	166.75	170.39	167.16	Industrial supplies and materials, except petroleum and products	109.45	104.08	109.39	109.15	106.32	105.09	103.14	101.79	
Durable goods	157.94	181.54	159.28	164.62	171.48	182.43	187.31	184.96	Durable goods	112.02	106.86	112.91	111.40	109.30	108.11	106.02	103.99	
Nondurable goods	143.27	152.23	147.00	145.31	151.91	152.05	154.51	150.44	Nondurable goods	106.97	101.39	105.95	106.99	103.40	102.12	100.32	99.72	
Petroleum and products	129.39	139.11	133.93	129.65	132.43	144.40	142.28	137.35	Petroleum and products	107.54	71.42	101.78	102.62	80.40	72.43	67.07	65.80	
Capital goods, except automotive	278.05	317.81	286.75	295.47	308.05	316.31	317.47	329.42	Capital goods, except automotive	68.09	63.28	67.72	66.63	64.90	63.58	62.53	62.10	
Civilian aircraft, engines, and parts	111.94	143.16	127.70	121.20	119.07	149.04	145.70	158.81	Civilian aircraft, engines, and parts	117.86	119.86	118.31	118.78	119.41	119.73	119.56	120.76	
Computers, peripherals, and parts	515.96	639.07	542.54	546.41	593.05	623.78	638.48	700.97	Computers, peripherals, and parts	42.92	35.76	42.24	40.78	38.37	36.12	35.04	33.52	
Other	241.80	264.29	244.71	256.88	265.09	263.60	263.33	265.16	Other	76.94	74.05	76.79	75.96	74.81	74.27	73.31	73.81	
Automotive vehicles, engines, and parts	140.97	150.30	141.80	140.64	147.58	145.91	144.00	163.71	Automotive vehicles, engines, and parts	108.80	108.94	108.87	109.25	109.24	109.01	108.55	108.96	
Consumer goods, except automotive	153.94	174.21	156.43	161.90	168.17	175.70	176.17	176.79	Consumer goods, except automotive	102.24	100.89	102.12	101.85	101.45	100.92	100.50	100.68	
Durable goods	152.86	175.93	154.92	160.95	168.64	177.35	177.18	180.55	Durable goods	100.86	98.23	100.59	99.99	99.22	98.38	97.59	97.73	
Nondurable goods	155.06	172.42	158.01	162.89	167.69	173.98	175.11	172.91	Nondurable goods	103.76	103.79	103.80	103.88	103.89	103.68	103.68	103.90	
Other	143.99	165.26	149.71	152.39	154.04	155.65	169.68	181.66	Other	107.14	106.58	107.05	106.90	106.26	107.03	106.40	106.64	
Durable goods	143.99	165.26	149.71	152.39	154.04	155.65	169.68	181.66	Durable goods	107.14	106.58	107.05	106.90	106.26	107.03	106.40	106.64	
Nondurable goods	143.99	165.26	149.71	152.39	154.04	155.65	169.68	181.66	Nondurable goods	107.14	106.58	107.05	106.90	106.26	107.03	106.40	106.64	
<b>Imports of services <sup>1</sup></b>	<b>130.39</b>	<b>137.93</b>	<b>133.11</b>	<b>135.01</b>	<b>138.03</b>	<b>137.82</b>	<b>137.60</b>	<b>138.29</b>	<b>Imports of services <sup>1</sup></b>	<b>105.33</b>	<b>103.83</b>	<b>105.10</b>	<b>104.40</b>	<b>102.85</b>	<b>103.52</b>	<b>103.63</b>	<b>105.32</b>	
Direct defense expenditures	84.16	94.69	88.07	91.30	98.95	94.55	92.10	93.15	Direct defense expenditures	98.67	95.58	96.36	96.66	91.97	93.35	96.00	101.02	
Travel	122.50	129.38	123.34	125.49	131.26	131.60	128.23	126.44	Travel	108.45	105.27	108.49	106.03	104.17	104.80	103.85	108.28	
Passenger fares	154.42	151.90	157.21	153.25	154.12	155.69	146.85	150.93	Passenger fares	111.88	113.24	113.43	112.74	112.26	112.56	114.46	113.67	
Other transportation	110.19	116.21	110.41	113.78	113.68	114.09	116.20	120.86	Other transportation	104.30	101.96	103.47	103.10	100.30	101.87	102.62	103.03	
Royalties and license fees	166.13	179.36	180.51	181.22	202.68	175.60	169.12	170.04	Royalties and license fees	111.64	112.43	111.76	112.15	112.22	112.33	112.48	112.70	
Other private services	176.15	189.38	181.45	184.40	180.90	186.59	195.46	194.57	Other private services	99.33	99.02	99.03	99.48	99.14	99.33	98.86	98.74	
Other	112.75	116.41	115.18	114.22	116.08	116.05	117.26	116.23	Other	111.47	111.04	111.32	110.86	109.98	110.87	110.70	112.60	
<b>Addenda:</b>									<b>Addenda:</b>									
Exports of agricultural goods <sup>2</sup>	111.85	111.10	110.41	118.52	115.46	108.01	103.87	117.06	Exports of agricultural goods <sup>2</sup>	118.59	108.13	117.75	116.08	111.07	109.55	107.22	104.70	
Exports of nonagricultural goods	168.32	172.49	172.10	174.59	173.38	168.77	169.57	178.22	Exports of nonagricultural goods	92.49	89.97	92.34	91.77	90.94	90.30	89.51	89.11	
Imports of nonpetroleum goods	178.06	199.13	181.83	185.39	193.04	197.57	199.24	206.66	Imports of nonpetroleum goods	92.97	89.68	92.79	92.21	90.88	90.02	89.02	88.78	

NOTE.—See footnotes to table 4.3.

Table 7.11.—Chain-Type Quantity and Price Indexes for Government Consumption Expenditures and Gross Investment by Type

[Index numbers, 1992=100]

	1997	1998	Seasonally adjusted						1997	1998	Seasonally adjusted														
			1997		1998						1997		1998												
			III	IV	I	II	III	IV			III	IV	I	II	III	IV									
<b>Chain-type quantity indexes</b>													<b>Chain-type price indexes</b>												
<b>Government consumption expenditures and gross investment<sup>1</sup></b>													<b>Government consumption expenditures and gross investment<sup>1</sup></b>												
<b>Federal</b>	101.68	102.63	101.99	102.01	101.53	102.45	102.84	103.69	<b>Federal</b>	113.20	114.66	113.24	113.87	114.17	114.39	114.82	115.25								
<b>National defense</b>	82.20	79.95	82.56	82.15	78.06	79.93	80.78	81.05	<b>National defense</b>	112.00	113.27	111.90	112.23	113.04	113.12	113.22	113.71								
Consumption expenditures	85.20	82.62	85.20	84.48	80.68	83.25	82.94	83.62	Consumption expenditures	112.45	114.14	112.38	112.86	113.74	113.88	114.23	114.73								
Durable goods <sup>2</sup>	67.69	69.85	63.92	68.51	66.85	68.76	71.98	71.80	Durable goods <sup>2</sup>	101.39	100.66	101.64	101.05	101.27	100.78	100.47	100.14								
Nondurable goods	73.78	74.65	75.60	73.04	70.67	70.54	82.71	74.67	Nondurable goods	106.50	95.17	103.41	104.81	97.81	95.53	93.70	93.65								
Services	87.41	84.29	87.72	86.55	82.50	85.21	84.23	85.23	Services	113.61	115.88	113.59	114.13	115.30	115.57	116.04	116.63								
Compensation of general government employees, except force-account construction <sup>3</sup>	78.91	76.43	78.87	77.81	77.29	76.52	76.48	75.44	Compensation of general government employees, except force-account construction <sup>3</sup>	118.01	120.87	117.88	118.43	120.65	120.72	120.87	121.26								
Consumption of general government fixed capital <sup>4</sup>	93.02	90.60	92.78	92.18	91.52	90.92	90.26	89.71	Consumption of general government fixed capital <sup>4</sup>	111.51	111.54	111.36	111.36	111.45	111.06	111.22	112.43								
Other services	98.89	94.10	100.20	98.45	85.52	96.98	94.05	99.85	Other services	108.31	111.15	108.55	109.41	109.72	110.72	111.83	112.32								
Gross investment	65.05	64.68	67.53	68.89	63.03	60.76	68.59	66.36	Gross investment	108.78	107.00	108.41	107.72	108.04	107.59	105.96	106.40								
Structures	86.49	77.68	86.11	85.60	81.96	73.21	81.62	73.94	Structures	126.09	127.93	126.85	126.60	126.74	127.27	128.23	129.47								
Equipment	62.69	63.35	65.51	67.11	60.95	59.47	67.26	65.72	Equipment	106.61	104.34	106.07	105.33	105.67	105.08	103.13	103.49								
<b>Nondefense</b>	97.64	99.93	97.36	96.79	99.83	100.48	97.47	101.97	<b>Nondefense</b>	117.27	118.49	117.32	117.83	118.46	118.30	118.44	118.78								
Consumption expenditures	97.99	100.08	97.82	98.17	98.96	101.14	97.74	102.47	Consumption expenditures	119.76	121.38	119.84	120.42	121.20	121.12	121.38	121.82								
Durable goods <sup>2</sup>									Durable goods <sup>2</sup>																
Nondurable goods									Nondurable goods																
Commodity Credit Corporation inventory change									Commodity Credit Corporation inventory change																
Other nondurables	86.09	92.52	86.27	90.44	91.27	92.77	92.11	93.93	Other nondurables	112.06	110.94	112.55	112.30	111.36	110.86	111.02	110.52								
Services	97.40	99.68	97.38	97.28	97.95	99.91	99.89	100.97	Services	120.57	122.39	120.63	121.24	122.14	122.09	122.50	122.82								
Compensation of general government employees, except force-account construction <sup>3</sup>	89.88	90.93	90.11	88.53	89.68	90.69	90.87	92.47	Compensation of general government employees, except force-account construction <sup>3</sup>	131.80	134.44	131.65	132.70	134.30	134.06	134.53	134.88								
Consumption of general government fixed capital <sup>4</sup>	118.62	124.30	119.13	120.19	121.32	122.27	126.31	127.32	Consumption of general government fixed capital <sup>4</sup>	104.37	104.29	104.13	104.62	104.48	104.27	104.08	104.31								
Other services	105.56	109.30	105.02	107.23	106.99	110.76	109.65	109.82	Other services	108.69	109.91	109.08	109.16	109.44	109.65	110.13	110.42								
Gross investment	95.18	99.18	94.22	86.82	106.68	95.76	95.72	98.54	Gross investment	101.35	100.05	101.18	101.29	100.98	100.29	99.61	99.32								
Structures	83.49	86.87	89.17	71.25	85.90	83.93	90.07	87.56	Structures	116.95	121.00	117.46	118.82	120.10	120.56	121.31	122.04								
Equipment	110.14	114.55	100.36	107.12	133.92	110.55	101.53	112.20	Equipment	86.56	81.40	85.82	84.99	83.67	82.23	80.40	79.30								
<b>State and local</b>	112.42	114.68	112.82	113.19	113.77	114.28	115.16	115.52	<b>State and local</b>	112.96	114.55	113.07	113.83	113.89	114.23	114.83	115.25								
Consumption expenditures	111.38	114.20	111.78	112.41	113.12	113.86	114.58	115.23	Consumption expenditures	112.86	114.48	112.98	113.71	113.76	114.18	114.80	115.20								
Durable goods <sup>2</sup>	122.03	126.15	122.60	123.36	124.47	125.59	126.71	127.85	Durable goods <sup>2</sup>	106.77	107.66	106.91	107.29	107.40	107.43	107.83	107.99								
Nondurable goods	120.55	124.36	120.95	122.00	122.94	123.88	124.83	125.79	Nondurable goods	108.52	103.14	107.49	107.73	104.10	103.87	103.18	101.40								
Services	110.11	112.79	110.50	111.08	111.76	112.48	113.16	113.77	Services	113.53	116.06	113.80	114.60	115.10	115.63	116.41	117.09								
Compensation of general government employees, except force-account construction <sup>3</sup>	107.91	109.90	108.26	108.65	109.07	109.68	110.22	110.64	Compensation of general government employees, except force-account construction <sup>3</sup>	114.99	117.73	115.30	115.97	116.68	117.36	118.06	118.82								
Consumption of general government fixed capital <sup>4</sup>	117.41	122.11	117.97	119.13	120.31	121.50	122.70	123.91	Consumption of general government fixed capital <sup>4</sup>	110.45	111.49	110.47	111.19	111.13	111.08	111.63	112.13								
Other services	139.74	152.74	140.80	144.16	149.08	151.07	153.72	157.10	Other services	94.83	96.67	94.78	97.37	96.11	95.48	97.54	97.53								
Gross investment	117.11	116.84	117.49	116.72	116.71	116.15	117.74	116.77	Gross investment	113.46	114.88	113.53	114.37	114.51	114.49	115.01	115.52								
Structures	111.88	108.63	111.95	110.52	109.60	108.20	109.31	107.42	Structures	117.75	120.79	117.99	119.27	119.82	120.13	121.14	122.07								
Equipment	142.55	159.08	144.55	147.45	152.56	156.83	161.21	165.71	Equipment	96.79	92.85	96.23	95.57	94.35	93.28	92.28	91.50								
<b>Addenda:</b>									<b>Addenda:</b>																
Compensation of general government employees <sup>3</sup>	99.90	100.80	100.16	100.00	100.29	100.64	101.03	101.25	Compensation of general government employees <sup>3</sup>	117.09	119.84	117.28	117.97	119.00	119.50	120.09	120.76								
Federal	82.61	81.36	82.68	81.42	81.48	81.33	81.38	81.23	Federal	122.57	125.34	122.43	123.15	125.15	125.10	125.37	125.74								
State and local	107.98	109.93	108.33	108.71	109.11	109.70	110.25	110.65	State and local	115.00	117.74	115.31	115.99	116.69	117.37	118.08	118.84								

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 by the Federal Government.

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 addenda.

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 7.14.—Chain-Type Quantity and Price Indexes for Gross Domestic Product by Sector

[Index numbers, 1992=100]

	1997	1998	Seasonally adjusted					
			1997		1998			
			III	IV	I	II	III	IV
<b>Chain-type quantity indexes</b>								
<b>Gross domestic product</b>	<b>116.42</b>	<b>120.94</b>	<b>117.08</b>	<b>117.94</b>	<b>119.54</b>	<b>120.09</b>	<b>121.17</b>	<b>122.95</b>
<b>Business</b> <sup>1</sup>	<b>118.91</b>	<b>124.10</b>	<b>119.65</b>	<b>120.66</b>	<b>122.53</b>	<b>123.11</b>	<b>124.33</b>	<b>126.42</b>
Nonfarm <sup>1</sup>	119.02	124.23	119.70	120.81	122.66	123.25	124.45	126.57
Nonfarm less housing	119.95	125.61	120.70	121.90	124.02	124.56	125.77	128.08
Housing	111.29	113.01	111.50	111.81	111.60	112.58	113.64	114.22
Farm	112.04	114.75	116.25	110.25	113.12	113.40	116.17	116.30
<b>Households and institutions</b>	<b>115.20</b>	<b>117.82</b>	<b>115.79</b>	<b>116.49</b>	<b>117.06</b>	<b>117.43</b>	<b>118.04</b>	<b>118.77</b>
Private households	101.12	98.50	100.63	99.38	97.46	98.19	98.78	99.56
Nonprofit institutions	115.74	118.57	116.38	117.15	117.82	118.17	118.78	119.51
<b>General government</b> <sup>2</sup>	<b>100.66</b>	<b>101.61</b>	<b>100.91</b>	<b>100.81</b>	<b>101.10</b>	<b>101.44</b>	<b>101.84</b>	<b>102.07</b>
Federal	85.80	84.53	85.82	84.75	84.71	84.51	84.55	84.36
State and local	108.83	111.02	109.20	109.64	110.12	110.76	111.37	111.84
<b>Chain-type price indexes</b>								
<b>Gross domestic product</b>	<b>111.57</b>	<b>112.71</b>	<b>111.77</b>	<b>112.09</b>	<b>112.33</b>	<b>112.57</b>	<b>112.85</b>	<b>113.08</b>
<b>Business</b> <sup>1</sup>	<b>110.89</b>	<b>111.76</b>	<b>111.11</b>	<b>111.38</b>	<b>111.52</b>	<b>111.66</b>	<b>111.86</b>	<b>111.99</b>
Nonfarm <sup>1</sup>	111.06	112.08	111.32	111.60	111.83	111.96	112.21	112.33
Nonfarm less housing	110.54	111.28	110.78	111.01	111.16	111.19	111.37	111.39
Housing	115.66	119.26	116.07	116.81	117.76	118.79	119.75	120.75
Farm	99.93	90.29	97.13	96.93	91.17	92.03	88.09	89.85
<b>Households and institutions</b>	<b>112.42</b>	<b>115.74</b>	<b>112.50</b>	<b>112.88</b>	<b>113.59</b>	<b>115.33</b>	<b>116.54</b>	<b>117.49</b>
Private households	117.56	121.63	118.17	119.63	120.13	121.10	122.21	123.09
Nonprofit institutions	112.24	115.53	112.30	112.64	113.36	115.13	116.34	117.29
<b>General government</b> <sup>2</sup>	<b>116.12</b>	<b>118.54</b>	<b>116.28</b>	<b>116.92</b>	<b>117.80</b>	<b>118.19</b>	<b>118.75</b>	<b>119.43</b>
Federal	119.48	121.53	119.33	119.89	121.38	121.25	121.47	122.02
State and local	114.57	117.14	114.85	115.53	116.16	116.77	117.46	118.19

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]

<b>Current-dollar cost and profit per unit of real gross domestic product</b> <sup>1</sup>	<b>1.063</b>	<b>1.061</b>	<b>1.063</b>	<b>1.063</b>	<b>1.061</b>	<b>1.061</b>	<b>1.062</b>	<b>1.060</b>
Consumption of fixed capital	.100	.099	.100	.100	.099	.100	.099	.099
Net domestic product	.963	.962	.963	.963	.962	.962	.962	.962
Indirect business tax and nontax liability plus business transfer payments less subsidies	.105	.105	.105	.105	.105	.104	.104	.107
Domestic income	.857	.857	.858	.858	.858	.857	.858	.855
Compensation of employees	.691	.699	.688	.695	.697	.699	.699	.700
Corporate profits with inventory valuation and capital consumption adjustments	.143	.136	.147	.141	.139	.136	.138	.133
Profits tax liability	.041	.037	.042	.040	.037	.037	.037	.035
Profits after tax with inventory valuation and capital consumption adjustments	.102	.100	.104	.101	.102	.099	.100	.098
Net interest	.023	.022	.023	.022	.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]

	Seasonally adjusted					
	1997		1998			
	I/II	IV	I	II	III	IV
<b>Inventories</b> <sup>1</sup>	<b>106.27</b>	<b>105.55</b>	<b>104.86</b>	<b>104.33</b>	<b>103.42</b>	<b>102.84</b>
Farm	101.73	99.58	99.90	96.34	90.08	89.34
Nonfarm	106.74	106.16	105.37	105.12	104.72	104.15
Durable goods	105.99	105.74	105.45	105.06	104.63	104.05
Nondurable goods	107.78	106.74	105.29	105.21	104.87	104.31
Manufacturing	106.46	106.15	105.28	104.54	103.88	102.73
Durable goods	104.43	104.38	103.93	103.34	102.51	101.40
Nondurable goods	109.89	109.13	107.53	106.53	106.17	104.95
Wholesale	106.02	105.29	104.23	103.98	103.46	103.23
Durable goods	103.48	103.07	102.68	102.21	101.68	101.31
Nondurable goods	110.25	108.97	106.70	106.85	106.37	106.37
Merchant wholesalers	106.24	105.65	104.74	104.49	103.97	103.86
Durable goods	103.74	103.33	102.94	102.47	101.93	101.56
Nondurable goods	110.49	109.57	107.74	107.88	107.39	107.76
Nonmerchant wholesalers	104.68	103.15	101.12	100.89	100.44	99.40
Durable goods	101.77	101.37	101.00	100.52	100.04	99.71
Nondurable goods	109.03	105.72	101.08	101.26	100.86	98.65
Retail trade	106.49	106.08	105.87	106.36	106.61	106.86
Durable goods	109.15	108.80	108.79	108.78	109.14	109.29
Motor vehicle dealers	111.11	110.44	110.42	110.62	111.32	111.44
Other	107.18	107.16	107.14	106.95	107.00	107.17
Nondurable goods	103.79	103.32	102.88	103.90	104.05	104.40
Other	110.15	108.48	107.33	106.97	106.26	105.01
Durable goods	115.75	115.40	115.55	115.50	115.25	114.70
Nondurable goods	107.30	105.00	103.23	102.72	101.80	100.25

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]

	1997	1998	Seasonally adjusted					
			1997		1998			
			III	IV	I	II	III	IV
<b>Gross domestic product</b>	<b>116.42</b>	<b>120.94</b>	<b>117.08</b>	<b>117.94</b>	<b>119.54</b>	<b>120.09</b>	<b>121.17</b>	<b>122.95</b>
Final sales of domestic product	115.49	120.10	116.33	116.95	118.20	119.54	120.36	122.31
Change in business inventories								
<b>Goods</b>	<b>123.56</b>	<b>129.75</b>	<b>124.52</b>	<b>125.68</b>	<b>129.29</b>	<b>127.95</b>	<b>129.04</b>	<b>132.74</b>
Final sales	120.99	127.47	122.47	122.94	125.51	126.52	126.83	131.02
Change in business inventories								
Durable goods	142.91	154.56	145.00	147.10	153.95	150.48	152.58	161.25
Final sales	137.89	150.26	141.40	141.97	147.05	148.46	148.90	156.64
Change in business inventories								
Nondurable goods	110.51	113.24	110.74	111.30	112.85	112.86	113.31	113.95
Final sales	109.42	112.08	109.57	109.97	110.92	111.67	111.89	113.83
Change in business inventories								
<b>Services</b>	<b>111.36</b>	<b>114.82</b>	<b>111.88</b>	<b>112.61</b>	<b>113.01</b>	<b>114.55</b>	<b>115.51</b>	<b>116.20</b>
<b>Structures</b>	<b>119.55</b>	<b>124.35</b>	<b>119.96</b>	<b>120.47</b>	<b>122.03</b>	<b>123.37</b>	<b>125.25</b>	<b>126.74</b>
<b>Addenda:</b>								
Motor vehicle output	127.05	131.34	129.15	133.81	130.82	126.99	123.27	144.28
Gross domestic product less motor vehicle output	116.06	120.58	116.67	117.40	119.15	119.85	121.09	122.23

**Table 7.18.—Chain-Type Quantity Indexes for Auto Output**

[Index numbers, 1992=100]

	1997	1998	Seasonally adjusted					
			1997		1998			
			III	IV	I	II	III	IV
<b>Auto output</b>	<b>98.92</b>	<b>94.19</b>	<b>101.19</b>	<b>100.64</b>	<b>95.91</b>	<b>87.97</b>	<b>91.64</b>	<b>101.23</b>
<b>Final sales</b>	<b>98.12</b>	<b>96.44</b>	<b>100.34</b>	<b>96.83</b>	<b>95.55</b>	<b>97.46</b>	<b>93.58</b>	<b>99.17</b>
Personal consumption expenditures	105.24	110.29	107.51	104.46	106.90	108.92	107.68	117.66
New autos	95.62	100.86	98.73	96.21	97.93	104.40	96.43	104.69
Net purchases of used autos	124.47	129.17	125.06	120.99	124.86	118.13	130.15	143.54
Producers' durable equipment	125.32	122.22	126.61	118.10	123.90	127.06	113.54	124.38
New autos	127.54	125.10	128.25	121.98	126.51	129.83	115.24	128.83
Net purchases of used autos	128.69	127.18	128.55	125.58	128.18	131.70	115.82	133.02
Net exports								
Exports	110.27	104.75	109.64	109.57	109.74	104.74	92.99	111.51
Imports	139.33	153.07	140.27	135.54	148.67	150.41	144.57	168.63
Gross government investment	89.31	93.91	92.71	91.78	79.51	96.67	100.29	99.18
<b>Change in business inventories of new and used autos</b>								
New								
Used								
<b>Addenda:</b>								
Domestic output of new autos <sup>1</sup>	110.36	104.93	113.34	110.46	105.39	97.38	105.25	111.68
Sales of imported new autos <sup>2</sup>	106.63	118.40	108.62	106.69	115.47	121.68	108.48	127.97

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]

<b>Truck output<sup>1</sup></b>	<b>167.41</b>	<b>184.68</b>	<b>169.26</b>	<b>181.39</b>	<b>180.93</b>	<b>183.04</b>	<b>168.66</b>	<b>206.08</b>
<b>Final sales</b>	<b>166.62</b>	<b>190.43</b>	<b>171.77</b>	<b>176.79</b>	<b>180.63</b>	<b>198.82</b>	<b>178.98</b>	<b>203.29</b>
Personal consumption expenditures	130.57	152.77	134.74	138.92	140.51	155.09	145.52	169.97
Producers' durable equipment	209.96	236.65	213.92	220.36	229.67	243.87	225.78	247.28
Net exports								
Exports	184.82	176.17	192.25	207.30	203.99	201.28	148.59	150.80
Imports	134.35	125.77	140.97	130.51	132.89	115.33	122.43	132.45
Gross government investment	122.69	116.49	141.46	112.14	106.46	130.04	98.50	130.95
<b>Change in business inventories</b>								

1. Includes new trucks only.



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

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>Percent change at annual rate:</b>								
Gross domestic product .....	3.9	3.9	4.2	3.0	5.5	1.8	3.7	6.0
<b>Percentage points at annual rates:</b>								
<b>Personal consumption expenditures</b>	<b>2.31</b>	<b>3.32</b>	<b>4.19</b>	<b>1.88</b>	<b>4.09</b>	<b>4.09</b>	<b>2.78</b>	<b>3.53</b>
Durable goods .....	.56	.82	1.30	.26	1.23	.91	.20	1.90
Nondurable goods .....	.49	.77	1.00	-.08	1.41	1.01	.42	.85
Services .....	1.26	1.73	1.85	1.70	1.40	2.14	2.15	.79
<b>Gross private domestic investment</b>	<b>1.65</b>	<b>1.51</b>	<b>.23</b>	<b>1.34</b>	<b>4.07</b>	<b>-.75</b>	<b>1.22</b>	<b>1.41</b>
Fixed investment .....	1.18	1.58	1.66	.48	2.82	1.95	.33	1.95
Nonresidential .....	1.08	1.15	1.67	.16	2.21	1.35	-.08	1.50
Structures .....	.20	.00	.35	.03	-.15	-.07	.01	.16
Producers' durable equipment	.88	1.15	1.32	.13	2.36	1.42	-.09	1.34
Residential .....	.10	.43	-.02	.32	.60	.60	.41	.44
Change in business inventories .....	.47	-.06	-1.41	.85	1.22	-2.66	.89	-.54
<b>Net exports of goods and services</b>	<b>-.27</b>	<b>-1.13</b>	<b>-.47</b>	<b>-.30</b>	<b>-2.24</b>	<b>-2.08</b>	<b>-.62</b>	<b>.52</b>
Exports .....	1.43	.19	1.22	.53	-.33	-.92	-.32	2.04
Goods .....	1.21	.19	1.02	.67	-.29	-.98	.04	1.78
Services .....	.22	-.01	.20	-.14	-.04	.06	-.36	.26
Imports .....	-1.71	-1.32	-1.69	-.83	-1.94	-1.18	-.30	-1.53
Goods .....	-1.51	-1.20	-1.38	-.71	-1.75	-1.19	-.32	-1.48
Services .....	-.20	-.12	-.31	-.12	-.19	.01	.01	-.05
<b>Government consumption expenditures and gross investment</b>	<b>.24</b>	<b>.18</b>	<b>.25</b>	<b>.02</b>	<b>-.34</b>	<b>.64</b>	<b>.27</b>	<b>.56</b>
Federal .....	-.11	-.06	-.08	-.14	-.57	.44	-.09	.47
National defense .....	-.15	-.10	-.08	-.09	-.84	.38	.17	.11
Nondefense .....	.04	.04	.00	-.05	.26	.06	-.26	.36
State and local .....	.35	.24	.33	.15	.24	.20	.35	.09

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

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
[Dollars]								
<b>Current dollars:</b>								
Gross domestic product .....	30,278	31,492	30,468	30,707	31,132	31,277	31,561	31,995
Gross national product .....	30,248	31,416	30,436	30,634	31,077	31,207	31,461	31,917
Personal income .....	25,325	26,368	25,435	25,686	26,007	26,242	26,470	26,749
Disposable personal income .....	21,633	22,304	21,709	21,871	22,046	22,192	22,373	22,604
Personal consumption expenditures .....	20,508	21,490	20,660	20,807	21,078	21,394	21,612	21,873
Durable goods .....	2,512	2,681	2,540	2,538	2,618	2,668	2,657	2,781
Nondurable goods .....	5,975	6,151	6,008	6,001	6,064	6,134	6,173	6,233
Services .....	12,021	12,658	12,111	12,268	12,396	12,593	12,782	12,859
<b>Chained (1992) dollars:</b>								
Gross domestic product .....	27,138	27,943	27,263	27,397	27,718	27,786	27,970	28,297
Gross national product .....	27,125	27,891	27,248	27,345	27,683	27,739	27,897	28,243
Disposable personal income .....	19,349	19,790	19,385	19,478	19,632	19,719	19,829	19,980
Personal consumption expenditures .....	18,342	19,068	18,447	18,529	18,770	19,010	19,155	19,334
Durable goods .....	2,496	2,727	2,534	2,547	2,637	2,703	2,712	2,856
Nondurable goods .....	5,548	5,713	5,578	5,559	5,649	5,710	5,726	5,768
Services .....	10,309	10,655	10,349	10,434	10,506	10,623	10,738	10,751
Population (mid-period, thousands) .....	267,880	270,258	268,171	268,815	269,309	269,867	270,523	271,331

Table 8.4.—Auto Output

[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>Auto output</b> .....	<b>134.7</b>	<b>128.0</b>	<b>138.8</b>	<b>135.2</b>	<b>130.4</b>	<b>118.1</b>	<b>126.2</b>	<b>137.4</b>
<b>Final sales</b> .....	<b>134.8</b>	<b>131.4</b>	<b>137.5</b>	<b>131.8</b>	<b>130.1</b>	<b>132.5</b>	<b>127.8</b>	<b>135.3</b>
Personal consumption expenditures .....	143.5	149.1	145.7	141.0	144.2	146.9	145.5	159.8
New autos .....	86.2	90.3	89.0	86.3	87.7	93.3	86.5	93.7
Net purchases of used autos .....	57.3	58.8	56.6	54.7	56.5	53.6	59.0	66.0
Producers' durable equipment .....	45.7	44.8	46.9	43.7	45.8	46.7	41.7	45.2
New autos .....	79.9	77.9	80.4	76.1	78.8	80.7	71.9	80.2
Net purchases of used autos .....	-34.2	-33.1	-33.5	-32.4	-33.0	-34.0	-30.2	-35.1
Net exports .....	-56.4	-64.6	-57.2	-55.0	-61.7	-63.3	-61.7	-71.9
Exports .....	16.8	16.0	16.7	16.7	16.0	14.2	17.2	
Imports .....	73.1	80.7	73.9	71.7	78.5	79.3	75.9	89.1
Gross government investment .....	2.0	2.1	2.1	2.1	1.8	2.2	2.3	2.3
<b>Change in business inventories of new and used autos</b> .....	<b>-1</b>	<b>-3.4</b>	<b>1.3</b>	<b>3.4</b>	<b>.4</b>	<b>-14.4</b>	<b>-1.7</b>	<b>2.0</b>
New .....	.2	-.2	1.4	3.0	1.8	-17.4	6.1	8.8
Used .....	-.3	-3.2	-.1	.4	-1.4	3.0	-7.8	-6.7
<b>Addenda:</b>								
Domestic output of new autos <sup>1</sup> .....	120.0	114.1	124.5	119.3	114.8	104.8	115.6	121.1
Sales of imported new autos <sup>2</sup> .....	63.1	69.6	64.3	62.9	67.9	71.4	63.9	75.2

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

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

Table 8.5.—Real Auto Output

[Billions of chained (1992) dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>Auto output</b> .....	<b>120.2</b>	<b>114.5</b>	<b>123.0</b>	<b>122.3</b>	<b>116.6</b>	<b>106.9</b>	<b>111.4</b>	<b>123.0</b>
<b>Final sales</b> .....	<b>119.8</b>	<b>117.7</b>	<b>122.5</b>	<b>118.2</b>	<b>116.6</b>	<b>119.0</b>	<b>114.2</b>	<b>121.1</b>
Personal consumption expenditures .....	123.7	129.7	126.4	122.8	125.7	128.1	126.6	138.3
New autos .....	78.5	82.8	81.1	79.0	80.4	85.7	79.2	86.0
Net purchases of used autos .....	44.1	45.8	44.3	42.9	44.3	41.9	46.1	50.9
Producers' durable equipment .....	44.2	43.1	44.6	41.6	43.7	44.8	40.0	43.9
New autos .....	72.8	71.4	73.2	69.7	72.2	74.1	65.8	73.6
Net purchases of used autos .....	-28.1	-27.8	-28.1	-27.4	-28.0	-28.8	-25.3	-29.1
Net exports .....	-49.8	-57.0	-50.3	-48.1	-54.3	-55.8	-54.7	-63.4
Exports .....	15.7	14.9	15.6	15.7	14.9	13.3	15.9	
Imports .....	65.5	72.0	66.0	63.8	69.9	70.7	68.0	79.3
Gross government investment .....	1.8	1.9	1.9	1.9	1.6	2.0	2.0	2.0
<b>Change in business inventories of new and used autos</b> .....	<b>.4</b>	<b>-3.4</b>	<b>.5</b>	<b>4.2</b>	<b>-1</b>	<b>-12.3</b>	<b>-3.0</b>	<b>1.9</b>
New .....	.7	-.4	.6	4.0	1.3	-15.8	4.5	8.5
Used .....	-.2	-2.7	-.1	.3	-1.2	2.6	-6.5	-5.6
Residual .....	.4	.6	.5	.1	.2	1.0	.3	.1
<b>Addenda:</b>								
Domestic output of new autos <sup>1</sup> .....	110.3	104.9	113.3	110.4	105.3	97.3	105.2	111.6
Sales of imported new autos <sup>2</sup> .....	57.5	63.8	58.6	57.5	62.3	65.6	58.5	69.0

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]

<b>Truck output</b> <sup>1</sup> .....	<b>158.9</b>	<b>173.8</b>	<b>161.0</b>	<b>171.3</b>	<b>169.9</b>	<b>171.5</b>	<b>158.6</b>	<b>195.1</b>
<b>Final sales</b> .....	<b>155.6</b>	<b>176.3</b>	<b>160.6</b>	<b>164.3</b>	<b>166.9</b>	<b>183.3</b>	<b>165.6</b>	<b>189.3</b>
Personal consumption expenditures .....	69.2	80.4	71.4	73.5	74.0	81.4	76.6	89.6
Producers' durable equipment .....	82.3	91.9	83.9	85.7	88.8	94.2	87.5	97.0
Net exports .....	-4.9	-4.5	-5.2	-3.1	-3.6	-1.7	-5.8	-6.9
Exports .....	10.9	10.5	11.3	12.3	12.2	12.0	8.9	9.0
Imports .....	15.8	15.0	16.6	15.5	15.8	13.8	14.7	15.9
Gross government investment .....	9.0	8.5	10.4	8.2	7.7	9.4	7.2	9.7
<b>Change in business inventories</b> .....	<b>3.3</b>	<b>-2.5</b>	<b>.4</b>	<b>7.0</b>	<b>3.0</b>	<b>-11.7</b>	<b>-6.9</b>	<b>5.8</b>

1. Includes new trucks only.

Table 8.7.—Real Truck Output

[Billions of chained (1992) dollars]

<b>Truck output</b> <sup>1</sup> .....	<b>140.2</b>	<b>154.6</b>	<b>141.7</b>	<b>151.9</b>	<b>151.5</b>	<b>153.3</b>	<b>141.2</b>	<b>172.6</b>
<b>Final sales</b> .....	<b>137.3</b>	<b>156.9</b>	<b>141.6</b>	<b>145.7</b>	<b>148.9</b>	<b>163.9</b>	<b>147.5</b>	<b>167.5</b>
Personal consumption expenditures .....	59.8	70.0	61.7	63.6	64.4	71.1	66.7	77.9
Producers' durable equipment .....	73.7	83.1	75.1	77.4	80.6	85.6	79.2	86.8
Net exports .....	-4.0	-3.6	-4.3	-2.4	-2.8	-1.1	-4.8	-5.7
Exports .....	10.3	9.8	10.7	11.5	11.3	11.2	8.3	8.4
Imports .....	14.3	13.4	15.0	13.9	14.2	12.3	13.0	14.1
Gross government investment .....	8.1	7.7	9.3	7.4	7.0	8.6	6.5	8.6
<b>Change in business inventories</b> .....	<b>2.8</b>	<b>-2.2</b>	<b>.4</b>	<b>5.9</b>	<b>2.5</b>	<b>-10.2</b>	<b>-6.0</b>	<b>4.9</b>
Residual .....	-.2	-.4	-.5	0	-.1	-.7	-.5	.1

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.

**B. Other NIPA and NIPA-Related Tables**

*Monthly Estimates:*

Tables B.1 and B.2 include the most recent estimates of personal income and its components; these estimates were released on April 1, 1999 and include "preliminary" estimates for February 1999 and "revised" estimates for October–December 1998 and January 1999.

**Table B.1.—Personal Income**

[Billions of dollars; monthly estimates seasonally adjusted at annual rates]

	1997	1998 <sup>r</sup>	1998										1999			
			Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct. <sup>r</sup>	Nov. <sup>r</sup>	Dec. <sup>r</sup>	Jan. <sup>r</sup>	Feb. <sup>r</sup>
<b>Personal income</b> .....	<b>6,784.0</b>	<b>7,126.1</b>	<b>6,970.5</b>	<b>7,007.3</b>	<b>7,033.9</b>	<b>7,055.3</b>	<b>7,085.9</b>	<b>7,104.4</b>	<b>7,133.7</b>	<b>7,164.1</b>	<b>7,184.6</b>	<b>7,217.2</b>	<b>7,279.8</b>	<b>7,276.8</b>	<b>7,323.4</b>	<b>7,363.1</b>
Wage and salary disbursements .....	3,889.8	4,149.9	4,040.0	4,066.4	4,079.3	4,097.6	4,124.3	4,131.0	4,153.6	4,183.4	4,194.3	4,220.9	4,243.9	4,263.5	4,295.0	4,323.3
Private industries .....	3,225.7	3,460.5	3,362.9	3,386.5	3,397.9	3,414.0	3,438.6	3,442.8	3,463.4	3,490.6	3,499.2	3,523.5	3,544.4	3,562.7	3,585.5	3,611.1
Goods-producing industries .....	975.0	1,026.9	1,016.7	1,020.2	1,020.1	1,022.8	1,025.5	1,021.3	1,020.9	1,030.6	1,032.7	1,034.3	1,036.5	1,041.6	1,042.3	1,045.8
Manufacturing .....	719.5	751.5	748.7	750.8	751.8	750.8	753.2	748.3	743.8	752.4	756.4	754.5	753.5	754.2	756.1	756.4
Distributive industries .....	879.8	939.6	915.3	920.8	920.5	926.4	935.6	934.4	941.5	946.3	949.6	956.3	961.9	966.2	970.8	977.4
Service industries .....	1,370.8	1,494.0	1,430.8	1,445.5	1,457.3	1,464.7	1,477.5	1,487.1	1,501.0	1,513.8	1,516.9	1,533.0	1,546.1	1,554.8	1,572.4	1,587.9
Government .....	664.2	689.3	677.2	680.0	681.4	683.6	685.7	688.1	690.2	692.8	695.1	697.4	699.4	700.9	709.5	712.2
Other labor income .....	392.9	406.9	401.7	402.8	403.8	404.7	405.7	406.6	407.5	408.3	409.2	410.1	411.0	411.9	413.3	415.3
Proprietors' income with IVA and CCA <sub>adj</sub> .....	551.2	577.2	559.8	563.9	568.8	570.2	570.2	574.8	577.2	574.7	576.4	582.9	614.8	592.9	596.6	599.4
Farm .....	35.5	28.7	28.2	27.3	26.6	27.2	27.7	28.2	26.8	25.2	23.5	25.7	53.0	25.4	24.6	23.3
Nonfarm .....	515.8	548.5	531.6	536.6	542.2	543.0	542.5	546.6	550.5	549.5	552.9	557.3	561.7	567.5	572.0	576.0
Rental income of persons with CCA <sub>adj</sub> .....	158.2	162.6	158.3	158.4	158.3	159.4	160.9	162.6	163.0	163.5	164.4	164.8	171.6	166.3	168.8	171.8
Personal dividend income .....	260.3	263.1	261.5	261.6	261.8	262.0	262.1	262.3	262.4	262.8	263.7	264.7	265.7	266.7	267.7	268.8
Personal interest income .....	747.3	764.8	754.7	757.0	759.3	761.2	762.8	765.0	767.3	769.4	770.7	770.5	769.8	768.4	770.4	772.1
Transfer payments to persons .....	1,110.4	1,149.0	1,133.8	1,138.4	1,144.7	1,143.8	1,145.3	1,148.3	1,150.4	1,151.8	1,156.6	1,155.8	1,157.3	1,161.7	1,173.0	1,175.8
Old-age, survivors, disability, and health insurance benefits .....	565.9	586.5	579.3	581.2	584.4	583.7	585.1	586.2	588.0	588.5	590.4	588.8	589.6	593.2	597.0	599.4
Government unemployment insurance benefits .....	19.9	19.5	19.6	19.5	19.7	19.6	19.4	19.6	19.5	19.4	19.6	19.4	19.5	19.6	19.6	19.5
Other .....	524.6	542.9	534.9	537.7	540.6	540.5	540.8	542.5	542.9	544.0	546.6	547.6	548.1	548.9	556.5	556.9
Less: Personal contributions for social insurance .....	326.2	347.4	339.3	341.2	342.2	343.6	345.5	346.2	347.7	349.9	350.8	352.5	354.2	355.6	361.5	363.3

<sup>r</sup> Preliminary.  
<sup>r</sup> Revised.  
 CCA<sub>adj</sub> Capital consumption adjustment.

IVA Inventory valuation adjustment.  
 Source: U.S. Department of Commerce, Bureau of Economic Analysis.

**Table B.2.—The Disposition of Personal Income**

[Monthly estimates seasonally adjusted at annual rates]

	1997	1998 <sup>r</sup>	1998										1999			
			Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct. <sup>r</sup>	Nov. <sup>r</sup>	Dec. <sup>r</sup>	Jan. <sup>r</sup>	Feb. <sup>r</sup>
Billions of dollars, unless otherwise indicated																
<b>Personal income</b> .....	<b>6,784.0</b>	<b>7,126.1</b>	<b>6,970.5</b>	<b>7,007.3</b>	<b>7,033.9</b>	<b>7,055.3</b>	<b>7,085.9</b>	<b>7,104.4</b>	<b>7,133.7</b>	<b>7,164.1</b>	<b>7,184.6</b>	<b>7,217.2</b>	<b>7,279.8</b>	<b>7,276.8</b>	<b>7,323.4</b>	<b>7,363.1</b>
Less: Personal tax and nontax payments .....	989.0	1,098.3	1,058.7	1,069.4	1,072.4	1,083.3	1,094.9	1,100.5	1,102.0	1,110.8	1,112.4	1,119.1	1,125.4	1,130.1	1,129.8	1,136.6
<b>Equals: Disposable personal income</b> .....	<b>5,795.1</b>	<b>6,027.9</b>	<b>5,911.8</b>	<b>5,937.9</b>	<b>5,961.5</b>	<b>5,972.0</b>	<b>5,990.9</b>	<b>6,004.0</b>	<b>6,031.7</b>	<b>6,053.3</b>	<b>6,072.2</b>	<b>6,098.1</b>	<b>6,154.5</b>	<b>6,146.7</b>	<b>6,193.6</b>	<b>6,226.5</b>
Less: Personal outlays .....	5,674.1	6,000.2	5,837.3	5,870.0	5,884.7	5,914.4	5,970.4	6,005.2	6,009.5	6,036.4	6,073.7	6,109.3	6,117.9	6,173.7	6,196.0	6,241.0
Personal consumption expenditures .....	5,493.7	5,807.9	5,649.3	5,682.7	5,697.5	5,723.9	5,782.1	5,815.0	5,817.7	5,843.1	5,879.2	5,912.0	5,919.2	5,973.1	5,995.1	6,039.2
Durable goods .....	673.0	724.7	709.6	708.2	697.6	698.6	724.3	737.3	707.4	715.4	733.8	748.5	742.0	773.2	752.7	774.4
Nondurable goods .....	1,600.6	1,662.4	1,623.8	1,636.7	1,638.8	1,646.8	1,657.9	1,661.0	1,669.9	1,669.4	1,670.8	1,683.2	1,691.2	1,699.6	1,717.7	1,728.1
Services .....	3,220.1	3,420.8	3,315.9	3,337.8	3,361.0	3,378.5	3,399.9	3,416.7	3,440.4	3,458.2	3,474.7	3,480.4	3,486.0	3,500.3	3,524.7	3,536.6
Interest paid by persons .....	161.5	172.4	168.8	168.1	168.0	170.6	168.4	170.4	171.9	173.3	174.5	176.7	178.1	180.1	180.3	181.3
Personal transfer payments to the rest of the world (net) .....	18.9	19.9	19.2	19.2	19.2	19.9	19.9	19.9	20.0	20.0	20.0	20.6	20.6	20.6	20.6	20.6
<b>Equals: Personal saving</b> .....	<b>121.0</b>	<b>27.7</b>	<b>74.5</b>	<b>67.9</b>	<b>76.8</b>	<b>57.6</b>	<b>20.5</b>	<b>-1.2</b>	<b>22.2</b>	<b>16.9</b>	<b>-1.4</b>	<b>-11.2</b>	<b>36.6</b>	<b>-27.1</b>	<b>-2.4</b>	<b>-14.5</b>
<b>Addenda:</b>																
Disposable personal income:																
Billions of chained (1992) dollars <sup>1</sup> .....	5,183.1	5,348.5	5,264.9	5,287.0	5,309.5	5,311.7	5,318.8	5,334.0	5,347.1	5,363.0	5,382.3	5,393.8	5,441.3	5,428.6	5,461.4	5,488.8
Per capita:																
Current dollars .....	21,633	22,304	21,965	22,049	22,122	22,145	22,200	22,231	22,316	22,376	22,427	22,504	22,682	22,624	22,783	22,890
Chained (1992) dollars .....	19,349	19,790	19,562	19,632	19,703	19,697	19,709	19,751	19,783	19,825	19,879	19,905	20,054	19,981	20,090	20,178
Population (thousands) .....	267,880	270,257	269,143	269,302	269,482	269,669	269,862	270,069	270,289	270,522	270,757	270,973	271,336	271,684	271,848	272,021
Personal consumption expenditures:																
Billions of chained (1992) dollars .....	4,913.5	5,153.3	5,031.1	5,059.7	5,074.3	5,091.1	5,133.4	5,166.1	5,157.4	5,176.8	5,211.2	5,229.3	5,233.3	5,275.3	5,286.3	5,323.6
Durable goods .....	668.6	737.1	713.8	713.1	703.8	704.2	734.0	749.8	719.3	729.8	751.8	767.1	761.8	796.1	776.4	801.5
Nondurable goods .....	1,486.3	1,544.1	1,508.6	1,523.7	1,531.4	1,536.8	1,540.7	1,545.2	1,551.2	1,546.6	1,549.3	1,557.9	1,567.0	1,570.4	1,583.0	1,594.5
Services .....	2,761.5	2,879.5	2,814.9	2,829.0	2,843.8	2,854.3	2,866.1	2,880.0	2,891.5	2,905.4	2,917.5	2,914.3	2,914.2	2,923.0	2,938.0	2,942.5
Implicit price deflator, 1992=100 .....	111.81	112.70	112.29	112.31	112.28	112.43	112.64	112.56	112.80	112.87	112.82	113.06	113.11	113.23	113.41	113.44
Personal saving as percentage of disposable personal income <sup>2</sup> .....	2.1	.5	1.3	1.1	1.3	1.0	.3	0	.4	.3	0	-2	.6	-4	0	-2
Percent change from preceding period, monthly changes at monthly rates																
<b>Personal income, current dollars</b> .....	<b>5.6</b>	<b>5.0</b>	<b>0.6</b>	<b>0.5</b>	<b>0.4</b>	<b>0.3</b>	<b>0.4</b>	<b>0.3</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>	<b>0.5</b>	<b>0.9</b>	<b>0</b>	<b>0.6</b>	<b>0.5</b>
Disposable personal income:																
Current dollars .....	4.7	4.0	.3	.4	.4	.2	.3	.2	.5	.4	.3	.4	.9	-.1	.8	.5
Chained (1992) dollars .....	2.8	3.2	.4	.4	.4	0	.1	.3	.2	.3	.4	.2	.9	-.2	.6	.5
Personal consumption expenditures:																
Current dollars .....	5.3	5.7	.6	.6	.3	.5	1.0	.6	0	.4	.6	.6	.3	.1	.9	.4
Chained (1992) dollars .....	3.4	4.9	.6	.6	.3	.3	.8	.6	-.2	.4	.7	.3	.1	.8	.2	.7

<sup>r</sup> Preliminary.  
<sup>r</sup> Revised.  
<sup>1</sup> Disposable personal income in chained (1992) dollars equals the current-dollar figure divided by the implicit price deflator for personal consumption expenditures.

<sup>2</sup> Monthly estimates equal personal saving for the month as a percentage of disposable personal income for that month.  
 Source: U.S. Department of Commerce, Bureau of Economic Analysis.

## 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
<b>Gross domestic product</b> .....	<b>7,269.6</b>	<b>7,661.6</b>	<b>8,110.9</b>	<b>6,761.7</b>	<b>6,994.8</b>	<b>7,269.8</b>							
<b>Private industries</b> .....	<b>6,306.9</b>	<b>6,667.9</b>	<b>7,083.3</b>	<b>5,896.5</b>	<b>6,119.9</b>	<b>6,395.3</b>							
<b>Agriculture, forestry, and fishing</b> .....	<b>109.5</b>	<b>130.4</b>	<b>131.7</b>	<b>106.2</b>	<b>114.2</b>	<b>127.6</b>							
Farms .....	72.3	91.6	90.2	72.0	78.6	90.3							
Agricultural services, forestry, and fishing .....	37.2	38.8	41.5	34.7	36.2	38.0							
<b>Mining</b> .....	<b>98.7</b>	<b>113.8</b>	<b>120.5</b>	<b>107.4</b>	<b>103.0</b>	<b>109.9</b>							
Metal mining .....	6.7	6.1	5.8	5.5	5.7	6.2							
Coal mining .....	12.0	12.9	13.2	15.4	17.2	18.1							
Oil and gas extraction .....	70.5	84.3	90.1	77.4	70.6	75.4							
Nonmetallic minerals, except fuels .....	9.4	10.4	11.4	9.3	10.2	10.8							
<b>Construction</b> .....	<b>286.4</b>	<b>311.9</b>	<b>328.8</b>	<b>254.2</b>	<b>268.5</b>	<b>274.4</b>							
<b>Manufacturing</b> .....	<b>1,282.2</b>	<b>1,309.1</b>	<b>1,378.9</b>	<b>1,271.6</b>	<b>1,293.8</b>	<b>1,369.9</b>							
Durable goods .....	711.6	737.3	784.0	727.0	769.0	838.6							
Lumber and wood products .....	40.9	39.1	42.8	31.7	31.4	33.1							
Furniture and fixtures .....	19.4	20.5	22.1	18.7	18.6	19.7							
Stone, clay, and glass products .....	30.2	31.3	33.7	27.2	27.6	29.3							
Primary metal industries .....	51.7	51.5	53.2	44.1	46.9	48.0							
Fabricated metal products .....	87.6	93.1	99.3	87.8	88.6	93.0							
Industrial machinery and equipment .....	141.5	148.8	158.9	162.9	183.2	215.2							
Electronic and other electric equipment .....	136.7	141.6	157.3	178.7	213.2	261.2							
Motor vehicles and equipment .....	85.2	82.4	85.4	77.7	73.2	77.8							
Other transportation equipment .....	46.1	49.0	50.7	43.3	43.9	44.1							
Instruments and related products .....	49.1	55.5	55.9	42.0	40.2	36.3							
Miscellaneous manufacturing industries .....	23.3	24.6	24.8	22.8	23.3	23.1							
Nondurable goods .....	570.5	571.8	594.9	545.1	527.8	537.6							
Food and kindred products .....	123.2	116.0	118.5	125.8	105.7	106.7							
Tobacco products .....	17.3	17.0	18.4	23.8	22.5	21.3							
Textile mill products .....	24.5	24.7	25.5	26.4	25.6	25.7							
Apparel and other textile products .....	27.4	26.7	28.4	28.6	27.0	28.2							
Paper and allied products .....	58.9	56.6	55.0	44.4	46.4	48.9							
Printing and publishing .....	84.7	92.4	98.4	77.1	76.1	76.7							
Chemicals and allied products .....	156.1	155.8	158.8	139.6	140.3	141.2							
Petroleum and coal products .....	28.3	29.6	35.2	30.4	32.3	32.4							
Rubber and miscellaneous plastics .....	44.9	48.6	52.0	47.1	49.5	53.7							
Leather and leather products .....	5.2	4.4	4.8	4.7	4.1	4.3							
<b>Transportation and public utilities</b> .....	<b>616.4</b>	<b>649.3</b>	<b>676.3</b>	<b>592.2</b>	<b>626.4</b>	<b>644.3</b>							
Transportation .....	226.1	237.0	255.5	216.1	229.7	241.5							
Railroad transportation .....	22.9	23.4	24.1	26.1	28.2	28.2							
Local and interurban passenger transit .....	12.2	13.0	13.8	11.4	11.3	11.3							
Trucking and warehousing .....	98.0	92.9	97.9	89.1	86.5	87.3							
Water transportation .....	10.9	11.7	12.8	11.0	10.7	11.0							
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							
Public utilities .....	390.3	412.3	420.8	376.1	406.7	402.8							
<b>Transportation services</b> .....	<b>23.2</b>	<b>25.5</b>	<b>26.8</b>	<b>23.2</b>	<b>24.0</b>	<b>25.1</b>							
<b>Communications</b> .....	<b>193.3</b>	<b>207.5</b>	<b>211.6</b>	<b>180.7</b>	<b>191.5</b>	<b>196.4</b>							
Telephone and telegraph .....	145.2	157.0	158.6	138.6	152.4	160.6							
Radio and television .....	48.1	50.4	53.1	41.8	39.5	37.3							
Electric, gas, and sanitary services .....	197.0	204.9	209.2	195.5	205.3	206.3							
<b>Wholesale trade</b> .....	<b>491.4</b>	<b>519.8</b>	<b>562.8</b>	<b>455.8</b>	<b>486.6</b>	<b>532.0</b>							
<b>Retail trade</b> .....	<b>641.0</b>	<b>673.0</b>	<b>712.9</b>	<b>626.4</b>	<b>665.9</b>	<b>713.5</b>							
<b>Finance, insurance, and real estate</b> .....	<b>1,362.3</b>	<b>1,448.6</b>	<b>1,570.3</b>	<b>1,206.2</b>	<b>1,246.0</b>	<b>1,286.0</b>							
Depository institutions .....	229.1	240.6	266.4	193.4	192.0	191.9							
Nondepository institutions .....	39.7	44.3	56.3	32.6	35.4	39.3							
Security and commodity brokers .....	73.4	96.5	106.6	78.4	104.1	120.5							
Insurance carriers .....	118.5	122.0	146.0	91.2	87.6	93.5							
Insurance agents, brokers, and services .....	46.7	48.0	50.7	42.1	41.7	43.1							
Real estate .....	843.8	892.2	935.0	776.6	799.5	814.8							
Nonfarm housing services .....	643.1	675.8	712.7	588.4	600.0	616.1							
Other real estate .....	200.7	216.4	222.4	188.2	199.7	198.7							
Holding and other investment offices .....	11.0	5.1	9.4	12.6	12.5	12.2							
<b>Services</b> .....	<b>1,445.4</b>	<b>1,544.2</b>	<b>1,656.8</b>	<b>1,305.3</b>	<b>1,349.1</b>	<b>1,398.6</b>							
Hotels and other lodging places .....	61.3	65.6	69.0	56.2	57.5	56.8							
Personal services .....	47.4	47.8	51.5	43.2	42.4	44.1							
Business services .....	284.9	322.1	364.7	271.3	295.7	323.1							
Auto repair, services, and parking .....	63.6	68.3	73.3	56.5	60.2	64.4							
Miscellaneous repair services .....	20.5	21.7	23.2	16.9	15.2	14.7							
Motion pictures .....	26.3	28.4	30.5	24.4	25.2	26.6							
Amusement and recreation services .....	56.6	61.3	66.7	50.5	52.7	56.2							
Health services .....	428.9	445.5	460.1	373.3	377.3	379.0							
Legal services .....	96.6	100.7	106.6	85.7	86.0	87.0							
Educational services .....	55.3	58.1	61.5	49.0	49.4	50.4							
Social services .....	46.4	49.0	52.2	43.4	44.6	46.3							
Membership organizations .....	47.0	49.2	50.8	42.6	43.3	44.1							
Other services .....	198.8	214.6	234.6	183.7	192.8	201.3							
Private households .....	11.8	11.9	12.0	10.8	10.5	10.2							
<b>Statistical discrepancy</b> <sup>1</sup> .....	<b>-26.5</b>	<b>-32.2</b>	<b>-55.8</b>	<b>-23.1</b>	<b>-27.1</b>	<b>-45.4</b>							
<b>Government</b> .....	<b>962.7</b>	<b>993.7</b>	<b>1,027.6</b>	<b>876.5</b>	<b>877.8</b>	<b>884.0</b>							
<b>Federal</b> .....	<b>327.7</b>	<b>334.8</b>	<b>338.1</b>	<b>296.8</b>	<b>290.2</b>	<b>286.9</b>							
General government .....	275.4	279.2	281.3	248.2	240.7	235.4							
Government enterprises .....	52.3	55.5	56.8	48.8	49.8	51.9							
<b>State and local</b> .....	<b>635.0</b>	<b>658.9</b>	<b>689.6</b>	<b>579.7</b>	<b>587.6</b>	<b>597.4</b>							
General government .....	582.2	604.4	631.7	532.1	540.8	551.3							
Government enterprises .....	52.8	54.5	57.9	47.5	46.8	46.2							
<b>Not allocated by industry</b> <sup>2</sup> .....				<b>-53.7</b>	<b>-68.8</b>	<b>-114.3</b>							

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.4.—Personal Consumption Expenditures by Type of Expenditure

	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
<b>Personal consumption expenditures</b>	<b>4,953.9</b>	<b>5,215.7</b>	<b>5,493.7</b>	<b>4,605.6</b>	<b>4,752.4</b>	<b>4,913.5</b>	<b>Personal business</b>	<b>388.8</b>	<b>416.2</b>	<b>459.1</b>	<b>354.3</b>	<b>364.6</b>	<b>377.2</b>
<b>Food and tobacco</b>	<b>780.4</b>	<b>805.2</b>	<b>832.3</b>	<b>736.8</b>	<b>740.0</b>	<b>745.7</b>	Brokerage charges and investment counseling (s.)	39.1	46.6	54.4	42.1	51.1	61.2
Food purchased for off-premise consumption (n.d.)	461.9	477.0	494.2	434.9	436.6	442.3	Bank service charges, trust services, and safe deposit box rental (s.)	33.9	37.3	41.5	27.9	29.0	30.8
Purchased meals and beverages <sup>1</sup> (n.d.)	261.0	268.8	277.2	246.1	247.4	248.4	Services furnished without payment by financial intermediaries except life insurance carriers and private noninsured pension plans (s.)	159.1	167.5	190.9	144.2	145.3	148.1
Food furnished to employees (including military) (n.d.)	8.5	8.8	9.1	8.0	8.1	8.2	Expense of handling life insurance <sup>17</sup> (s.)	75.7	77.4	80.2	68.8	66.2	65.2
Food produced and consumed on farms (n.d.)	.5	.4	.4	.4	.4	.4	Legal services (s.)	49.4	53.0	55.9	44.4	46.1	46.7
Tobacco products (n.d.)	48.6	50.2	51.4	47.4	47.5	46.4	Funeral and burial expenses (s.)	12.2	13.3	13.8	10.5	10.7	10.7
Addenda: Food excluding alcoholic beverages (n.d.)	649.1	669.0	692.4	609.4	611.4	617.5	Other <sup>18</sup> (s.)	19.4	21.1	22.4	17.3	18.3	18.9
Alcoholic beverages purchased for off-premise consumption (n.d.)	54.8	57.1	58.6	54.4	55.4	56.1	<b>Transportation</b>	<b>574.1</b>	<b>611.6</b>	<b>636.4</b>	<b>531.5</b>	<b>551.7</b>	<b>569.7</b>
Other alcoholic beverages (n.d.)	27.9	28.9	30.0	25.7	25.8	25.9	User-operated transportation	531.9	567.3	588.3	491.1	509.0	525.3
<b>Clothing, accessories, and jewelry</b>	<b>321.8</b>	<b>338.0</b>	<b>353.3</b>	<b>324.2</b>	<b>345.7</b>	<b>361.8</b>	New autos (d.)	86.6	85.8	86.2	80.2	78.2	78.5
Shoes (n.d.)	36.9	38.5	39.8	37.2	39.0	40.4	Net purchases of used autos (d.)	53.0	55.8	57.3	41.4	42.4	44.1
Clothing and accessories except shoes <sup>2</sup>	216.8	226.9	237.9	222.7	236.9	247.7	Other motor vehicles (d.)	79.7	84.7	87.2	72.0	75.0	76.5
Women's and children's (n.d.)	140.5	146.5	152.9	145.4	155.7	162.5	Tires, tubes, accessories, and other parts (d.)	36.2	38.5	38.8	36.7	39.1	39.7
Men's and boys' (n.d.)	76.4	80.4	85.0	77.2	81.2	85.3	Repair, greasing, washing, parking, storage, rental, and leasing (s.)	128.7	143.6	154.9	117.5	128.6	137.0
Standard clothing issued to military personnel (n.d.)	.3	.3	.3	.3	.3	.3	Gasoline and oil (n.d.)	115.6	124.5	126.5	114.3	116.0	117.9
Cleaning, storage, and repair of clothing and shoes (s.)	12.2	12.7	13.1	11.4	11.7	11.7	Bridge, tunnel, ferry, and road tolls (s.)	2.8	2.8	3.0	2.5	2.5	2.5
Jewelry and watches (d.)	39.4	41.4	43.1	37.7	41.2	44.5	Insurance <sup>19</sup> (s.)	29.4	31.5	34.4	26.0	26.7	28.3
Other <sup>3</sup> (s.)	16.1	18.2	19.2	15.0	16.7	17.2	Purchased local transportation	9.1	10.0	10.4	8.5	8.4	8.6
<b>Personal care</b>	<b>71.8</b>	<b>75.0</b>	<b>79.4</b>	<b>68.1</b>	<b>70.1</b>	<b>73.0</b>	Mass transit systems (s.)	6.0	6.5	6.8	5.5	5.5	5.7
Toilet articles and preparations (n.d.)	47.2	49.7	52.6	45.3	47.4	49.8	Taxicab (s.)	3.2	3.5	3.6	3.0	3.0	3.0
Barbershops, beauty parlors, and health clubs (s.)	24.6	25.3	26.8	22.8	22.7	23.3	Purchased intercity transportation	33.0	34.3	37.7	31.9	34.4	35.9
<b>Housing</b>	<b>750.4</b>	<b>787.4</b>	<b>829.8</b>	<b>688.6</b>	<b>700.9</b>	<b>717.4</b>	Railway (s.)	.8	.8	.8	.7	.7	.7
Owner-occupied nonfarm dwellings: space rent <sup>4</sup> (s.)	532.4	559.1	590.3	487.4	496.0	508.9	Bus (s.)	1.1	1.1	1.2	1.2	1.2	1.2
Tenant-occupied nonfarm dwellings: rent <sup>5</sup> (s.)	184.8	193.2	203.2	171.4	174.7	178.7	Airline (s.)	27.9	28.5	31.5	27.2	29.2	30.4
Rental value of farm dwellings (s.)	5.9	6.1	6.3	5.2	5.1	5.0	Other <sup>20</sup> (s.)	3.3	3.9	4.1	2.8	3.3	3.4
Other <sup>6</sup> (s.)	27.3	29.1	30.0	24.7	25.2	24.9	<b>Recreation</b>	<b>404.2</b>	<b>432.3</b>	<b>462.9</b>	<b>399.1</b>	<b>429.9</b>	<b>466.9</b>
<b>Household operation</b>	<b>559.4</b>	<b>592.8</b>	<b>620.7</b>	<b>533.0</b>	<b>555.6</b>	<b>578.4</b>	Books and maps (d.)	22.4	24.2	25.2	21.0	21.8	22.5
Furniture, including mattresses and bedspreads (d.)	47.7	50.6	54.8	44.3	46.4	50.4	Magazines, newspapers, and sheet music (n.d.)	25.7	27.6	29.1	23.1	23.9	25.0
Kitchen and other household appliances <sup>7</sup> (d.)	27.2	28.5	29.7	26.7	27.9	29.3	Nondurable toys and sport supplies (n.d.)	42.3	45.1	47.8	41.9	44.5	47.6
China, glassware, tableware, and utensils (d.)	25.2	27.0	28.6	25.2	27.3	29.1	Wheel goods, sports and photographic equipment, boats, and pleasure aircraft (d.)	39.3	42.3	48.1	38.0	40.9	46.8
Other durable house furnishings <sup>8</sup> (d.)	54.6	57.9	61.8	53.7	56.8	60.4	Video and audio products, computing equipment, and musical instruments (d.)	86.4	92.0	96.5	103.6	123.8	146.8
Semidurable house furnishings <sup>9</sup> (n.d.)	28.7	30.7	32.8	26.8	28.7	30.6	Radio and television repair (s.)	4.9	5.0	5.4	4.4	4.4	4.6
Cleaning and polishing preparations, and miscellaneous household supplies and paper products (n.d.)	52.3	54.6	56.5	50.3	51.2	52.5	Flowers, seeds, and potted plants (n.d.)	13.8	14.8	15.9	13.3	14.8	16.5
Stationery and writing supplies (n.d.)	15.8	16.8	18.0	14.4	14.7	15.0	Admissions to specified spectator amusements	20.1	21.9	23.3	18.2	18.9	19.6
Household utilities	168.0	176.6	178.5	159.0	161.9	160.1	Motion picture theaters (s.)	5.8	6.2	6.6	5.3	5.3	5.6
Electricity (s.)	87.9	90.3	90.2	84.3	85.1	84.6	Legitimate theaters and opera, and entertainments of nonprofit institutions (except athletics) (s.)	8.7	9.3	10.0	7.9	8.0	8.4
Gas (s.)	31.3	35.2	36.0	30.5	32.9	31.5	Spectator sports <sup>21</sup> (s.)	5.5	6.4	6.7	5.0	5.6	5.6
Water and other sanitary services (s.)	37.9	38.9	41.1	33.1	32.8	33.8	Clubs and fraternal organizations <sup>22</sup> (s.)	12.7	13.0	13.8	11.5	11.6	12.1
Fuel oil and coal (n.d.)	10.9	12.2	11.2	11.2	11.2	10.3	Commercial participant amusements <sup>23</sup> (s.)	41.3	44.7	49.1	37.9	40.0	42.9
Telephone and telegraph (s.)	87.7	97.1	104.2	85.5	94.7	105.0	Pari-mutuel net receipts (s.)	3.3	3.4	3.5	3.0	2.9	2.9
Domestic service (s.)	12.8	12.5	13.2	11.7	11.0	11.2	Other <sup>24</sup> (s.)	92.1	98.3	105.1	85.9	88.6	91.4
Other <sup>10</sup> (s.)	39.3	40.4	42.7	35.8	35.5	36.4	<b>Education and research</b>	<b>112.0</b>	<b>119.7</b>	<b>129.4</b>	<b>98.7</b>	<b>102.0</b>	<b>106.8</b>
<b>Medical care</b>	<b>875.0</b>	<b>912.4</b>	<b>957.3</b>	<b>766.9</b>	<b>782.6</b>	<b>803.6</b>	Higher education <sup>25</sup> (s.)	62.4	65.7	69.6	53.7	54.0	54.8
Drug preparations and sundries <sup>11</sup> (n.d.)	85.5	91.1	98.1	79.6	83.0	88.2	Nursery, elementary, and secondary schools <sup>26</sup> (s.)	22.9	23.5	25.7	20.7	20.9	22.4
Ophthalmic products and orthopedic appliances (d.)	13.3	14.6	15.7	12.3	13.3	14.1	Other <sup>27</sup> (s.)	26.7	30.4	34.1	24.4	27.3	30.0
Physicians (s.)	191.5	198.2	205.2	166.2	170.8	174.5	<b>Religious and welfare activities</b> <sup>28</sup> (s.)	<b>138.6</b>	<b>151.1</b>	<b>157.6</b>	<b>127.8</b>	<b>137.0</b>	<b>140.4</b>
Dentists (s.)	47.6	49.5	52.6	41.1	40.8	41.5	<b>Foreign travel and other, net</b>	<b>-22.7</b>	<b>-26.1</b>	<b>-24.4</b>	<b>-20.1</b>	<b>-21.4</b>	<b>-17.7</b>
Other professional services <sup>12</sup> (s.)	104.9	111.9	119.4	95.9	100.5	103.3	Foreign travel by U.S. residents <sup>29</sup> (s.)	51.2	54.7	59.9	48.3	50.5	54.5
Hospitals and nursing homes <sup>13</sup>	374.3	389.8	408.1	336.9	341.1	350.2	Expenditures abroad by U.S. residents (n.d.)	2.7	2.5	3.0	2.4	2.3	3.1
Hospitals	310.8	321.7	334.3	280.4	283.3	289.6	Less: Expenditures in the United States by nonresidents <sup>30</sup> (s.)	75.2	82.0	86.0	69.6	73.0	74.1
Nonprofit (s.)	206.4	212.9	220.0	188.5	189.7	192.2	Less: Personal remittances in kind to nonresidents (n.d.)	1.4	1.3	1.3	1.3	1.2	1.2
Proprietary (s.)	34.7	36.6	40.7	30.5	31.4	34.6	Residual				-11.1	-20.7	-33.5
Government (s.)	69.8	72.2	73.5	61.4	62.0	62.6							
Nursing homes (s.)	63.5	68.1	73.9	56.4	57.9	60.5							
Health insurance	57.9	57.4	58.0	37.1	36.2	35.8							
Medical care and hospitalization <sup>14</sup> (s.)	45.6	45.0	46.1	34.8	34.0	33.6							
Income loss <sup>15</sup> (s.)	2.3	2.6	2.8	2.5	2.7	2.9							
Workers' compensation <sup>16</sup> (s.)	10.0	9.8	9.2	1.8	1.7	1.6							

1. Consists of purchases (including tips) of meals and beverages from retail, service, and amusement establishments, hotels, dining and buffet cars, schools, school fraternities, institutions, clubs, and industrial lunchrooms. Includes meals and beverages consumed both on- and off-premise.  
 2. Includes luggage.  
 3. Consists of watch, clock, and jewelry repairs, costume and dress suit rental, and miscellaneous personal services.  
 4. Consists of rent for space and for heating and plumbing facilities, water heaters, lighting fixtures, kitchen cabinets, linoleum, storm windows and doors, window screens, and screen doors, but excludes rent for appliances and furniture and purchases of fuel and electricity.  
 5. Consists of space rent (see footnote 4) and rent for appliances, furnishings, and furniture.  
 6. Consists of transient hotels, motels, clubs, schools, and other group housing.  
 7. Consists of refrigerators and freezers, cooking ranges, dishwashers, laundry equipment, stoves, room air conditioners, sewing machines, vacuum cleaners, and other appliances.  
 8. Includes such house furnishings as floor coverings, comforters, quilts, blankets, pillows, picture frames, mirrors, art products, portable lamps, and clocks. Also includes writing equipment and hand, power, and garden tools.  
 9. Consists largely of textile house furnishings, including piece goods allocated to house furnishing use. Also includes lamp shades, brooms, and brushes.  
 10. Consists of maintenance services for appliances and house furnishings, moving and warehouse expenses, postage and express charges, premiums for fire and theft insurance on personal property less benefits and dividends, and miscellaneous household operation services.  
 11. Excludes drug preparations and related products dispensed by physicians, hospitals, and other medical services.  
 12. Consists of osteopathic physicians, chiropractors, private duty nurses, chiropractors, podiatrists, and others providing health and allied services, not elsewhere classified.  
 13. Consists of (1) current expenditures (including consumption of fixed capital) of nonprofit hospitals and nursing homes, and (2) payments by patients to proprietary and government hospitals and nursing homes.  
 14. Consists of (1) premiums, less benefits and dividends, for health, hospitalization, and accidental death and dismemberment insurance provided by commercial insurance carriers, and (2) administrative expenses (including consumption of fixed capital) of nonprofit and self-insured health plans.  
 15. Consists of premiums, less benefits and dividends, for income loss insurance.  
 16. Consists of premiums, less benefits and dividends, for privately administered workers' compensation.  
 17. Consists of (1) operating expenses of life insurance carriers and private noninsured pension plans, and (2) premiums, less benefits and dividends, of fraternal benefit societies. Excludes expenses allocated by commercial carriers to accident and health insurance.  
 18. Consists of current expenditures (including consumption of fixed capital) of trade unions and professional associations, employment agency fees, money order fees, spending for classified advertisements, tax return preparation services, and other personal business services.

19. Consists of premiums, less benefits and dividends, for motor vehicle insurance.  
 20. Consists of baggage charges, coastal and inland waterway fares, travel agents' fees, and airport bus fares.  
 21. Consists of admissions to professional and amateur athletic events and to racetracks.  
 22. Consists of dues and fees excluding insurance premiums.  
 23. Consists of billiard parlors; bowling alleys; dancing, riding, shooting, skating, and swimming places; amusement devices and parks; golf courses; sightseeing buses and guides; private flying operations; casino gambling; and other commercial participant amusements.  
 24. Consists of net receipts of lotteries and expenditures for purchases of pets and pet care services, cable TV, film processing, photographic studios, sporting and recreation camps, video cassette rentals, and recreational services, not elsewhere classified.  
 25. For private institutions, equals current expenditures (including consumption of fixed capital) less receipts—such as those from meals, rooms, and entertainments—accounted for separately in consumer expenditures, and less expenditures for research and development financed under contracts or grants. For government institutions, equals student payments of tuition.  
 26. For private institutions, equals current expenditures (including consumption of fixed capital) less receipts—such as those from meals, rooms, and entertainments—accounted for separately in consumer expenditures. For government institutions, equals student payments of tuition. Excludes child day care services, which are included in religious and welfare activities.  
 27. Consists of (1) fees paid to commercial, business, trade, and correspondence schools and for educational services, not elsewhere classified, and (2) current expenditures (including consumption of fixed capital) by research organizations and foundations for education and research.  
 28. For nonprofit institutions, equals current expenditures (including consumption of fixed capital) of religious, social welfare, foreign relief, and political organizations, museums, libraries, and foundations. The expenditures are net of receipts—such as those from meals, rooms, and entertainments—accounted for separately in consumer expenditures, and excludes relief payments within the United States and expenditures by foundations for education and research. For proprietary and government institutions, equals receipts from users.  
 29. Beginning with 1981, includes U.S. students' expenditures abroad; these expenditures were \$0.3 billion in 1981.  
 30. Beginning with 1981, includes nonresidents' student and medical care expenditures in the United States; student expenditures were \$2.2 billion and medical expenditures were \$0.4 billion in 1981.  
 NOTE.—Consumer durable goods are designated (d.), nondurable goods (n.d.), and services (s.).  
 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.5.—Private Purchases of Structures by Type

	Billions of dollars			Billions of chained (1992) dollars		
	1995	1996	1997	1995	1996	1997
<b>Private purchases of structures</b> .....	<b>478.8</b>	<b>521.2</b>	<b>560.1</b>	<b>430.5</b>	<b>458.4</b>	<b>478.4</b>
<b>Nonresidential</b> .....	<b>201.3</b>	<b>216.9</b>	<b>240.2</b>	<b>180.7</b>	<b>189.7</b>	<b>203.2</b>
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 <sup>1</sup> .....	29.8	32.4	38.2	26.7	28.4	32.4
Other <sup>2</sup> .....	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 <sup>3</sup> .....	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 <sup>4</sup> .....	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
<b>Residential</b> .....	<b>277.5</b>	<b>304.3</b>	<b>319.9</b>	<b>249.8</b>	<b>268.6</b>	<b>275.1</b>
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 <sup>5</sup> .....	.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
<b>Private purchases of producers' durable equipment</b> .....	<b>533.7</b>	<b>578.6</b>	<b>628.5</b>	<b>538.7</b>	<b>597.1</b>	<b>668.5</b>
<b>Nonresidential equipment</b> .....	<b>526.4</b>	<b>571.0</b>	<b>620.5</b>	<b>531.7</b>	<b>589.8</b>	<b>660.9</b>
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 <sup>1</sup> .....	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
<b>Residential equipment</b> .....	<b>7.3</b>	<b>7.6</b>	<b>8.0</b>	<b>7.0</b>	<b>7.3</b>	<b>7.7</b>
Residual .....				-9.4	-29.1	-59.0
<b>Addenda:</b>						
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.7.—Compensation and Wage and Salary Accruals by Industry

[Millions of dollars]

	Compensation			Wage and salary accruals				Compensation			Wage and salary accruals		
	1995	1996	1997	1995	1996	1997		1995	1996	1997	1995	1996	1997
<b>Total</b>	<b>4,208,870</b>	<b>4,409,048</b>	<b>4,687,227</b>	<b>3,441,903</b>	<b>3,640,421</b>	<b>3,893,552</b>							
<b>Domestic industries</b>	<b>4,211,572</b>	<b>4,411,780</b>	<b>4,690,309</b>	<b>3,444,605</b>	<b>3,643,153</b>	<b>3,896,634</b>							
<b>Private industries</b>	<b>3,387,953</b>	<b>3,563,288</b>	<b>3,812,807</b>	<b>2,821,887</b>	<b>3,002,276</b>	<b>3,232,458</b>							
<b>Agriculture, forestry, and fishing</b>	<b>36,988</b>	<b>39,623</b>	<b>42,006</b>	<b>31,941</b>	<b>34,535</b>	<b>36,611</b>							
Farms	15,627	16,457	16,849	13,336	14,203	14,408							
Agricultural services forestry, and fishing	21,361	23,166	25,157	18,605	20,332	22,203							
<b>Mining</b>	<b>32,857</b>	<b>33,639</b>	<b>36,046</b>	<b>26,809</b>	<b>27,658</b>	<b>29,935</b>							
Metal mining	3,148	3,352	3,321	2,515	2,705	2,684							
Coal mining	6,138	5,965	5,939	4,847	4,739	4,750							
Oil and gas extraction	18,932	19,544	21,742	15,635	16,257	18,292							
Nonmetallic minerals, except fuels	4,639	4,778	5,044	3,812	3,957	4,209							
<b>Construction</b>	<b>193,550</b>	<b>208,925</b>	<b>227,550</b>	<b>157,729</b>	<b>172,253</b>	<b>189,068</b>							
<b>Manufacturing</b>	<b>813,922</b>	<b>829,590</b>	<b>877,630</b>	<b>651,191</b>	<b>676,711</b>	<b>720,554</b>							
Durable goods	502,834	511,897	545,567	397,941	417,035	447,678							
Lumber and wood products	23,790	24,811	26,227	19,399	20,458	21,756							
Furniture and fixtures	15,441	15,756	16,788	12,583	12,986	13,921							
Stone, clay, and glass products	22,040	22,871	23,959	17,650	18,560	19,575							
Primary metal industries	37,102	37,598	38,722	27,962	28,845	29,866							
Fabricated metal products	58,501	59,883	63,405	46,796	48,517	51,797							
Industrial machinery and equipment	100,778	105,029	114,334	82,178	86,683	95,263							
Electronic and other electric equipment	77,006	80,699	87,277	62,580	66,392	72,555							
Motor vehicles and equipment	63,804	57,115	59,791	44,871	46,678	48,708							
Other transportation equipment	46,080	46,843	50,630	36,125	37,255	40,635							
Instruments and related products	45,513	47,940	50,404	36,963	39,428	41,746							
Miscellaneous manufacturing industries	12,979	13,352	14,030	10,834	11,233	11,856							
Nondurable goods	311,088	317,693	332,063	253,250	259,676	272,876							
Food and kindred products	60,983	62,316	64,563	49,508	50,745	52,843							
Tobacco products	2,932	2,993	3,030	2,209	2,281	2,316							
Textile mill products	18,924	18,787	19,457	15,691	15,629	16,196							
Apparel and other textile products	20,960	20,350	20,308	17,290	16,800	16,817							
Paper and allied products	32,886	33,561	34,808	27,039	27,649	28,797							
Printing and publishing	60,325	62,415	65,957	50,084	51,995	55,218							
Chemicals and allied products	65,201	67,460	71,577	52,485	54,617	58,427							
Petroleum and coal products	10,744	10,669	11,026	7,804	7,861	8,165							
Rubber and miscellaneous plastics products	35,262	36,423	38,620	28,771	29,852	31,845							
Leather and leather products	2,671	2,719	2,717	2,369	2,247	2,252							
<b>Transportation and public utilities</b>	<b>276,425</b>	<b>287,024</b>	<b>304,209</b>	<b>222,041</b>	<b>232,331</b>	<b>247,490</b>							
Transportation	150,390	157,500	166,582	119,055	125,919	133,889							
Railroad transportation	15,335	15,677	15,974	11,286	11,568	11,815							
Local and interurban passenger transit	9,303	10,002	10,559	7,662	8,287	8,794							
Trucking and warehousing	66,708	59,865	63,109	52,526	47,032	50,493							
Water transportation	7,931	7,961	8,541	6,324	6,485	6,939							
Transportation by air	35,720	48,000	51,066	28,408	39,214	41,309							
Pipelines, except natural gas	1,050	1,000	1,012	869	828	847							
Transportation services	14,443	14,995	16,321	11,981	12,505	13,692							
Communications	71,435	74,923	81,661	59,282	62,430	68,416							
Telephone and telegraph	53,990	55,989	61,698	44,650	46,500	51,605							
Radio and television	17,445	18,934	19,963	14,632	15,930	16,811							
Electric, gas, and sanitary services	54,600	54,601	55,966	43,704	43,982	45,185							
<b>Wholesale trade</b>	<b>276,103</b>	<b>289,402</b>	<b>310,690</b>	<b>234,475</b>	<b>246,964</b>	<b>266,289</b>							
<b>Retail trade</b>	<b>382,895</b>	<b>399,459</b>	<b>421,469</b>	<b>329,863</b>	<b>346,009</b>	<b>366,696</b>							
<b>Finance, insurance, and real estate</b>	<b>324,678</b>	<b>353,791</b>	<b>384,579</b>	<b>273,048</b>	<b>300,194</b>	<b>327,555</b>							
Depository institutions	80,121	84,098	88,915	65,613	69,512	73,794							
Nondepository institutions	21,684	25,075	29,586	18,319	21,307	25,387							
Security and commodity brokers	59,440	72,090	81,931	51,922	63,625	72,330							
Insurance carriers	72,682	75,941	79,931	60,182	63,383	66,907							
Insurance agents, brokers, and service	30,988	32,787	35,180	26,363	28,025	30,184							
Real estate	42,175	44,988	48,891	35,423	37,990	41,486							
Holding and other investment offices	17,588	18,812	20,145	15,226	16,352	17,467							
<b>Services</b>	<b>1,050,535</b>	<b>1,121,835</b>	<b>1,208,628</b>	<b>894,790</b>	<b>965,621</b>	<b>1,048,260</b>							
Hotels and other lodging places	35,640	37,432	39,606	30,319	32,135	34,275							
Personal services	23,836	24,872	26,058	20,757	21,831	23,021							
Business services	193,807	221,435	256,237	165,266	190,945	223,291							
Auto repair, services, and parking	27,784	30,242	32,184	23,798	26,180	28,354							
Miscellaneous repair services	11,239	12,059	12,493	9,646	10,445	11,075							
Motion pictures	16,864	18,613	20,060	14,412	16,030	17,444							
Amusement and recreation services	34,578	37,277	40,646	29,223	31,843	34,980							
Health services	344,286	357,093	372,635	289,645	303,770	319,192							
Legal services	58,219	60,101	63,231	49,738	51,862	54,852							
Educational services	51,938	54,476	57,683	44,001	46,704	49,737							
Social services and membership organizations	91,106	95,523	100,368	78,026	82,766	87,633							
Social services	45,464	47,864	51,087	37,970	40,468	43,581							
Membership organizations	45,642	47,659	49,281	40,056	42,298	44,052							
Other services <sup>1</sup>	149,417	160,769	175,437	128,396	139,425	153,175							
Private households	11,821	11,943	11,990	11,563	11,685	11,731							
<b>Government</b>	<b>823,619</b>	<b>848,492</b>	<b>877,502</b>	<b>622,718</b>	<b>640,877</b>	<b>664,176</b>							
Federal	258,024	263,137	266,971	174,778	175,633	177,508							
General government	207,395	211,310	213,508	140,441	140,449	141,405							
Civilian	124,063	125,217	127,483	84,825	85,622	86,375							
Military <sup>2</sup>	83,332	86,093	86,024	55,616	54,827	55,030							
Government enterprises	50,629	51,827	53,464	34,337	35,184	36,103							
State and local	565,595	585,355	610,531	447,940	465,244	486,668							
General government	527,777	546,998	571,175	417,438	434,225	454,783							
Education	278,320	290,385	304,733	218,026	228,386	240,478							
Other	249,457	256,613	266,442	199,412	205,839	214,307							
Government enterprises	37,818	38,357	39,356	30,502	31,019	31,885							
<b>Rest of the world</b>	<b>-2,702</b>	<b>-2,732</b>	<b>-3,082</b>	<b>-2,702</b>	<b>-2,732</b>	<b>-3,082</b>							
Receipts from the rest of the world	1,284	1,298	1,252	1,284	1,298	1,252							
Less: Payments to the rest of the world <sup>3</sup>	3,986	4,030	4,334	3,986	4,030	4,334							
<b>Addenda:</b>													
Households and institutions	331,370	345,034	361,412										
Nonfarm business	3,129,403	3,291,961	3,527,365										

1. Consists of museums, botanical and zoological gardens; engineering and management services; and services, not elsewhere classified.  
 2. Includes Coast Guard.  
 3. Beginning with 1993, includes estimates of foreign professional workers and undocumented Mexican

**Table B.8.—Employment by Industry**

[Thousands]

	Full-time and part-time employment			Persons engaged in production <sup>1</sup>				Full-time and part-time employment			Persons engaged in production <sup>1</sup>		
	1995	1996	1997	1995	1996	1997		1995	1996	1997	1995	1996	1997
<b>Total</b> .....	<b>124,576</b>	<b>127,015</b>	<b>129,980</b>	<b>121,660</b>	<b>123,917</b>	<b>126,751</b>							
<b>Domestic industries</b> .....	<b>125,146</b>	<b>127,567</b>	<b>130,567</b>	<b>122,148</b>	<b>124,390</b>	<b>127,254</b>							
<b>Private industries</b> .....	<b>103,188</b>	<b>105,606</b>	<b>108,498</b>	<b>103,795</b>	<b>106,057</b>	<b>108,851</b>							
<b>Agriculture, forestry, and fishing</b> .....	<b>2,004</b>	<b>2,079</b>	<b>2,133</b>	<b>3,403</b>	<b>3,360</b>	<b>3,345</b>							
Farms .....	868	870	876	2,000	1,859	1,846							
Agricultural services, forestry, and fishing .....	1,136	1,209	1,257	1,403	1,501	1,499							
<b>Mining</b> .....	<b>587</b>	<b>583</b>	<b>600</b>	<b>590</b>	<b>586</b>	<b>603</b>							
Metal mining .....	52	54	53	52	54	53							
Coal mining .....	106	99	97	103	97	95							
Oil and gas extraction .....	321	321	340	327	327	346							
Nonmetallic minerals, except fuels .....	108	109	110	108	108	109							
<b>Construction</b> .....	<b>5,386</b>	<b>5,671</b>	<b>5,951</b>	<b>6,657</b>	<b>6,956</b>	<b>7,247</b>							
<b>Manufacturing</b> .....	<b>18,591</b>	<b>18,575</b>	<b>18,758</b>	<b>18,636</b>	<b>18,583</b>	<b>18,773</b>							
Durable goods .....	10,722	10,835	11,054	10,822	10,915	11,134							
Lumber and wood products .....	790	801	819	866	859	865							
Furniture and fixtures .....	512	506	513	525	521	530							
Stone, clay, and glass products .....	541	546	555	549	564	565							
Primary metal industries .....	707	709	710	700	707	706							
Fabricated metal products .....	1,444	1,452	1,485	1,442	1,446	1,481							
Industrial machinery and equipment .....	2,070	2,116	2,173	2,084	2,095	2,171							
Electronic and other electric equipment .....	1,625	1,659	1,690	1,615	1,654	1,680							
Motor vehicles and equipment .....	970	967	983	963	960	976							
Other transportation equipment .....	817	821	858	816	820	855							
Instruments and related products .....	842	855	864	835	850	859							
Miscellaneous manufacturing industries .....	404	403	404	427	439	446							
Nondurable goods .....	7,869	7,740	7,704	7,814	7,668	7,639							
Food and kindred products .....	1,688	1,697	1,694	1,659	1,664	1,676							
Textile mill products .....	41	41	41	41	40	40							
Textile mill products .....	664	630	616	661	632	618							
Apparel and other textile products .....	945	874	829	951	881	831							
Paper and allied products .....	692	682	685	686	677	677							
Printing and publishing .....	1,570	1,565	1,577	1,560	1,536	1,560							
Chemicals and allied products .....	1,039	1,032	1,036	1,036	1,027	1,026							
Petroleum and coal products .....	143	139	137	142	138	135							
Rubber and miscellaneous plastics products .....	978	981	997	967	971	987							
Leather and leather products .....	109	99	92	111	102	89							
<b>Transportation and public utilities</b> .....	<b>6,176</b>	<b>6,294</b>	<b>6,462</b>	<b>6,178</b>	<b>6,320</b>	<b>6,469</b>							
Transportation .....	3,961	4,063	4,170	4,048	4,182	4,279							
Railroad transportation .....	232	224	220	220	212	208							
Local and interurban passenger transit .....	420	440	457	431	444	480							
Trucking and warehousing .....	1,912	1,658	1,704	2,051	1,854	1,877							
Water transportation .....	178	177	183	178	174	179							
Transportation by air .....	781	1,119	1,139	734	1,050	1,066							
Public utilities .....													
Pipelines, except natural gas .....	15	14	14	15	14	14							
Transportation services .....	423	431	453	419	434	455							
Communications .....	1,309	1,349	1,422	1,221	1,260	1,325							
Telephone and telegraph .....	916	937	1,004	852	874	939							
Radio and television .....	393	412	418	369	386	386							
Electric, gas, and sanitary services .....	906	882	870	909	878	865							
<b>Wholesale trade</b> .....	<b>6,476</b>	<b>6,561</b>	<b>6,740</b>	<b>6,563</b>	<b>6,595</b>	<b>6,735</b>							
<b>Retail trade</b> .....	<b>21,867</b>	<b>22,255</b>	<b>22,620</b>	<b>19,487</b>	<b>19,877</b>	<b>20,272</b>							
<b>Finance, insurance, and real estate</b> .....	<b>6,929</b>	<b>7,052</b>	<b>7,243</b>	<b>7,218</b>	<b>7,316</b>	<b>7,420</b>							
Depository institutions .....	2,023	2,018	2,028	1,937	1,923	1,922							
Nondepository institutions .....	463	513	573	466	506	562							
Security and commodity brokers .....	553	581	630	621	647	680							
Insurance carriers .....	1,500	1,505	1,522	1,451	1,449	1,459							
Insurance agents, brokers, and service .....	732	746	767	856	873	877							
Real estate .....	1,410	1,442	1,481	1,648	1,681	1,680							
Holding and other investment offices .....	248	247	242	239	237	231							
<b>Services</b> .....	<b>35,172</b>	<b>36,536</b>	<b>37,991</b>	<b>35,063</b>	<b>36,464</b>	<b>37,987</b>							
Hotels and other lodging places .....	1,757	1,794	1,828	1,594	1,631	1,673							
Personal services .....	1,300	1,317	1,323	1,783	1,812	1,802							
Business services .....	6,935	7,484	8,161	7,116	7,671	8,293							
Auto repair, services, and parking .....	1,132	1,205	1,245	1,362	1,480	1,507							
Miscellaneous repair services .....	374	389	389	593	575	588							
Motion pictures .....	507	539	563	544	572	594							
Amusement and recreation services .....	1,517	1,591	1,668	1,327	1,422	1,513							
Health services .....	9,572	9,813	10,033	8,909	9,174	9,404							
Legal services .....	1,056	1,063	1,083	1,173	1,147	1,203							
Educational services .....	2,073	2,134	2,196	1,913	1,980	2,017							
Social services and membership organizations .....	4,618	4,759	4,925	4,490	4,624	4,802							
Social services .....	2,435	2,515	2,622	2,675	2,758	2,887							
Membership organizations .....	2,183	2,244	2,303	1,815	1,866	1,915							
Other services <sup>2</sup> .....	3,050	3,202	3,344	3,440	3,580	3,803							
Private households .....	1,281	1,246	1,233	819	796	788							
<b>Government</b> .....	<b>21,958</b>	<b>21,961</b>	<b>22,069</b>	<b>18,353</b>	<b>18,333</b>	<b>18,403</b>							
Federal .....	5,552	5,396	5,263	4,564	4,415	4,307							
General government .....	4,570	4,398	4,282	3,764	3,614	3,513							
Civilian .....	2,026	1,952	1,899	2,026	1,952	1,899							
Military <sup>3</sup> .....	2,544	2,446	2,383	1,738	1,662	1,614							
Government enterprises .....	982	988	981	800	801	794							
State and local .....	16,406	16,575	16,806	13,789	13,918	14,096							
General government .....	15,482	15,662	15,905	12,903	13,042	13,230							
Education .....	8,383	8,536	8,751	6,765	6,880	7,044							
Other .....	7,099	7,126	7,154	6,138	6,162	6,186							
Government enterprises .....	924	913	901	886	876	866							
<b>Rest of the world</b> <sup>4</sup> .....	<b>-570</b>	<b>-552</b>	<b>-587</b>	<b>-488</b>	<b>-473</b>	<b>-503</b>							

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.9.—Wage and Salary Accruals Per Full-Time Equivalent Employee and Full-Time Equivalent Employees by Industry**

	Wages and salaries per full-time equivalent			Full-time equivalent employees				Wages and salaries per full-time equivalent			Full-time equivalent employees		
	Dollars			Thousands				Dollars			Thousands		
	1995	1996	1997	1995	1996	1997		1995	1996	1997	1995	1996	1997
<b>Total</b> <sup>1</sup>	<b>31,014</b>	<b>32,143</b>	<b>33,557</b>	<b>110,980</b>	<b>113,256</b>	<b>116,029</b>							
<b>Domestic industries</b>	<b>30,902</b>	<b>32,034</b>	<b>33,438</b>	<b>111,468</b>	<b>113,729</b>	<b>116,532</b>							
<b>Private industries</b>	<b>30,305</b>	<b>31,472</b>	<b>32,941</b>	<b>93,115</b>	<b>95,396</b>	<b>98,129</b>							
<b>Agriculture, forestry, and fishing</b>	<b>18,200</b>	<b>19,017</b>	<b>19,951</b>	<b>1,755</b>	<b>1,816</b>	<b>1,835</b>							
Farms	17,925	19,039	19,185	744	746	751							
Agricultural services, forestry, and fishing	18,403	19,002	20,482	1,011	1,070	1,084							
<b>Mining</b>	<b>46,624</b>	<b>48,353</b>	<b>50,910</b>	<b>575</b>	<b>572</b>	<b>588</b>							
Metal mining	48,365	50,093	50,642	52	54	53							
Coal mining	47,058	48,856	50,000	103	97	95							
Oil and gas extraction	49,635	51,610	54,931	315	315	333							
Nonmetallic minerals, except fuels	36,305	37,330	39,336	105	106	107							
<b>Construction</b>	<b>30,444</b>	<b>31,641</b>	<b>32,944</b>	<b>5,181</b>	<b>5,444</b>	<b>5,739</b>							
<b>Manufacturing</b>	<b>35,803</b>	<b>37,256</b>	<b>39,291</b>	<b>18,188</b>	<b>18,164</b>	<b>18,339</b>							
Durable goods	37,684	39,118	41,170	10,560	10,661	10,874							
Lumber and wood products	25,128	26,161	27,470	772	782	792							
Furniture and fixtures	25,066	26,129	27,786	502	497	501							
Stone, clay, and glass products	33,302	34,887	35,983	530	532	544							
Primary metal industries	40,118	40,973	42,363	697	704	705							
Fabricated metal products	32,932	34,047	35,453	1,421	1,425	1,461							
Industrial machinery and equipment	40,067	41,815	44,536	2,051	2,073	2,139							
Electronic and other electric equipment	38,966	40,384	43,420	1,606	1,644	1,671							
Motor vehicles and equipment	46,692	48,724	50,008	961	958	974							
Other transportation equipment	44,654	45,712	47,806	809	815	850							
Instruments and related products	44,695	46,771	49,113	827	843	850							
Miscellaneous manufacturing industries	28,214	28,951	30,636	384	388	387							
Nondurable goods	33,200	34,610	36,554	7,628	7,503	7,465							
Food and kindred products	30,151	30,680	32,007	1,642	1,654	1,651							
Tobacco products	53,878	57,025	57,900	41	40	40							
Textile mill products	23,992	25,046	26,551	654	624	610							
Apparel and other textile products	18,814	19,858	20,943	919	846	803							
Paper and allied products	39,531	40,901	42,726	684	676	674							
Printing and publishing	34,541	35,983	37,743	1,450	1,445	1,463							
Chemicals and allied products	51,105	53,546	57,338	1,027	1,020	1,019							
Petroleum and coal products	54,958	56,964	60,481	142	138	135							
Rubber and miscellaneous plastics products	29,907	30,935	32,462	962	965	981							
Leather and leather products	22,140	23,653	25,303	107	95	89							
<b>Transportation and public utilities</b>	<b>38,402</b>	<b>39,479</b>	<b>41,030</b>	<b>5,782</b>	<b>5,885</b>	<b>6,032</b>							
Transportation	32,264	33,285	34,507	3,690	3,783	3,880							
Railroad transportation	51,900	54,566	56,803	220	212	208							
Local and interurban passenger transit	19,953	20,614	21,038	384	402	418							
Trucking and warehousing	29,377	30,343	31,717	1,788	1,550	1,592							
Water transportation	37,868	39,066	40,579	167	166	171							
Transportation by air	39,022	37,597	38,934	728	1,043	1,061							
							Pipelines, except natural gas	57,867	59,143	60,500	15	14	14
							Transportation services	30,879	31,578	32,913	388	396	416
							Communications	49,525	50,756	52,872	1,197	1,230	1,294
							Telephone and telegraph	53,282	54,386	56,461	838	855	914
							Radio and television	40,758	42,480	44,239	359	375	380
							Electric, gas, and sanitary services	48,831	50,438	52,663	895	872	858
							<b>Wholesale trade</b>	<b>37,812</b>	<b>39,319</b>	<b>41,272</b>	<b>6,201</b>	<b>6,281</b>	<b>6,452</b>
							<b>Retail trade</b>	<b>18,296</b>	<b>18,823</b>	<b>19,562</b>	<b>18,029</b>	<b>18,382</b>	<b>18,745</b>
							<b>Finance, insurance, and real estate</b>	<b>41,674</b>	<b>45,237</b>	<b>48,283</b>	<b>6,552</b>	<b>6,636</b>	<b>6,784</b>
							Depository institutions	33,909	36,185	38,414	1,935	1,921	1,921
							Nondepository institutions	41,074	43,395	46,496	446	491	546
							Security and commodity brokers	97,598	114,228	120,349	532	557	601
							Insurance carriers	41,476	43,743	45,858	1,451	1,449	1,459
							Insurance agents, brokers, and services	37,824	39,639	41,691	697	707	724
							Real estate	28,293	29,819	31,863	1,252	1,274	1,302
							Holding and other investment offices	63,707	68,996	75,615	239	237	231
							<b>Services</b>	<b>29,003</b>	<b>29,973</b>	<b>31,184</b>	<b>30,852</b>	<b>32,216</b>	<b>33,615</b>
							Hotels and other lodging places	19,920	20,586	21,435	1,522	1,561	1,599
							Personal services	18,224	18,787	19,863	1,139	1,162	1,159
							Business services	25,936	27,774	29,622	6,372	6,875	7,538
							Auto repair, services, and parking	22,430	23,046	23,795	1,061	1,136	1,179
							Miscellaneous repair services	28,122	29,176	30,208	343	358	360
							Motion pictures	36,579	38,076	39,466	394	421	442
							Amusement and recreation services	23,778	24,589	25,664	1,229	1,295	1,363
							Health services	34,092	34,606	35,529	8,496	8,778	8,984
							Legal services	53,082	54,939	57,019	937	944	962
							Educational services	24,459	25,083	26,013	1,799	1,862	1,912
							Social services and membership organizations	19,839	20,361	20,771	3,933	4,065	4,219
							Social services	17,927	18,403	18,915	2,118	2,199	2,304
							Membership organizations	22,069	22,668	23,004	1,815	1,866	1,915
							Other services <sup>2</sup>	45,725	47,055	49,252	2,808	2,963	3,110
							Private households	14,118	14,680	14,887	819	796	788
							<b>Government</b>	<b>33,930</b>	<b>34,958</b>	<b>36,091</b>	<b>18,353</b>	<b>18,333</b>	<b>18,403</b>
							Federal	38,295	39,781	41,214	4,564	4,415	4,307
							General government	37,312	38,862	40,252	3,764	3,614	3,513
							Civilian	41,868	43,864	45,484	2,026	1,952	1,899
							Military <sup>3</sup>	32,000	32,989	34,095	1,738	1,662	1,614
							Government enterprises	42,921	43,925	45,470	800	801	794
							State and local	32,485	33,428	34,525	13,789	13,918	14,096
							General government	32,352	33,294	34,375	12,903	13,042	13,230
							Education	32,229	33,196	34,139	6,765	6,880	7,044
							Other	32,488	33,405	34,644	6,138	6,162	6,186
							Government enterprises	34,427	35,410	36,819	886	876	866
							<b>Rest of the world</b> <sup>4</sup>				<b>-488</b>	<b>-473</b>	<b>-503</b>

1. Full-time equivalent employees equals the number of employees on full-time schedules plus the number of employees on part-time schedules converted to a full-time basis. The number of full-time equivalent employees in each industry is the product of the total number of employees and the ratio of average weekly hours per employee to all employees to average weekly hours per employee on full-time schedules.  
 2. Consists of museums, botanical and zoological gardens; engineering and management services; and services.  
 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), not elsewhere classified.

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
<b>Farm output</b> .....	<b>196.7</b>	<b>222.1</b>	<b>225.3</b>	<b>190.7</b>	<b>195.7</b>	<b>208.3</b>
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
<b>Less: Intermediate goods and services</b>						
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
<b>Equals: Gross farm product</b> .....	<b>72.3</b>	<b>91.6</b>	<b>90.2</b>	<b>72.0</b>	<b>78.6</b>	<b>90.3</b>
<b>Less: Consumption of fixed capital</b> .....	<b>24.8</b>	<b>25.8</b>	<b>26.6</b>	<b>22.8</b>	<b>23.2</b>	<b>23.7</b>
<b>Equals: Net farm product</b> .....	<b>47.5</b>	<b>65.9</b>	<b>63.6</b>	<b>49.0</b>	<b>55.2</b>	<b>66.6</b>
<b>Less: Indirect business tax and nontax liability</b> .....	5.1	5.1	5.5			
<b>Plus: Subsidies to operators</b> .....	6.1	6.1	6.2			
<b>Equals: Farm national income</b> .....	<b>48.4</b>	<b>66.9</b>	<b>64.4</b>			
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 CCAAdj .....	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. CCAAdj 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
<b>Housing output</b> <sup>1</sup> .....	<b>723.1</b>	<b>758.4</b>	<b>799.8</b>	<b>663.9</b>	<b>675.8</b>	<b>692.6</b>
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
<b>Less: Intermediate goods and services consumed</b> .....	88.5	91.1	95.3	82.1	82.7	83.8
<b>Equals: Gross housing product</b> .....	<b>634.6</b>	<b>667.2</b>	<b>704.5</b>	<b>581.8</b>	<b>593.0</b>	<b>608.7</b>
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
<b>Less: Consumption of fixed capital</b> .....	115.9	119.6	126.2	103.7	104.6	107.2
Capital consumption allowances .....	59.7	63.0	67.1			
Less: CCAAdj .....	-56.2	-56.5	-59.1			
<b>Equals: Net housing product</b> .....	<b>518.7</b>	<b>547.7</b>	<b>578.3</b>	<b>478.3</b>	<b>488.7</b>	<b>501.7</b>
<b>Less: Indirect business tax and nontax liability plus business transfer payments</b> ..	116.0	119.9	123.5			
<b>Plus: Subsidies less current surplus of government enterprises</b> .....	20.8	21.9	22.3			
<b>Equals: Housing national income</b> .....	<b>423.5</b>	<b>449.6</b>	<b>477.1</b>			
Compensation of employees .....	8.1	8.5	9.1			
Proprietors' income with IVA and CCAAdj ...	25.0	26.5	27.9			
Rental income of persons with CCAAdj .....	105.2	119.7	127.7			
Corporate profits with IVA and CCAAdj .....	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. CCAAdj Capital consumption adjustment  
IVA Inventory valuation adjustment

Table B.12.—Net Stock of Fixed Private Capital, by Type

[Yearend estimates]

	Current-cost valuation (billions of dollars)						Chain-type quantity indexes (1992=100)					
	1992	1993	1994	1995	1996	1997	1992	1993	1994	1995	1996	1997
<b>Fixed private capital</b> .....	<b>13,484.1</b>	<b>14,198.8</b>	<b>15,064.5</b>	<b>15,736.1</b>	<b>16,496.7</b>	<b>17,316.3</b>	<b>100.00</b>	<b>101.94</b>	<b>104.15</b>	<b>106.66</b>	<b>109.50</b>	<b>112.54</b>
<b>Private producers' durable equipment</b> .....	<b>2,642.7</b>	<b>2,742.1</b>	<b>2,881.7</b>	<b>3,040.9</b>	<b>3,180.1</b>	<b>3,322.9</b>	<b>100.00</b>	<b>102.74</b>	<b>106.62</b>	<b>111.65</b>	<b>117.49</b>	<b>124.32</b>
<b>Nonresidential equipment</b> .....	<b>2,590.0</b>	<b>2,686.7</b>	<b>2,823.1</b>	<b>2,980.2</b>	<b>3,116.5</b>	<b>3,257.8</b>	<b>100.00</b>	<b>102.72</b>	<b>106.61</b>	<b>111.67</b>	<b>117.55</b>	<b>124.32</b>
Information processing and related equipment .....	629.0	650.4	673.8	691.7	724.0	768.3	100.00	106.40	113.96	124.85	139.04	155.94
Office, computing, and accounting machinery .....	120.7	128.3	138.5	149.3	159.1	170.9	100.00	120.18	144.51	187.01	253.74	345.30
Computers and peripheral equipment .....	101.0	107.9	118.0	128.4	138.2	149.4	100.00	124.20	154.49	208.02	295.81	419.64
Other office equipment .....	19.7	20.4	20.6	20.9	20.9	21.5	100.00	101.27	101.08	103.44	104.23	107.17
Communication equipment .....	330.8	333.0	335.3	332.2	346.8	372.7	100.00	102.41	106.50	112.65	120.48	129.70
Instruments .....	109.9	117.9	124.1	130.5	135.8	140.8	100.00	105.34	109.32	112.62	116.24	120.90
Photocopy and related equipment .....	67.5	71.2	75.8	79.7	82.4	83.9	100.00	104.27	109.02	112.48	114.89	118.15
Industrial equipment .....	916.8	945.7	991.4	1,052.5	1,090.1	1,127.0	100.00	101.38	103.55	106.41	109.17	112.33
Fabricated metal products .....	86.7	87.0	90.3	96.1	99.1	102.9	100.00	100.07	100.95	102.07	103.43	104.89
Engines and turbines .....	51.8	53.2	56.8	58.3	59.7	60.3	100.00	102.12	104.56	105.22	105.88	105.19
Steam engines .....	47.1	48.2	51.5	52.5	53.7	54.1	100.00	102.13	104.33	104.65	104.99	103.91
Internal combustion engines .....	4.7	5.0	5.4	5.7	6.0	6.2	100.00	102.06	106.76	110.74	114.51	117.60
Metalworking machinery .....	168.8	174.4	183.0	196.9	205.6	214.6	100.00	100.48	102.74	106.22	109.57	113.95
Special industry machinery, n.e.c. ....	199.4	207.5	218.2	232.9	243.2	251.2	100.00	101.85	104.03	107.82	110.85	113.94
General industrial, including materials handling, equipment .....	189.0	194.9	202.5	211.8	220.5	228.6	100.00	100.70	102.25	104.43	107.17	110.34
Electrical transmission, distribution, and industrial apparatus .....	221.0	228.7	240.5	256.5	262.1	269.4	100.00	102.57	105.65	108.97	112.09	115.96
Transportation and related equipment .....	510.0	538.9	581.2	626.6	661.8	692.3	100.00	102.30	106.91	111.71	117.10	123.22
Trucks, buses, and truck trailers .....	169.1	185.5	210.1	236.2	260.6	282.3	100.00	105.33	115.39	126.93	140.35	154.34
Autos .....	107.6	111.7	124.6	130.5	137.0	138.8	100.00	100.93	109.20	112.47	116.34	118.77
Aircraft .....	121.2	127.1	129.2	136.3	140.1	146.2	100.00	102.25	100.57	101.75	102.22	106.08
Ships and boats .....	45.1	45.6	44.7	44.8	45.3	45.5	100.00	98.25	95.33	92.92	91.48	90.14
Railroad equipment .....	67.1	69.0	72.7	78.7	78.7	79.4	100.00	99.65	100.79	102.33	103.55	105.16
Other equipment .....	534.2	551.8	576.6	609.4	640.6	670.2	100.00	101.19	103.29	106.40	110.23	114.82
Furniture and fixtures .....	146.1	153.8	163.0	175.7	186.5	196.7	100.00	103.04	105.84	110.44	115.22	120.87
Household furniture .....	9.1	9.4	9.7	10.2	10.6	11.0	100.00	100.43	101.74	104.11	107.37	110.86
Other furniture .....	137.0	144.4	153.3	165.5	175.9	185.7	100.00	103.21	106.12	110.86	115.73	121.53
Tractors .....	54.1	55.1	57.2	59.2	60.7	62.6	100.00	99.71	101.34	103.29	105.24	108.10
Farm tractors .....	42.4	43.2	45.1	47.2	48.4	49.8	100.00	100.28	102.61	105.77	108.05	111.31
Construction tractors .....	11.7	11.9	12.1	12.0	12.4	12.8	100.00	97.68	96.85	94.52	95.31	96.82
Agricultural machinery, except tractors .....	64.9	65.6	67.1	70.4	72.7	74.9	100.00	98.79	99.07	100.63	102.46	104.81
Construction machinery, except tractors .....	66.0	66.8	69.6	73.0	77.3	82.2	100.00	99.09	100.51	102.97	106.75	111.41
Mining and oilfield machinery .....	15.3	14.6	14.0	13.8	13.5	13.5	100.00	93.67	87.79	83.98	80.12	79.64
Service industry machinery .....	60.3	61.0	64.5	69.1	73.5	77.0	100.00	99.38	103.02	107.23	112.34	116.49
Electrical equipment, n.e.c. ....	44.6	47.2	48.9	50.8	52.6	55.0	100.00	104.87	107.43	110.80	116.00	122.92
Household appliances .....	4.6	4.7	4.9	5.2	5.4	5.6	100.00	101.98	104.43	108.68	113.47	118.62
Other .....	40.1	42.5	44.0	45.6	47.2	49.5	100.00	105.20	107.77	111.04	116.28	123.41
Other nonresidential equipment .....	83.0	87.7	92.4	97.5	103.8	108.2	100.00	103.18	106.40	109.67	114.50	120.05
<b>Residential equipment</b> .....	<b>52.6</b>	<b>55.4</b>	<b>58.6</b>	<b>60.6</b>	<b>63.6</b>	<b>65.1</b>	<b>100.00</b>	<b>103.36</b>	<b>107.18</b>	<b>111.08</b>	<b>115.01</b>	<b>119.30</b>
<b>Private structures</b> .....	<b>10,841.4</b>	<b>11,456.7</b>	<b>12,182.8</b>	<b>12,695.2</b>	<b>13,316.6</b>	<b>13,993.3</b>	<b>100.00</b>	<b>101.75</b>	<b>103.57</b>	<b>105.50</b>	<b>107.67</b>	<b>109.92</b>
<b>Nonresidential structures</b> .....	<b>4,302.7</b>	<b>4,528.9</b>	<b>4,775.6</b>	<b>4,976.9</b>	<b>5,194.7</b>	<b>5,467.5</b>	<b>100.00</b>	<b>101.16</b>	<b>102.20</b>	<b>103.84</b>	<b>105.29</b>	<b>107.09</b>
Nonresidential buildings, excluding farm .....	2,686.1	2,834.9	3,011.3	3,145.6	3,306.1	3,512.9	100.00	101.38	102.97	105.07	107.51	110.20
Industrial buildings .....	613.0	636.2	673.6	700.9	730.0	763.0	100.00	100.17	101.44	103.06	104.48	105.37
Office buildings <sup>1</sup> .....	625.4	670.1	707.8	735.3	768.9	816.0	100.00	101.51	102.54	104.07	105.99	108.47
Commercial buildings .....	678.7	717.2	765.0	803.6	851.2	909.1	100.00	101.96	103.93	106.60	109.91	113.27
Mobile structures .....	6.6	7.2	7.9	8.3	8.7	9.1	100.00	101.54	103.27	105.22	107.71	110.77
Other commercial <sup>2</sup> .....	672.1	710.1	757.1	795.3	842.5	900.1	100.00	101.97	103.94	106.62	109.94	113.30
Religious buildings .....	123.5	129.4	136.6	141.4	147.0	155.3	100.00	101.10	102.06	103.23	104.46	106.47
Educational buildings .....	108.0	114.7	123.5	130.2	138.9	150.9	100.00	102.47	105.40	108.63	112.85	118.26
Hospital and institutional buildings .....	259.8	276.7	297.9	314.6	330.5	351.8	100.00	102.72	105.71	109.12	111.58	114.56
Other .....	277.6	290.6	307.0	319.5	339.7	366.8	100.00	100.79	101.88	103.73	107.33	111.81
Hotels and motels .....	139.2	145.9	153.7	161.0	173.4	189.5	100.00	101.03	101.79	104.22	109.23	115.14
Amusement and recreational buildings .....	70.2	73.7	78.6	83.2	89.3	97.7	100.00	101.25	103.20	106.80	111.56	117.76
Other nonfarm buildings <sup>3</sup> .....	68.2	71.0	74.7	75.3	77.0	79.6	100.00	99.84	100.73	99.59	99.09	98.86
Utilities .....	1,062.0	1,120.2	1,159.7	1,204.1	1,235.7	1,269.3	100.00	100.59	100.76	101.39	101.98	102.25
Railroad .....	272.4	290.1	294.0	300.3	312.4	315.5	100.00	99.08	98.22	97.40	96.83	96.42
Telecommunications .....	185.3	194.0	204.8	221.6	233.1	239.2	100.00	101.66	103.71	105.97	108.19	110.18
Electric light and power .....	423.8	443.4	459.6	476.8	482.3	496.5	100.00	100.86	100.77	101.42	102.12	102.14
Gas .....	143.1	153.0	160.0	163.8	166.1	174.2	100.00	101.42	101.99	103.47	104.02	104.18
Petroleum pipelines .....	37.5	39.6	41.2	41.6	41.9	43.8	100.00	100.18	100.25	100.10	100.13	100.00
Farm related buildings and structures .....	183.5	194.3	201.6	204.6	209.2	215.8	100.00	102.10	101.29	100.41	99.99	99.50
Mining exploration, shafts, and wells .....	259.0	260.1	274.5	284.2	299.0	316.3	100.00	99.14	98.31	97.06	96.20	96.38
Petroleum and natural gas .....	229.3	229.2	241.6	250.6	264.4	280.1	100.00	98.97	97.82	96.42	95.44	95.55
Other mining .....	29.7	31.0	32.9	33.7	34.6	36.2	100.00	100.48	101.99	101.90	102.08	102.87
Other nonfarm structures <sup>4</sup> .....	112.1	119.4	128.4	138.4	144.7	153.3	100.00	104.32	107.95	111.12	113.15	115.61
<b>Residential structures</b> .....	<b>6,538.7</b>	<b>6,927.8</b>	<b>7,407.2</b>	<b>7,718.3</b>	<b>8,121.9</b>	<b>8,525.9</b>	<b>100.00</b>	<b>102.14</b>	<b>104.47</b>	<b>106.72</b>	<b>109.25</b>	<b>111.79</b>
Housing units .....	5,327.0	5,667.3	6,078.4	6,320.3	6,641.2	6,965.1	100.00	102.00	104.20	106.34	108.79	111.29
Permanent site .....	5,226.1	5,557.9	5,956.2	6,187.9	6,499.9	6,815.5	100.00	102.00	104.17	106.27	108.66	111.10
1-to-4-unit .....	4,465.3	4,796.1	5,182.3	5,395.1	5,673.3	5,960.2	100.00	102.37	105.01	107.35	110.00	112.69
5-or-more-unit .....	760.7	761.9	773.8	792.8	826.6	855.3	100.00	99.78	99.05	99.61	100.39	101.31
Mobile homes .....	100.9	109.4	122.2	132.4	141.3	149.6	100.00	102.02	105.06	110.08	115.22	120.49
Improvements .....	1,185.1	1,232.6	1,299.8	1,368.8	1,450.8	1,529.9	100.00	102.83	105.87	108.67	111.64	114.46
Other residential <sup>5</sup> .....	26.6	27.8	29.0	29.3	29.9	30.8	100.00	99.67	98.53	97		

### C. Historical Tables

The tables in this section are derived from the “Summary National Income and Product Series” tables that were published in the August 1998 issue of the SURVEY OF CURRENT BUSINESS and from the “Selected NIPA Tables” that are published in this issue. (Changes in prices are calculated from indexes expressed to three decimal places.)

**Table C.1.—Historical Measures of Real Gross Domestic Product, Real Gross National Product, and Real Gross Domestic Purchases**  
 [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
1959	2,210.2	2,206.9	2,222.0	7.4	6.5	22.95	22.44	22.95	22.96	1.0	1.0	1.0	1.0
1960	2,262.9	2,264.2	2,276.0	2.4	2.6	23.27	22.75	23.27	23.28	1.4	1.4	1.4	1.4
1961	2,314.3	2,318.0	2,329.1	2.3	2.4	23.54	23.00	23.54	23.55	1.2	1.1	1.2	1.2
1962	2,454.8	2,445.4	2,471.5	6.1	5.5	23.84	23.28	23.84	23.85	1.3	1.2	1.3	1.3
1963	2,559.4	2,552.4	2,577.3	4.3	4.4	24.12	23.58	24.12	24.13	1.2	1.3	1.2	1.2
1964	2,708.4	2,705.1	2,727.8	5.8	6.0	24.48	23.94	24.48	24.49	1.5	1.6	1.5	1.5
1965	2,881.1	2,860.4	2,901.4	6.4	5.7	24.95	24.39	24.96	24.97	1.9	1.9	2.0	2.0
1966	3,069.2	3,033.5	3,087.8	6.5	6.1	25.66	25.07	25.67	25.68	2.8	2.8	2.8	2.8
1967	3,147.2	3,125.1	3,166.4	2.5	3.0	26.48	25.83	26.49	26.50	3.2	3.0	3.2	3.2
1968	3,293.9	3,278.0	3,314.5	4.7	4.9	27.64	26.95	27.64	27.66	4.4	4.3	4.4	4.4
1969	3,393.6	3,377.2	3,413.3	3.0	3.0	28.94	28.21	28.94	28.96	4.7	4.7	4.7	4.7
1970	3,397.6	3,406.5	3,417.1	.1	.9	30.48	29.73	30.48	30.50	5.3	5.4	5.3	5.3
1971	3,510.0	3,499.8	3,532.1	3.3	2.7	32.05	31.32	32.06	32.08	5.2	5.3	5.2	5.2
1972	3,702.3	3,689.5	3,726.3	5.5	5.4	33.42	32.71	33.42	33.44	4.2	4.5	4.2	4.2
1973	3,916.3	3,883.9	3,950.1	5.8	5.3	35.30	34.64	35.30	35.32	5.6	5.9	5.6	5.6
1974	3,891.2	3,873.4	3,930.2	-6	-3	38.46	38.17	38.47	38.49	8.9	10.2	9.0	8.9
1975	3,873.9	3,906.4	3,903.3	-4	.9	42.09	41.72	42.09	42.11	9.4	9.3	9.4	9.4
1976	4,082.9	4,061.7	4,118.8	5.4	4.0	44.55	44.15	44.55	44.58	5.8	5.8	5.8	5.9
1977	4,273.6	4,240.8	4,314.5	4.7	4.4	47.42	47.18	47.43	47.46	6.5	6.9	6.5	6.5
1978	4,503.0	4,464.4	4,543.7	5.4	5.3	50.88	50.65	50.89	50.92	7.3	7.4	7.3	7.3
1979	4,630.6	4,614.4	4,687.4	2.8	3.4	55.22	55.22	55.23	55.26	8.5	9.0	8.5	8.5
1980	4,615.0	4,641.9	4,670.8	-3	.6	60.34	61.10	60.33	60.36	9.3	10.7	9.2	9.2
1981	4,720.7	4,691.6	4,769.9	2.3	1.1	66.01	66.72	66.01	66.05	9.4	9.2	9.4	9.4
1982	4,620.3	4,651.2	4,662.0	-2.1	-9	70.18	70.64	70.17	70.21	6.3	5.9	6.3	6.3
1983	4,803.7	4,821.2	4,844.8	4.0	3.7	73.16	73.31	73.16	73.20	4.3	3.8	4.3	4.3
1984	5,140.1	5,061.6	5,178.0	7.0	5.0	75.92	75.90	75.92	75.97	3.8	3.5	3.8	3.8
1985	5,323.5	5,296.9	5,346.7	3.6	4.6	78.53	78.34	78.53	78.57	3.4	3.2	3.4	3.4
1986	5,487.7	5,480.9	5,501.2	3.1	3.5	80.58	80.40	80.58	80.62	2.6	2.6	2.6	2.6
1987	5,649.5	5,626.0	5,658.2	2.9	2.6	83.06	83.11	83.06	83.09	3.1	3.4	3.1	3.1
1988	5,865.2	5,855.1	5,878.5	3.8	4.1	86.10	86.13	86.09	86.12	3.7	3.6	3.7	3.7
1989	6,062.0	6,028.7	6,075.7	3.4	3.0	89.72	89.78	89.72	89.75	4.2	4.2	4.2	4.2
1990	6,136.3	6,126.7	6,157.0	1.2	1.6	93.64	93.83	93.60	93.63	4.4	4.5	4.3	4.3
1991	6,079.4	6,082.6	6,094.9	-9	-7	97.32	97.30	97.32	97.33	3.9	3.7	4.0	4.0
1992	6,244.4	6,237.4	6,255.5	2.7	2.5	100.00	100.00	100.00	100.00	2.8	2.8	2.8	2.8
1993	6,389.6	6,368.9	6,408.0	2.3	2.1	102.64	102.48	102.64	102.63	2.6	2.5	2.6	2.6
1994	6,610.7	6,551.2	6,619.1	3.5	2.9	105.09	104.85	105.09	105.08	2.4	2.3	2.4	2.4
1995	6,761.7	6,731.7	6,779.5	2.3	2.8	107.51	107.28	107.51	107.49	2.3	2.3	2.3	2.3
1996	6,994.8	6,961.6	7,008.4	3.4	3.4	109.54	109.18	109.53	109.50	1.9	1.8	1.9	1.9
1997	7,269.8	7,203.7	7,266.2	3.9	3.5	111.57	110.92	111.57	111.52	1.9	1.6	1.9	1.8
1998	7,551.9	7,491.3	7,537.8	3.9	4.0	112.71	111.54	112.70	112.64	1.0	.6	1.0	1.0
1999: I	2,165.5	2,165.5	2,176.2	8.6	9.2	22.86	22.35	22.92	22.93	.8	1.1	.8	.8
II	2,223.3	2,204.2	2,234.5	11.2	7.3	22.92	22.41	22.91	22.91	1.1	1.1	-.3	-.3
III	2,221.4	2,232.6	2,233.5	-3	5.3	22.96	22.45	22.94	22.95	.7	.7	.6	.6
IV	2,231.0	2,225.3	2,243.9	1.7	-1.3	23.05	22.53	23.03	23.04	1.5	1.5	1.6	1.6
1960: I	2,279.2	2,248.5	2,291.6	8.9	4.2	23.10	22.57	23.13	23.14	.9	.8	1.8	1.9
II	2,265.5	2,268.4	2,278.2	-2.4	3.6	23.21	22.69	23.22	23.23	2.0	2.1	1.5	1.5
III	2,268.3	2,265.1	2,281.6	.5	-6	23.32	22.80	23.32	23.33	2.0	2.0	1.7	1.7
IV	2,238.6	2,274.7	2,252.7	-5.1	1.7	23.44	22.92	23.40	23.41	2.1	2.1	1.4	1.4
1961: I	2,251.7	2,277.7	2,266.8	2.4	.5	23.48	22.96	23.45	23.46	.7	.6	.9	.9
II	2,292.0	2,301.1	2,306.3	7.4	4.2	23.51	22.97	23.51	23.52	.5	.2	1.0	1.0
III	2,332.6	2,320.4	2,347.1	7.3	3.4	23.55	23.01	23.56	23.57	.7	.7	.8	.8
IV	2,381.0	2,372.8	2,395.9	8.6	9.3	23.61	23.06	23.63	23.64	1.1	.9	1.2	1.2
1962: I	2,422.6	2,400.3	2,437.4	7.2	4.7	23.73	23.17	23.75	23.76	2.0	1.9	2.0	2.0
II	2,448.0	2,440.7	2,464.4	4.3	6.9	23.80	23.24	23.81	23.81	1.1	1.4	1.0	1.0
III	2,471.9	2,462.0	2,488.4	4.0	3.5	23.86	23.31	23.87	23.87	1.1	1.1	1.0	1.0
IV	2,476.7	2,478.7	2,495.9	.8	2.7	23.96	23.41	23.94	23.95	1.7	1.8	1.2	1.2
1963: I	2,508.7	2,492.4	2,526.9	5.3	2.2	24.03	23.48	24.00	24.01	1.2	1.3	1.1	1.1
II	2,538.1	2,533.8	2,555.5	4.8	6.8	24.07	23.53	24.07	24.08	.6	.8	1.1	1.1
III	2,586.3	2,578.0	2,604.0	7.8	7.2	24.11	23.58	24.12	24.13	.7	.9	.8	.8
IV	2,604.6	2,605.3	2,622.9	2.9	4.3	24.26	23.72	24.29	24.30	2.4	2.5	3.0	3.0
1964: I	2,666.7	2,663.1	2,686.8	9.9	9.2	24.33	23.80	24.35	24.36	1.2	1.3	.9	.9
II	2,697.5	2,695.0	2,716.8	4.7	4.9	24.41	23.89	24.41	24.42	1.3	1.5	.9	.9
III	2,729.6	2,727.6	2,749.5	4.8	4.9	24.53	23.99	24.52	24.53	1.9	1.8	1.8	1.8
IV	2,739.7	2,734.5	2,758.1	1.5	1.0	24.64	24.09	24.64	24.65	1.8	1.6	2.1	2.1
1965: I	2,808.9	2,777.2	2,830.0	10.5	6.4	24.76	24.19	24.77	24.78	2.0	1.6	2.0	2.0
II	2,846.3	2,826.7	2,868.2	5.4	7.3	24.88	24.31	24.88	24.89	2.0	2.0	1.9	1.9
III	2,898.8	2,879.8	2,918.9	7.6	7.7	25.01	24.44	25.01	25.02	2.1	2.2	2.1	2.1
IV	2,970.5	2,957.8	2,988.6	10.3	11.3	25.16	24.61	25.17	25.18	2.5	2.8	2.6	2.6
1966: I	3,042.4	3,008.8	3,061.1	10.0	7.1	25.30	24.73	25.32	25.34	2.2	1.9	2.5	2.5
II	3,055.5	3,023.1	3,074.2	1.7	1.9	25.50	24.93	25.53	25.54	3.2	3.2	3.2	3.3
III	3,078.5	3,047.2	3,094.7	2.8	3.2	25.82	25.22	25.79	25.81	5.1	4.8	4.2	4.2
IV	3,102.4	3,054.8	3,121.4	3.4	1.0	26.03	25.41	26.02	26.03	3.4	3.1	3.5	3.5

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
1967: I .....	3,127.2	3,085.6	3,145.9	3.2	4.1	26.16	25.52	26.14	26.15	2.0	1.6	1.9	2.0
II .....	3,129.5	3,119.0	3,147.7	.3	4.4	26.32	25.67	26.31	26.32	2.5	2.5	2.5	2.5
III .....	3,154.2	3,134.2	3,174.4	3.2	2.0	26.57	25.92	26.60	26.61	3.9	3.9	4.5	4.5
IV .....	3,178.0	3,161.5	3,197.5	3.1	3.5	26.87	26.21	26.90	26.91	4.6	4.5	4.6	4.6
1968: I .....	3,236.2	3,225.3	3,256.2	7.5	8.3	27.19	26.52	27.21	27.22	4.8	4.9	4.7	4.8
II .....	3,292.1	3,258.0	3,312.5	7.1	4.1	27.50	26.80	27.49	27.50	4.5	4.2	4.1	4.1
III .....	3,316.1	3,303.9	3,337.3	3.0	5.8	27.75	27.06	27.75	27.76	3.7	4.0	3.8	3.8
IV .....	3,331.2	3,325.1	3,352.2	1.8	2.6	28.12	27.43	28.12	28.13	5.5	5.5	5.5	5.5
1969: I .....	3,381.9	3,357.5	3,402.8	6.2	4.0	28.38	27.66	28.39	28.40	3.7	3.5	3.8	3.9
II .....	3,390.2	3,373.0	3,410.3	1.0	1.9	28.74	28.02	28.73	28.75	5.2	5.3	5.0	5.0
III .....	3,409.7	3,389.6	3,428.5	2.3	2.0	29.14	28.40	29.14	29.16	5.7	5.6	5.8	5.8
IV .....	3,392.6	3,386.9	3,411.4	-2.0	-1	29.51	28.77	29.51	29.52	5.2	5.2	5.1	5.1
1970: I .....	3,386.5	3,397.6	3,406.0	-7	1.0	29.92	29.18	29.94	29.95	5.7	5.9	6.0	6.0
II .....	3,391.6	3,391.9	3,411.9	-6	-7	30.36	29.59	30.36	30.37	6.0	5.8	5.7	5.7
III .....	3,423.0	3,421.9	3,442.9	3.7	3.6	30.60	29.87	30.61	30.63	3.2	3.8	3.4	3.4
IV .....	3,389.4	3,414.8	3,407.4	-3.9	-8	31.02	30.29	31.02	31.03	5.6	5.7	5.4	5.4
1971: I .....	3,481.4	3,458.9	3,503.3	11.3	5.3	31.50	30.75	31.50	31.52	6.3	6.2	6.4	6.4
II .....	3,500.9	3,481.2	3,524.3	2.3	2.6	31.93	31.18	31.93	31.94	5.7	5.7	5.5	5.5
III .....	3,523.8	3,509.4	3,544.7	2.6	3.3	32.25	31.52	32.27	32.29	4.1	4.5	4.4	4.4
IV .....	3,533.8	3,549.5	3,556.0	1.1	4.7	32.53	31.81	32.54	32.55	3.5	3.7	3.3	3.3
1972: I .....	3,604.7	3,608.0	3,627.9	8.3	6.8	33.01	32.28	33.02	33.03	6.0	6.0	6.0	6.1
II .....	3,687.9	3,665.7	3,710.7	9.6	6.5	33.23	32.53	33.20	33.22	2.6	3.1	2.2	2.2
III .....	3,726.2	3,700.0	3,751.2	4.2	3.8	33.50	32.82	33.49	33.51	3.3	3.6	3.5	3.5
IV .....	3,790.4	3,784.3	3,815.3	7.1	9.4	33.93	33.23	33.95	33.97	5.2	5.1	5.6	5.6
1973: I .....	3,892.2	3,867.0	3,921.5	11.2	9.0	34.38	33.69	34.36	34.38	5.5	5.6	5.0	5.0
II .....	3,919.0	3,884.5	3,950.4	2.8	1.8	34.96	34.33	34.94	34.96	6.9	7.8	6.9	6.9
III .....	3,907.1	3,890.9	3,944.1	-1.2	.7	35.63	34.95	35.61	35.63	7.8	7.5	7.9	7.9
IV .....	3,947.1	3,893.1	3,984.4	4.2	.2	36.24	35.60	36.29	36.31	7.0	7.6	7.8	7.8
1974: I .....	3,908.1	3,889.1	3,952.4	-3.9	-4	36.98	36.55	37.01	37.03	8.4	11.1	8.2	8.2
II .....	3,922.6	3,899.7	3,964.3	1.5	1.1	37.79	37.59	37.79	37.81	9.0	11.9	8.7	8.7
III .....	3,880.0	3,882.5	3,917.6	-4.3	-1.8	38.93	38.71	38.96	38.98	12.7	12.5	12.9	12.9
IV .....	3,854.1	3,822.2	3,886.1	-2.6	-6.1	40.14	39.84	40.13	40.15	13.0	12.2	12.6	12.5
1975: I .....	3,800.9	3,848.3	3,827.3	-5.4	2.8	41.04	40.69	41.05	41.07	9.2	8.8	9.5	9.5
II .....	3,835.2	3,887.9	3,861.8	3.7	4.2	41.67	41.34	41.66	41.68	6.3	6.5	6.1	6.1
III .....	3,907.0	3,922.7	3,936.1	7.7	3.6	42.44	42.05	42.41	42.44	7.6	7.0	7.4	7.4
IV .....	3,952.5	3,966.7	3,987.9	4.7	4.6	43.21	42.79	43.19	43.22	7.4	7.2	7.6	7.6
1976: I .....	4,044.6	4,027.0	4,078.8	9.7	6.2	43.68	43.26	43.69	43.72	4.4	4.5	4.7	4.7
II .....	4,072.2	4,038.1	4,107.9	2.8	1.2	44.17	43.76	44.15	44.18	4.6	4.7	4.2	4.2
III .....	4,088.5	4,061.7	4,124.8	1.6	2.3	44.78	44.42	44.77	44.80	5.7	6.1	5.7	5.7
IV .....	4,126.4	4,119.0	4,163.7	3.8	5.8	45.56	45.16	45.57	45.60	7.2	6.9	7.3	7.3
1977: I .....	4,176.3	4,161.4	4,219.4	4.9	4.2	46.31	45.99	46.32	46.34	6.7	7.6	6.8	6.7
II .....	4,260.1	4,228.4	4,302.2	8.3	6.6	47.08	46.81	47.07	47.10	6.8	7.3	6.6	6.6
III .....	4,329.5	4,270.0	4,371.2	6.7	4.0	47.74	47.55	47.66	47.69	5.7	6.4	5.1	5.1
IV .....	4,328.3	4,303.3	4,365.0	-1	3.2	48.55	48.36	48.63	48.66	7.0	7.1	8.4	8.4
1978: I .....	4,345.5	4,306.0	4,388.6	1.6	.3	49.39	49.19	49.42	49.45	7.1	7.0	6.7	6.7
II .....	4,510.7	4,474.6	4,546.1	16.1	16.6	50.43	50.22	50.41	50.44	8.6	8.6	8.2	8.2
III .....	4,552.1	4,511.6	4,591.1	3.7	3.4	51.32	51.11	51.27	51.30	7.3	7.3	7.0	7.1
IV .....	4,603.7	4,565.4	4,649.0	4.6	4.9	52.37	52.08	52.35	52.39	8.4	7.9	8.7	8.7
1979: I .....	4,605.7	4,579.0	4,652.6	.2	1.2	53.46	53.21	53.51	53.54	8.6	9.0	9.1	9.1
II .....	4,615.6	4,577.0	4,668.7	.9	-2	54.70	54.52	54.65	54.68	9.6	10.2	8.8	8.8
III .....	4,644.9	4,639.2	4,708.8	2.6	5.5	55.82	55.89	55.82	55.85	8.5	10.4	8.9	8.9
IV .....	4,656.2	4,662.5	4,719.5	1.0	2.0	56.92	57.25	56.92	56.95	8.1	10.2	8.1	8.1
1980: I .....	4,679.0	4,675.3	4,743.0	2.0	1.1	58.25	58.89	58.18	58.22	9.7	12.0	9.2	9.2
II .....	4,566.6	4,579.0	4,625.6	-9.3	-8.0	59.59	60.41	59.55	59.58	9.6	10.7	9.7	9.7
III .....	4,562.3	4,637.1	4,617.8	-4	5.2	60.93	61.77	61.01	61.05	9.3	9.3	10.2	10.2
IV .....	4,651.9	4,676.1	4,696.6	8.1	3.4	62.57	63.33	62.59	62.64	11.2	10.5	10.8	10.8
1981: I .....	4,739.2	4,692.9	4,787.7	7.7	1.4	64.19	64.96	64.15	64.20	10.7	10.7	10.3	10.4
II .....	4,696.8	4,699.0	4,742.6	-3.5	5	65.35	66.15	65.37	65.42	7.4	7.5	7.8	7.8
III .....	4,753.0	4,702.5	4,801.4	4.9	.3	66.65	67.27	66.65	66.69	8.2	7.0	8.0	8.0
IV .....	4,693.8	4,672.0	4,747.9	-4.9	-2.6	67.85	68.48	67.87	67.91	7.4	7.3	7.5	7.5
1982: I .....	4,615.9	4,655.4	4,658.5	-6.5	-1.4	68.85	69.42	68.86	68.91	6.0	5.6	6.0	6.0
II .....	4,634.9	4,651.2	4,682.9	1.7	-4	69.71	70.17	69.72	69.77	5.1	4.4	5.1	5.1
III .....	4,612.1	4,616.9	4,651.1	-2.0	-2.9	70.69	71.10	70.66	70.70	5.7	5.4	5.5	5.5
IV .....	4,618.3	4,681.3	4,655.6	.5	5.7	71.46	71.85	71.44	71.47	4.5	4.3	4.4	4.4
1983: I .....	4,663.0	4,719.4	4,700.1	3.9	3.3	72.12	72.33	72.08	72.12	3.7	2.7	3.7	3.7
II .....	4,763.6	4,785.3	4,804.4	8.9	5.7	72.84	73.03	72.83	72.87	4.1	3.9	4.2	4.2
III .....	4,849.0	4,860.7	4,891.3	7.4	6.4	73.50	73.65	73.48	73.52	3.7	3.4	3.7	3.7
IV .....	4,939.2	4,919.5	4,983.5	7.7	4.9	74.19	74.24	74.19	74.24	3.8	3.2	3.9	3.9
1984: I .....	5,053.6	4,961.0	5,092.6	9.6	3.4	75.00	75.04	75.02	75.06	4.4	4.4	4.5	4.5
II .....	5,132.9	5,050.0	5,172.4	6.4	7.4	75.62	75.65	75.58	75.63	3.3	3.3	3.1	3.1
III .....	5,170.3	5,085.6	5,209.5	3.0	2.9	76.25	76.19	76.25	76.29	3.4	2.9	3.5	3.6
IV .....	5,203.7	5,149.9	5,237.5	2.6	5.2	76.82	76.71	76.81	76.85	3.0	2.7	3.0	2.9
1985: I .....	5,257.3	5,231.7	5,280.3	4.2	6.5	77.64	77.38	77.63	77.67	4.3	3.6	4.4	4.3
II .....	5,283.7	5,261.0	5,310.8	2.0	2.3	78.25	78.02	78.25	78.29	3.2	3.3	3.3	3.2
III .....	5,359.6	5,336.9	5,378.4	5.9	5.9	78.80	78.58	78.76	78.80	2.8	2.9	2.6	2.6
IV .....	5,393.6	5,358.0	5,417.5	2.6	1.6	79.44	79.37	79.45	79.49	3.3	4.1	3.5	3.5
1986: I .....	5,460.8	5,410.5	5,481.1	5.1	4.0	79.81	79.77	79.81	79.85	1.9	2.0	1.8	1.8
II .....	5,466.9</												



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
1988: I	5,785.3	5,774.2	5,802.3	2.4	6.2	84.69	84.81	84.67	84.69	2.9	3.0	2.7	2.8
II	5,844.0	5,840.1	5,857.5	4.1	4.6	85.56	85.68	85.56	85.59	4.2	4.2	4.3	4.3
III	5,878.7	5,869.2	5,889.4	2.4	2.0	86.67	86.58	86.66	86.69	5.3	4.3	5.2	5.2
IV	5,952.8	5,937.0	5,964.9	5.1	4.7	87.46	87.44	87.44	87.47	3.7	4.0	3.7	3.7
1989: 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	6,083.8	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
IV	7,677.7	7,628.9	7,663.3	6.0	6.6	113.08	111.84	113.07	113.01	.8	.9	.8	.8

**Table C.2.—Real Gross Domestic Product**  
(Average annual percent change, based on chain-type quantity indexes (1992=100))

Terminal year	Initial year																										
	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	
1998	2.8	2.7	2.8	2.9	2.8	2.7	2.6	2.6	2.8	2.8	3.1	3.1	2.8	2.7	2.7	2.7	2.6	2.5	2.6	3.1	3.2	3.4	3.4	3.8	3.9	3.9	
1997	2.7	2.6	2.8	2.9	2.8	2.7	2.6	2.5	2.7	2.7	3.1	3.0	2.7	2.6	2.6	2.6	2.4	2.3	2.5	3.0	3.1	3.3	3.2	3.7	3.9		
1996	2.6	2.6	2.7	2.9	2.7	2.6	2.5	2.5	2.6	2.7	3.0	2.9	2.6	2.5	2.5	2.4	2.2	2.1	2.2	2.8	2.9	3.1	2.9	3.1	3.4		
1995	2.7	2.5	2.7	2.8	2.7	2.6	2.4	2.4	2.6	2.6	3.0	2.9	2.5	2.4	2.3	2.3	2.1	1.8	2.0	2.7	2.7	2.9	2.9	2.3			
1994	2.7	2.5	2.7	2.9	2.7	2.6	2.4	2.4	2.6	2.6	3.0	2.9	2.5	2.4	2.4	2.3	2.0	1.7	1.9	2.8	2.9	3.5					
1993	2.6	2.5	2.6	2.8	2.7	2.5	2.4	2.3	2.5	2.6	3.0	2.9	2.4	2.3	2.2	2.1	1.7	1.3	1.4	2.5	2.3						
1992	2.6	2.5	2.7	2.8	2.7	2.6	2.4	2.3	2.6	2.6	3.1	3.0	2.5	2.3	2.2	2.0	1.6	1.0	.9	2.7							
1991	2.6	2.5	2.7	2.9	2.7	2.5	2.3	2.3	2.5	2.6	3.1	3.0	2.4	2.2	2.1	1.9	1.2	.1	-.9								
1990	2.8	2.7	2.9	3.1	3.0	2.8	2.6	2.6	2.9	3.0	3.6	3.6	3.0	2.9	2.8	2.8	2.3	1.2									
1989	2.9	2.8	3.0	3.3	3.1	3.0	2.7	2.7	3.1	3.2	4.0	4.0	3.4	3.3	3.4	3.6	3.4										
1988	2.9	2.7	3.0	3.2	3.1	2.9	2.7	2.7	3.0	3.1	4.1	4.1	3.4	3.3	3.4	3.8											
1987	2.9	2.7	2.9	3.2	3.0	2.8	2.6	2.5	2.9	3.0	4.1	4.1	3.2	3.0	2.9												
1986	2.9	2.6	2.9	3.2	3.0	2.8	2.5	2.5	2.9	3.1	4.4	4.5	3.3	3.1													
1985	2.8	2.6	2.9	3.2	3.0	2.8	2.4	2.4	2.9	3.1	4.8	5.3	3.6														
1984	2.8	2.5	2.8	3.2	2.9	2.7	2.2	2.1	2.7	2.9	5.5	7.0															
1983	2.4	2.1	2.4	2.7	2.3	2.0	1.3	.9	1.3	.9	4.0																
1982	2.2	1.9	2.2	2.5	2.1	1.6	.6	-.1	.1	-.2																	
1981	2.7	2.4	2.8	3.3	2.9	2.5	1.6	1.0	2.3																		
1980	2.8	2.4	2.9	3.6	3.1	2.6	1.2		-3																		
1979	3.2	2.8	3.5	4.6	4.3	4.1																					
1978	3.3	2.8	3.7	5.1	5.0	5.4																					
1977	2.9	2.2	3.2	5.0	4.7																						
1976	2.5	1.4	2.4	5.4																							
1975	1.5	-.5																									
1974	2.5	-.6																									
1973	5.8																										

**Table C.3.—Price Index for Gross Domestic Product**  
(Average annual percent change, based on chain-type price indexes (1992=100))

Terminal year	Initial year																										
	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	
1998	4.8	4.8	4.6	4.4	4.3	4.2	4.1	3.8	3.5	3.2	3.0	2.9	2.9	2.8	2.8	2.7	2.6	2.6	2.3	2.1	2.0	1.9	1.8	1.6	1.4	1.0	
1997	4.9	4.9	4.7	4.5	4.5	4.4	4.2	4.0	3.7	3.3	3.1	3.1	3.0	3.0	3.0	2.9	2.8	2.5	2.3	2.2	2.1	2.0	1.9	1.9			
1996	5.1	5.0	4.9	4.7	4.6	4.5	4.4	4.1	3.8	3.4	3.2	3.2	3.1	3.1	3.1	3.1	2.9	2.6	2.4	2.3	2.2	2.1	2.0	1.9			
1995	5.2	5.2	5.0	4.8	4.7	4.7	4.5	4.3	3.9	3.5	3.3	3.3	3.2	3.2	3.3	3.3	3.2	3.1	2.8	2.5	2.4	2.3	2.3				
1994	5.3	5.3	5.2	4.9	4.9	4.8	4.6	4.4	4.0	3.6	3.4	3.3	3.3	3.3	3.4	3.4	3.2	2.9	2.6	2.5	2.4	2.3	2.3				
1993	5.5	5.5	5.3	5.1	5.0	4.9	4.8	4.5	4.2	3.7	3.5	3.4	3.4	3.4	3.5	3.6	3.6	3.4	3.1	2.8	2.6	2.5	2.4				
1992	5.6	5.6	5.5	5.2	5.2	5.1	4.9	4.7	4.3	3.8	3.6	3.5	3.5	3.5	3.7	3.8	3.8	3.7	3.3	2.7	2.6						
1991	5.8	5.8	5.6	5.4	5.3	5.3	5.1	4.8	4.4	4.0	3.7	3.6	3.6	3.6	3.8	4.0	4.2	4.1	3.9								
1990	5.9	5.9	5.7	5.5	5.4	5.4	5.2	4.9	4.5	4.0	3.7	3.6	3.6	3.6	3.8	4.1	4.3	4.4									
1989	6.0	6.0	5.8	5.6	5.5	5.5	5.3	5.0	4.5	3.9	3.6	3.5	3.4	3.4	3.6	3.9	4.2										
1988	6.1	6.1	5.9	5.7	5.6	5.6	5.4	5.1	4.5	3.9	3.5	3.3	3.2	3.1	3.4	3.7											
1987	6.3	6.3	6.1	5.8	5.8	5.8	5.6	5.2	4.7	3.9	3.4	3.2	3.0	2.8	3.1												
1986	6.5	6.6	6.4	6.1	6.1	6.1	5.9	5.5	4.9	4.1	3.5	3.3	3.0	2.6													
1985	6.8	6.9	6.7	6.4	6.5	6.5	6.4	6.0	5.4	4.4	3.8	3.6	3.4														
1984	7.1	7.2	7.0	6.8	6.9	7.0	6.9	6.6	5.9	4.8	4.0	3.8															
1983	7.4	7.6	7.4	7.2	7.3	7.5	7.5	7.3	6.6	5.3	4.3																
1982	7.7	7.9	7.8	7.6	7.9	8.2	8.4	8.3	7.8	6.3																	
1981	7.9	8.1	8.0	7.8	8.2	8.6	9.1	9.3	9.4																		
1980	7.7	8.0	7.8	7.5	7.9	8.4	8.9	9.3																			
1979	7.4	7.7	7.5	7.0	7.4	7.9	8.5																				
1978	7.3	7.6	7.2	6.5	6.9	7.3																					
1977	7.3	7.7	7.2	6.1	6.5																						
1976	7.5	8.1	7.6	5.8																							
1975	8.0	9.2	9.4																								
1974	7.3	8.9																									
1973	5.6																										

**Table C.4.—Real Gross Domestic Purchases**  
(Average annual percent change, based on chain-type quantity indexes (1992=100))

Terminal year	Initial year																										
	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	
1998	2.8	2.7	2.9	3.1	2.9	2.8	2.7	2.7	3.0	3.0	3.3	3.2	2.8	2.7	2.7	2.6	2.6	2.6	2.9	3.5	3.6	3.8	3.7	4.2	4.6	5.0	
1997	2.7	2.6	2.8	3.0	2.8	2.7	2.6	2.6	2.9	2.9	3.2	3.0	2.6	2.5	2.5	2.4	2.3	2.6	3.3	3.3	3.3	3.4	3.3	3.9	4.2		
1996	2.6	2.5	2.7	2.9	2.8	2.6	2.5	2.5	2.8	2.8	3.1	3.0	2.5	2.4	2.3	2.2	2.2	2.1	2.3	3.1	3.1	3.2	2.9	3.6			
1995	2.6	2.5	2.7	2.9	2.7	2.6	2.4	2.4	2.7	2.7	3.1	2.9	2.4	2.3	2.1	2.1	2.0	1.8	2.0	3.0	3.0	3.2	2.9	3.1			
1994	2.6	2.5	2.7	2.9	2.7	2.6	2.4	2.4	2.8	2.8	3.2	3.0	2.4	2.3	2.1	2.1	1.9	1.8	2.0	3.2	3.4	3.9					
1993	2.6	2.4	2.7	2.9	2.7	2.5	2.3	2.3	2.7	2.7	3.1	2.9	2.3	2.1	1.9	1.8	1.5	1.2	1.4	2.9	2.9						
1992	2.5	2.4	2.6	2.9	2.7	2.5	2.3	2.3	2.7	2.7	3.1	2.9	2.2	1.9	1.7	1.5	1.2	.7	.6	2.8							
1991	2.5	2.4	2.6	2.9	2.6	2.5	2.2	2.2	2.6	2.7	3.1	2.9	2.1	1.8	1.5	1.2	.6	-.4	-.6								
1990	2.7	2.6	2.9	3.2	3.0	2.8	2.6	2.6	3.1	3.1	3.7	3.5	2.7	2.5	2.3	2.1	1.8	.8									
1989	2.9	2.7	3.0	3.4	3.1	2.9	2.7	2.8	3.3	3.4	4.2	4.0	3.1	2.9	2.8	2.8	2.7										
1988	2.9	2.7	3.1	3.4	3.2	3.0	2.7	2.8	3.4	3.5	4.4	4.2	3.2	3.0	2.8	2.9											
1987	2.9	2.7	3.1</																								



## 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**

	1997	1998	1998												1999	
			Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Consumer and producer prices, (monthly data seasonally adjusted) <sup>1</sup>																
Consumer price index for all urban consumers, 1982=100:																
All items .....	160.5	163.0	162.0	162.1	162.1	162.5	162.9	163.0	163.3	163.5	163.6	163.9	164.2	164.4	164.6	164.7
Less food and energy .....	169.5	173.4	171.7	172.2	172.4	172.9	173.3	173.5	173.8	174.2	174.5	174.8	175.0	175.6	175.7	175.8
Services .....	179.4	184.2	182.0	182.4	182.9	183.4	183.8	184.1	184.5	184.8	185.2	185.5	186.0	186.3	186.5	186.9
Producer price index, 1982=100:																
Finished goods .....	131.8	130.6	130.6	130.5	130.5	130.7	130.6	130.4	130.7	130.3	130.6	131.0	130.6	131.1	131.8	131.3
Less food and energy .....	142.4	143.7	142.4	142.5	143.2	143.4	143.5	143.4	143.7	143.7	144.1	144.3	144.3	145.8	145.7	145.7
Finished consumer goods .....	130.2	128.9	128.8	128.7	128.7	128.9	128.9	128.9	128.7	129.1	128.6	128.8	129.3	128.8	129.5	130.5
Capital equipment .....	138.2	137.5	137.6	137.6	137.7	137.6	137.5	137.3	137.4	137.2	137.6	137.7	137.7	137.7	137.5	137.6
Intermediate materials .....	125.6	123.0	124.4	124.1	123.7	123.7	123.6	123.2	123.2	122.8	122.4	122.2	121.9	121.3	121.4	120.8
Crude materials .....	111.1	96.7	102.6	100.7	99.3	100.6	100.0	97.3	97.4	93.3	91.6	93.9	93.1	89.4	91.7	88.6
Money, interest rates, and stock prices																
Money stock (monthly and quarterly data seasonally adjusted): <sup>2</sup>																
Percent change:																
M1 .....			-0.10	0.20	0.43	0.14	-0.36	-0.04	-0.22	-0.30	0.23	0.53	0.80	0.39	-0.24	0.13
M2 .....			.61	.72	.62	.70	.47	.57	.42	.61	1.03	.97	.89	.84	.54	.47
Ratio:																
Gross domestic product to M1 .....	7.583	7.886		7.786			7.820			7.949			7.982			
Personal income to M2 .....	1.726	1.688	1.712	1.709	1.705	1.698	1.697	1.692	1.692	1.689	1.676	1.668	1.668	1.653	1.655	1.656
Interest rates (percent, not seasonally adjusted): <sup>2</sup>																
Federal funds rate .....	5.46	5.35	5.56	5.51	5.49	5.45	5.49	5.56	5.54	5.55	5.51	5.07	4.83	4.68	4.63	4.76
Discount rate on new 91-day Treasury bills .....	5.07	4.81	5.09	5.11	5.03	5.00	5.03	4.99	4.96	4.94	4.74	4.08	4.44	4.42	4.34	4.45
Yield on new high-grade corporate bonds .....	7.40	6.44	6.62	6.66	6.63	6.59	6.63	6.43	6.35	6.34	6.27	6.21	6.42	6.13	6.14	6.28
10-Year U.S. Treasury bonds .....	6.35	5.26	5.54	5.57	5.65	5.64	5.65	5.50	5.46	5.34	4.81	4.53	4.83	4.65	4.72	5.00
Yield on municipal bonds, 20-bond average .....	5.52	5.09	5.06	5.10	5.21	5.23	5.20	5.12	5.14	5.10	4.99	4.93	5.03	4.98	5.01	5.03
Mortgage commitment rate .....	7.60	6.94	6.99	7.04	7.13	7.14	7.14	7.00	6.95	6.92	6.72	6.71	6.87	6.72	6.79	6.81
Average prime rate charged by banks .....	8.44	8.35	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.49	8.12	7.89	7.75	7.75	7.75
Index of stock prices (not seasonally adjusted): <sup>3</sup>																
500 common stocks, 1941=100 .....	872.72	1,084.31	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	1,190.05	1,248.77	1,246.58
Labor markets (thousands, monthly and quarterly data seasonally adjusted, unless otherwise noted) <sup>1</sup>																
Civilian labor force .....	136,297	137,673	137,288	137,384	137,340	137,232	137,369	137,498	137,407	137,481	138,081	138,116	138,193	138,547	139,347	139,271
Labor force participation rates (percent):																
Males 20 and over .....	77.0	76.8	76.9	76.9	76.7	76.9	76.8	76.7	76.8	76.5	76.8	76.7	76.8	76.8	77.1	77.0
Females 20 and over .....	60.5	60.4	60.5	60.6	60.6	60.4	60.4	60.4	60.2	60.4	60.4	60.4	60.4	60.6	60.9	60.8
16-19 years of age .....	51.6	52.8	52.9	53.1	53.0	51.9	52.4	53.0	52.3	52.6	53.5	53.1	52.4	52.9	52.4	53.2
Civilian employment .....	129,558	131,463	130,943	131,021	130,908	131,280	131,330	131,253	131,176	131,264	131,818	131,858	132,113	132,526	133,396	133,144
Ratio, civilian employment to working-age population (percent) .....	63.8	64.1	64.1	64.1	64.0	64.1	64.1	64.0	63.9	63.9	64.1	64.0	64.1	64.2	64.5	64.4
Persons engaged in nonagricultural activities .....	126,159	128,085	127,606	127,676	127,735	127,899	127,979	127,890	127,753	127,772	128,348	128,300	128,765	129,304	130,097	129,817
Employees on nonagricultural payrolls .....	122,690	125,832	124,640	124,832	124,914	125,234	125,562	125,751	125,869	126,191	126,363	126,527	126,804	127,118	127,335	127,610
Goods-producing industries .....	24,934	25,256	25,297	25,314	25,276	25,339	25,301	25,304	25,135	25,253	25,241	25,209	25,184	25,269	25,256	25,268
Services-producing industries .....	97,756	100,576	99,343	99,518	99,638	99,895	100,261	100,447	100,734	100,938	101,122	101,318	101,620	101,849	102,079	102,342
Average weekly hours, manufacturing (hours) .....	42.0	41.7	42.1	42.0	41.8	41.4	41.8	41.8	41.7	41.7	41.6	41.7	41.7	41.7	41.6	41.6
Average weekly overtime hours, manufacturing (hours) .....	4.8	4.6	4.9	4.8	4.8	4.5	4.6	4.6	4.6	4.6	4.5	4.5	4.5	4.5	4.6	4.5
Number of persons unemployed .....	6,739	6,210	6,345	6,363	6,432	5,952	6,039	6,245	6,231	6,217	6,263	6,258	6,080	6,021	5,950	6,127
Unemployment rates (percent):																
Total .....	4.9	4.5	4.6	4.6	4.7	4.3	4.4	4.5	4.5	4.5	4.5	4.5	4.4	4.3	4.3	4.4
15 weeks and over .....	1.5	1.2	1.3	1.3	1.3	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.1	1.1	1.1
Average duration of unemployment (weeks) .....	15.8	14.5	15.5	15.4	14.6	14.5	14.7	14.1	14.3	13.7	14.3	14.1	14.4	14.1	13.4	13.8
Nonfarm business sector, 1992=100:																
Output per hour of all persons .....	104.9	107.3		106.6			106.6			107.3			108.5			
Unit labor costs .....	108.9	111.0		110.1			111.1			111.5			111.2			
Hourly compensation .....	114.3	119.1		117.4			118.5			119.7			120.7			

See footnotes at the end of the table.

Table D.1.—Domestic Perspectives—Continued

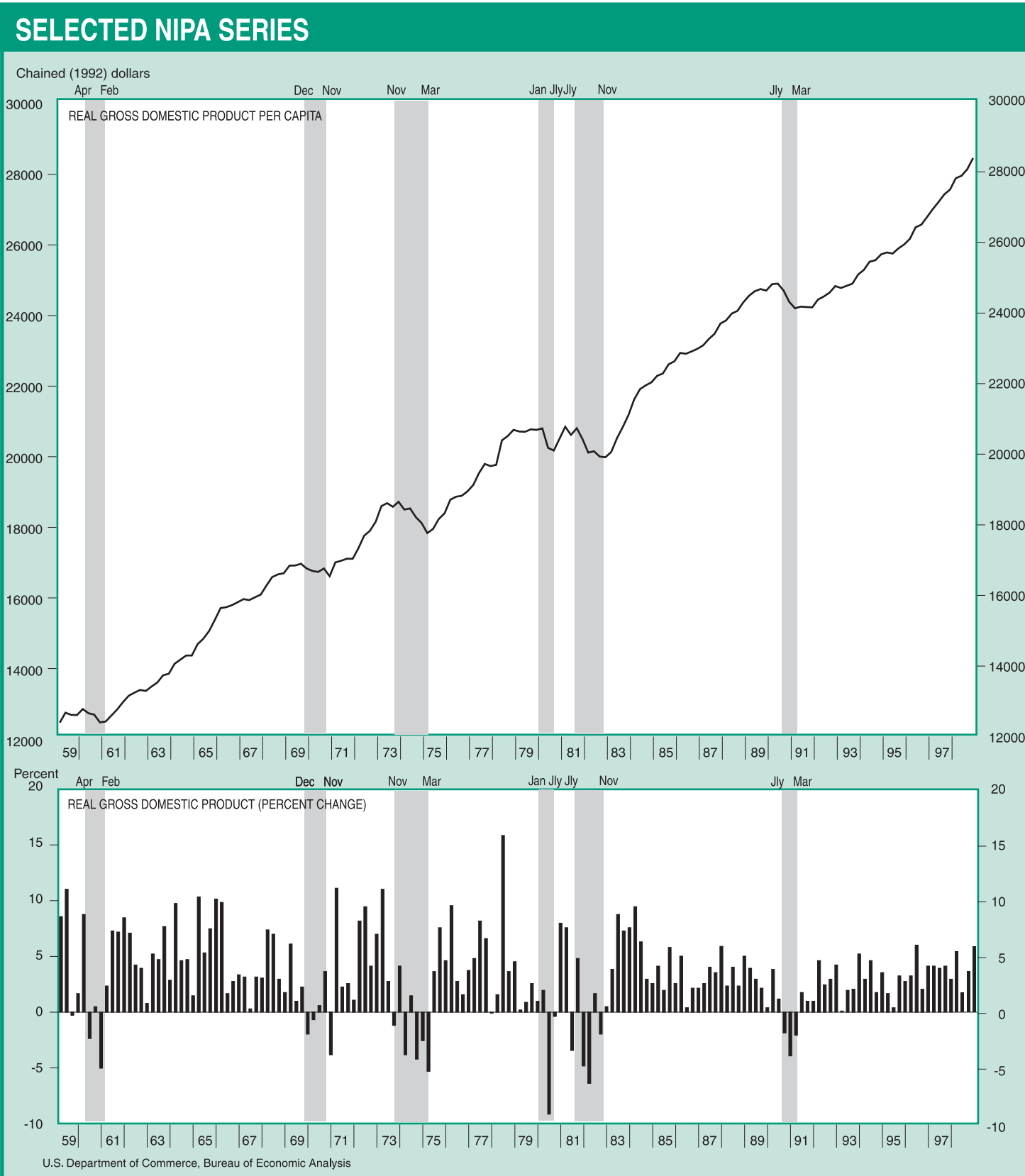
	1997	1998	1998												1999	
			Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Construction (monthly data seasonally adjusted at annual rates) <sup>4</sup>																
Total new private construction put in place (billions of dollars) .....	471.2	509.5	487.8	490.9	494.3	500.1	496.5	503.6	511.5	516.6	521.0	523.6	525.5	531.0	536.5	544.8
Residential .....	265.6	296.5	279.0	282.5	286.0	289.7	288.0	291.9	299.3	300.6	305.0	306.3	307.3	311.5	317.4	319.9
Nonresidential .....	165.1	170.8	167.6	167.0	165.4	169.4	166.3	169.6	169.4	172.2	172.3	174.2	176.7	179.0	176.5	183.3
Housing starts (thousands of units):																
Total .....	1,474	1,617	1,527	1,644	1,583	1,542	1,541	1,626	1,719	1,615	1,576	1,698	1,654	1,750	1,810	1,799
1-unit structures .....	1,134	1,271	1,227	1,283	1,234	1,235	1,221	1,274	1,306	1,264	1,251	1,298	1,375	1,383	1,398	1,413
New 1-family houses sold (thousands of units) .....	804	886	848	887	836	880	893	909	883	836	861	903	985	964	899	881
Manufacturing and trade, inventories and sales (millions of dollars, monthly data seasonally adjusted) <sup>4</sup>																
Inventories:																
Total manufacturing and trade .....	1,052,717	1,087,417	1,055,285	1,062,460	1,068,754	1,070,555	1,070,022	1,070,515	1,070,875	1,074,870	1,080,866	1,083,366	1,087,970	1,087,417	1,088,127	.....
Manufacturing .....	456,133	466,798	458,197	461,178	461,948	464,668	465,729	466,701	467,636	468,445	468,552	471,031	471,000	466,798	465,567	.....
Merchant wholesalers .....	273,003	286,962	272,344	275,750	277,624	275,933	277,699	277,518	277,466	280,591	284,128	283,776	285,716	286,962	286,262	.....
Retail trade .....	323,581	333,657	324,744	325,532	329,182	329,954	326,594	326,296	325,773	325,834	328,186	328,559	331,254	333,657	336,298	.....
Sales:																
Total manufacturing and trade .....	8,995,737	9,309,656	761,268	768,061	773,877	772,160	772,405	774,639	773,762	772,454	779,478	781,447	785,777	793,488	791,090	.....
Manufacturing .....	3,929,419	4,052,215	331,937	335,883	338,991	335,553	333,622	335,110	335,380	336,445	340,481	340,133	341,423	344,088	341,455	.....
Merchant wholesalers .....	2,500,109	2,561,586	210,954	211,312	213,781	213,900	213,413	213,904	214,229	211,713	213,856	213,429	214,891	217,403	215,287	.....
Retail trade .....	2,566,209	2,695,855	218,377	220,866	221,105	222,707	225,370	225,625	224,153	224,296	225,141	227,885	229,463	231,997	234,348	.....
Industrial production indexes and capacity utilization rates (monthly data seasonally adjusted) <sup>2</sup>																
Industrial production indexes, 1992=100:																
Total .....	126.8	131.4	130.3	130.2	130.7	131.3	131.9	130.6	130.5	132.4	131.9	132.4	132.2	132.4	132.4	132.6
By industry:																
Durable manufactures .....	147.1	157.5	153.9	154.0	155.2	156.2	157.2	154.8	154.4	159.8	159.6	161.2	161.0	161.2	161.5	162.3
Nondurable manufactures .....	111.3	111.9	113.1	112.8	112.4	113.0	113.0	112.0	112.1	111.3	110.6	110.9	111.6	111.7	111.6	111.4
By market category:																
Consumer goods .....	114.1	115.2	116.0	115.2	115.8	116.4	116.8	115.1	114.0	116.1	114.8	115.2	114.8	115.0	115.1	115.1
Capacity utilization rates (percent):																
Total industry .....	82.9	81.8	83.0	82.6	82.6	82.6	82.6	81.5	81.1	82.0	81.3	81.3	80.8	80.7	80.4	80.3
Manufacturing .....	82.0	80.8	82.2	81.8	81.6	81.7	81.6	80.2	79.8	80.7	80.1	80.3	80.1	79.9	79.6	79.5
Credit market borrowing (billions of dollars, quarterly data seasonally adjusted at annual rates) <sup>2</sup>																
All sectors, by instrument:																
Total .....	1,446.6	2,090.4	.....	1,908.9	.....	.....	2,006.2	.....	.....	1,889.0	.....	.....	2,551.6	.....	.....	.....
Open market paper .....	184.1	193.1	.....	343.8	.....	.....	113.1	.....	.....	232.7	.....	.....	83.0	.....	.....	.....
U.S. government securities .....	235.9	444.4	.....	197.3	.....	.....	342.5	.....	.....	425.1	.....	.....	812.5	.....	.....	.....
Municipal securities .....	71.4	96.8	.....	116.7	.....	.....	100.1	.....	.....	83.6	.....	.....	87.0	.....	.....	.....
Corporate and foreign bonds .....	345.7	453.9	.....	512.0	.....	.....	645.3	.....	.....	230.1	.....	.....	428.1	.....	.....	.....
Bank loans, n.e.c. ....	128.2	145.6	.....	81.0	.....	.....	172.7	.....	.....	191.4	.....	.....	137.5	.....	.....	.....
Other loans and advances .....	99.8	162.5	.....	110.0	.....	.....	106.1	.....	.....	153.4	.....	.....	280.5	.....	.....	.....
Mortgages .....	329.1	524.6	.....	491.1	.....	.....	461.6	.....	.....	489.4	.....	.....	656.3	.....	.....	.....
Consumer credit .....	52.5	69.5	.....	57.0	.....	.....	64.8	.....	.....	83.4	.....	.....	66.6	.....	.....	.....

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

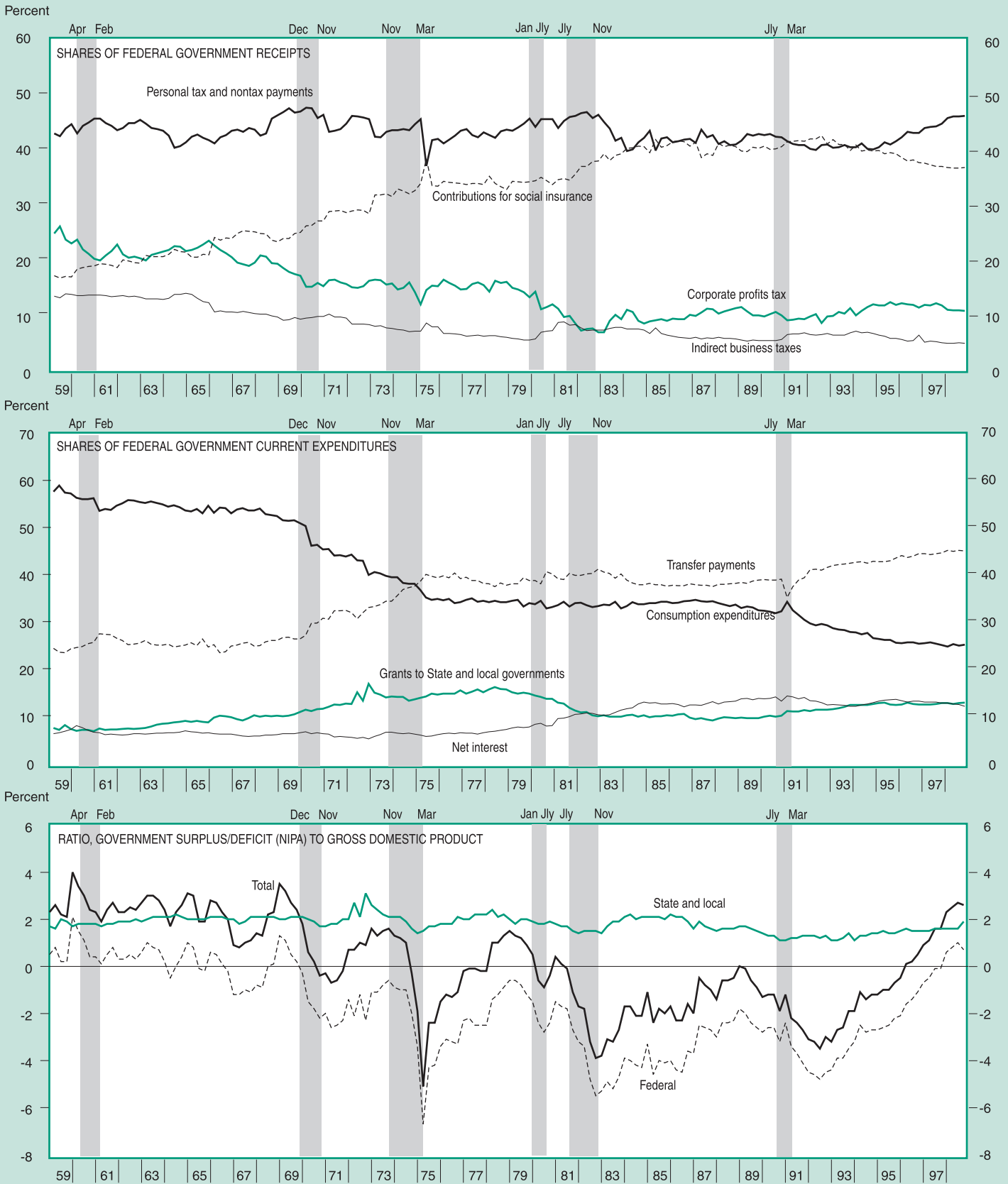
3. Standard and Poor's, Inc.  
4. Bureau of the Census.  
n.e.c. Not elsewhere classified.

### E. Charts

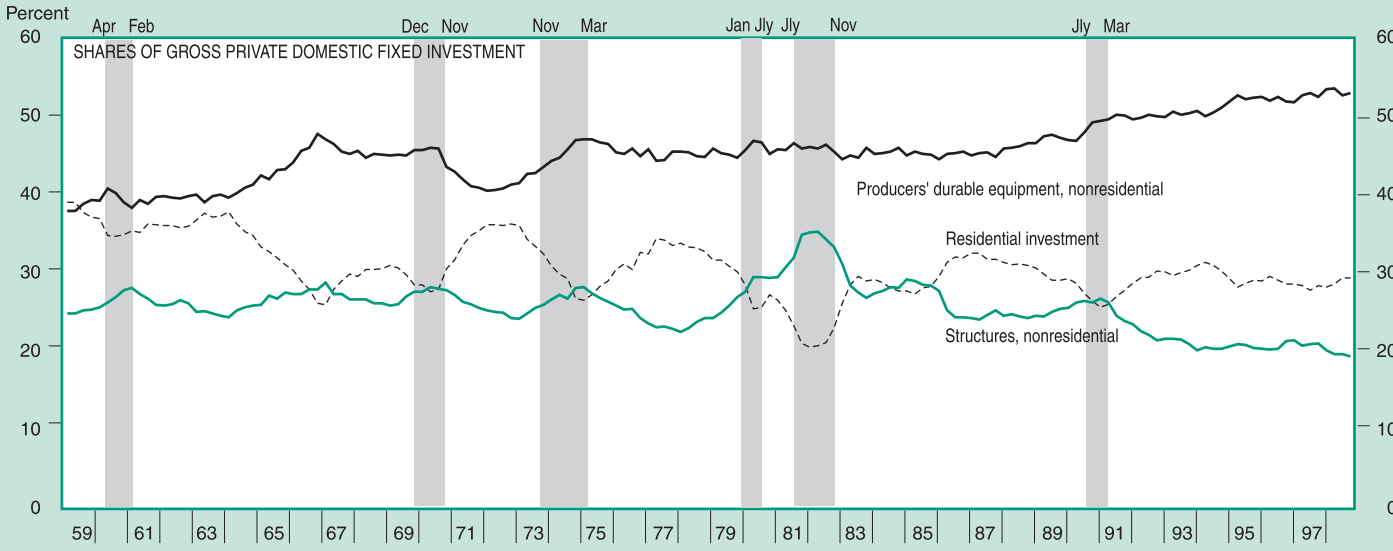
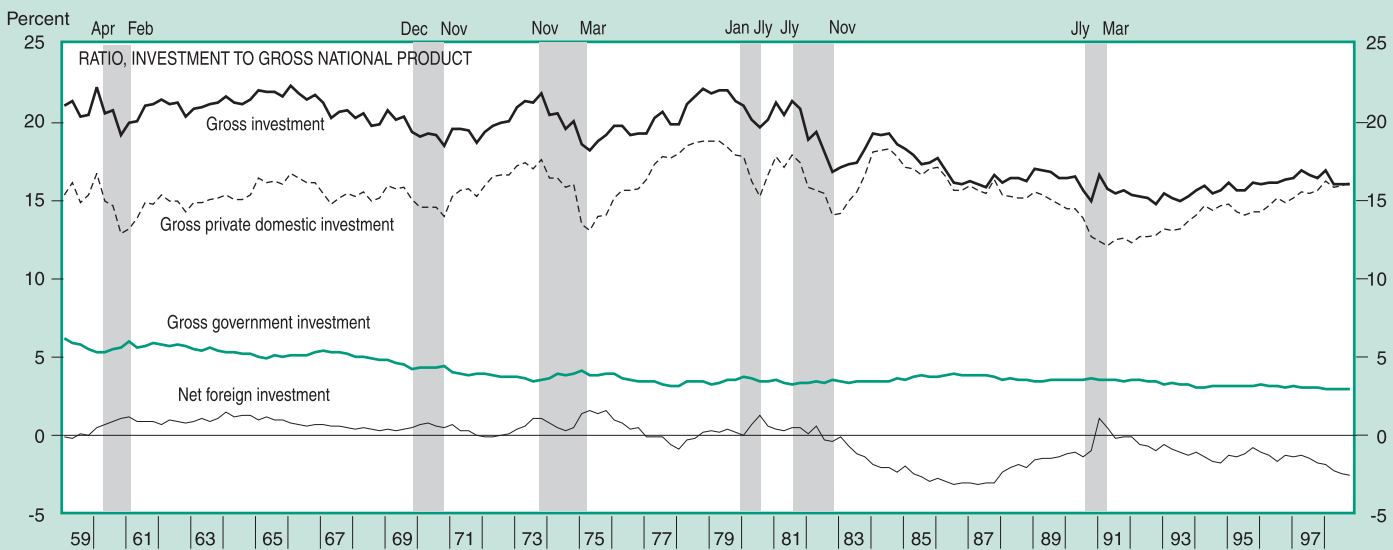
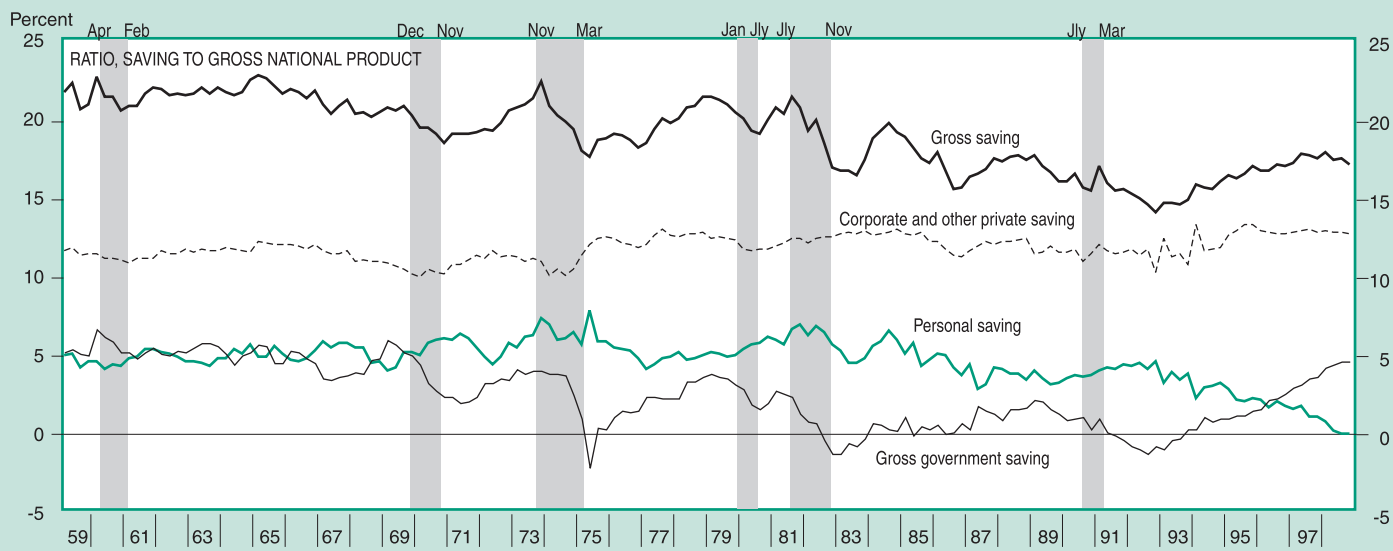
Percent changes shown in this section are based on quarter-to-quarter changes and are expressed at seasonally adjusted annual rates; likewise, levels of series are expressed at seasonally adjusted annual rates as appropriate.



# SELECTED NIPA SERIES



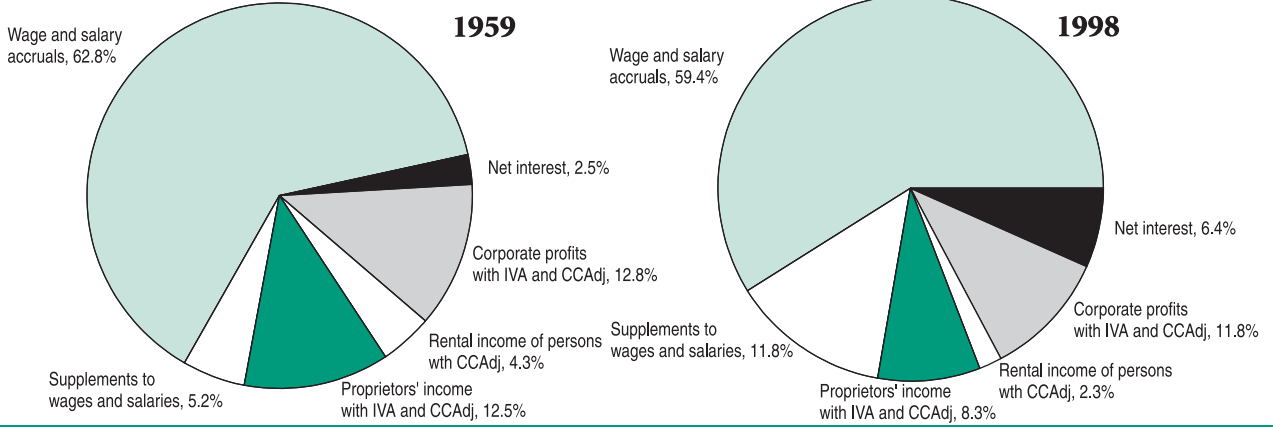
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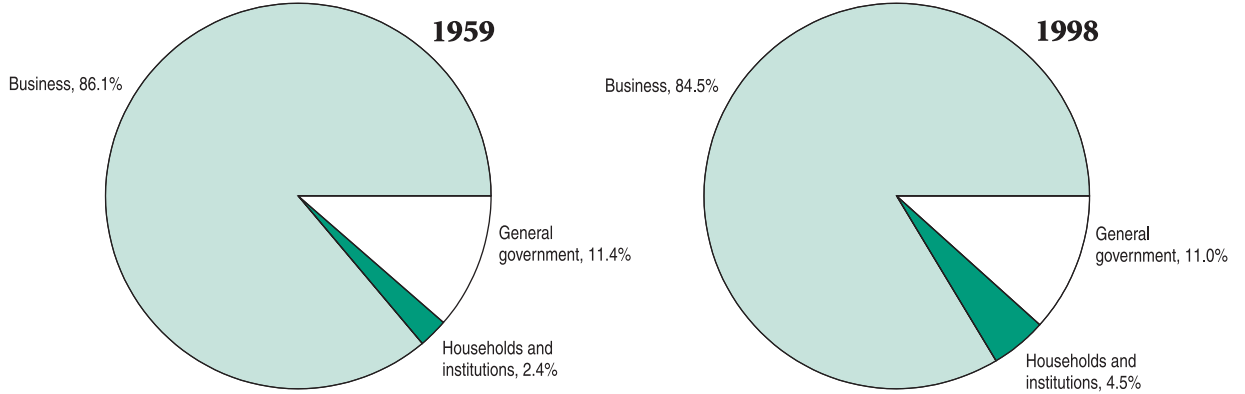


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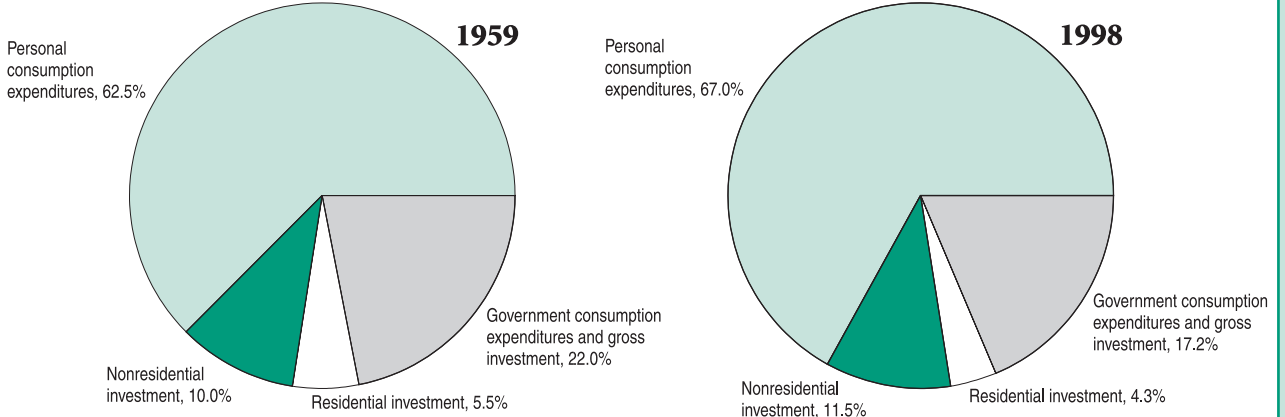
SHARES OF NATIONAL INCOME



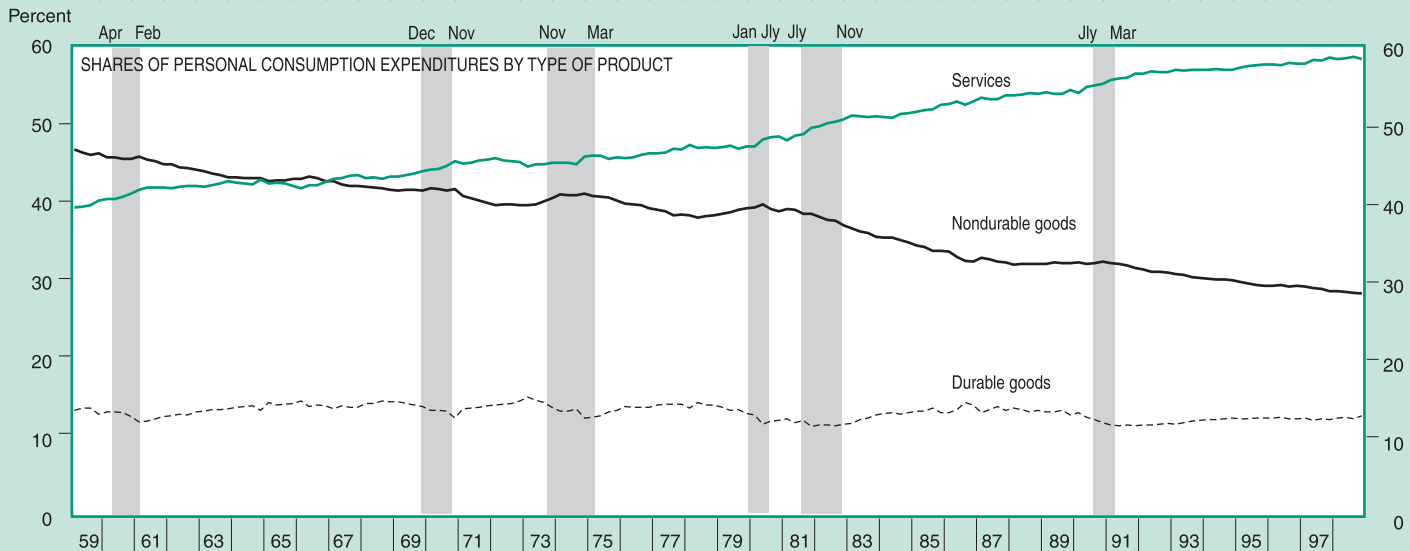
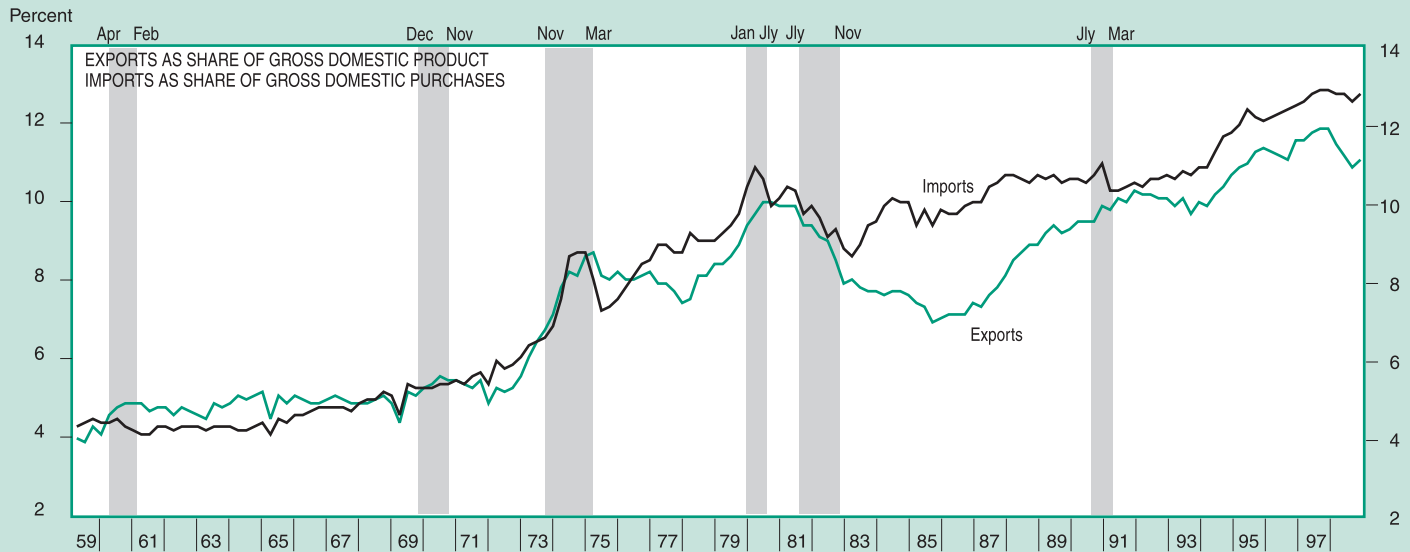
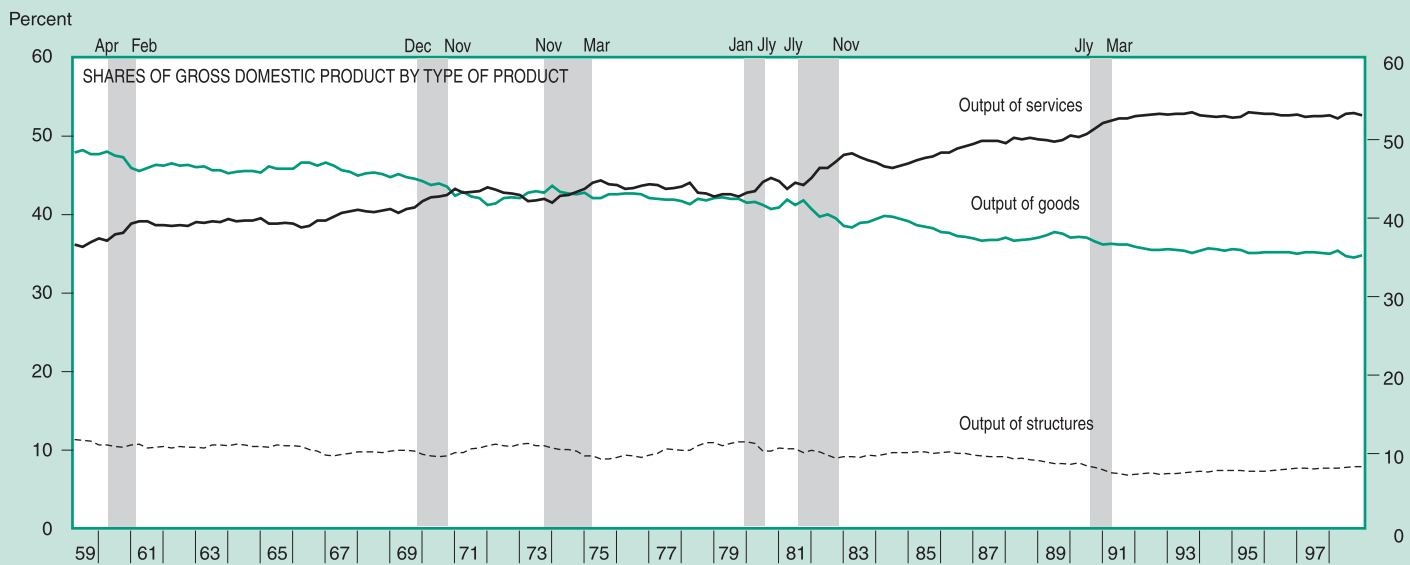
SHARES OF GROSS DOMESTIC PRODUCT BY SECTOR



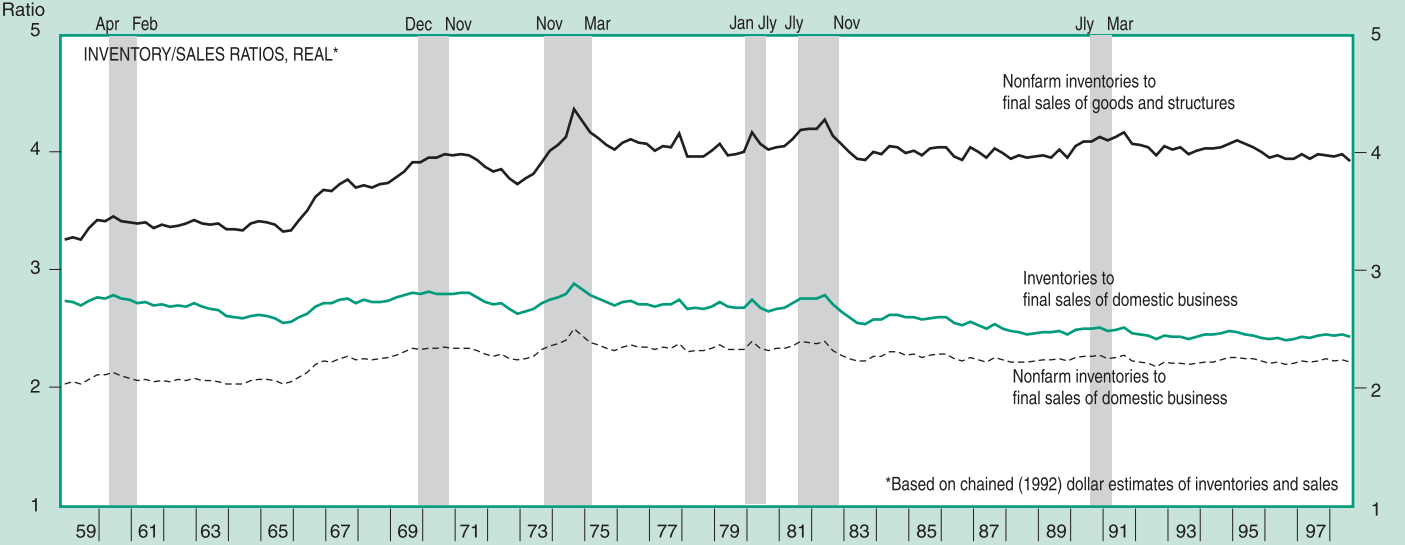
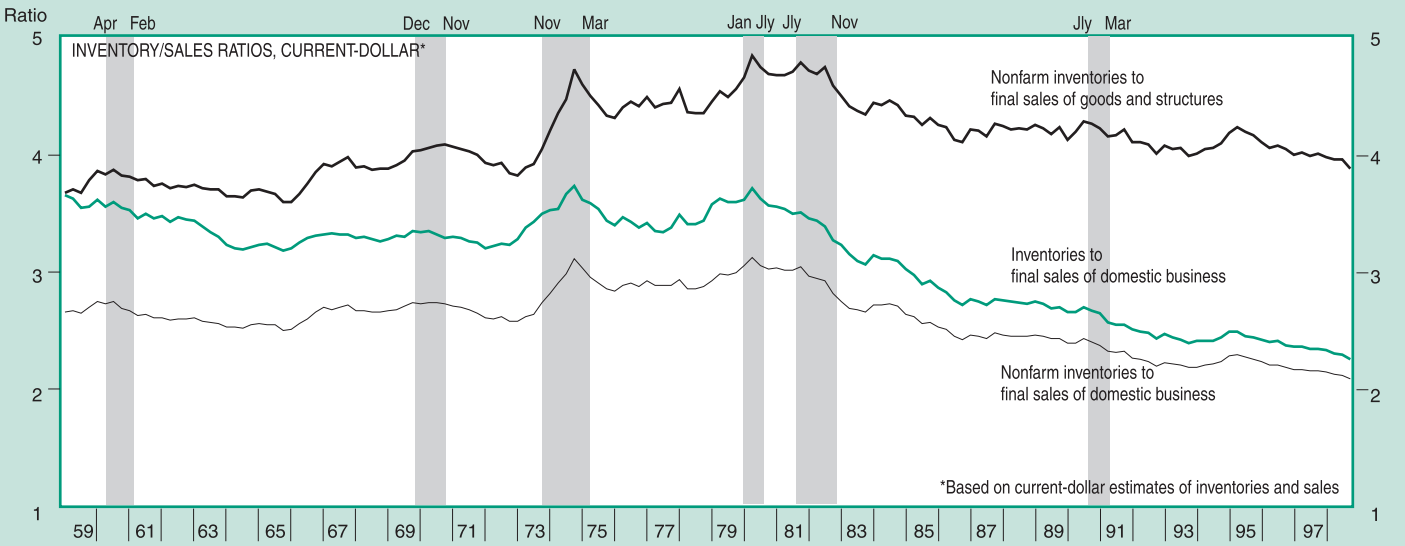
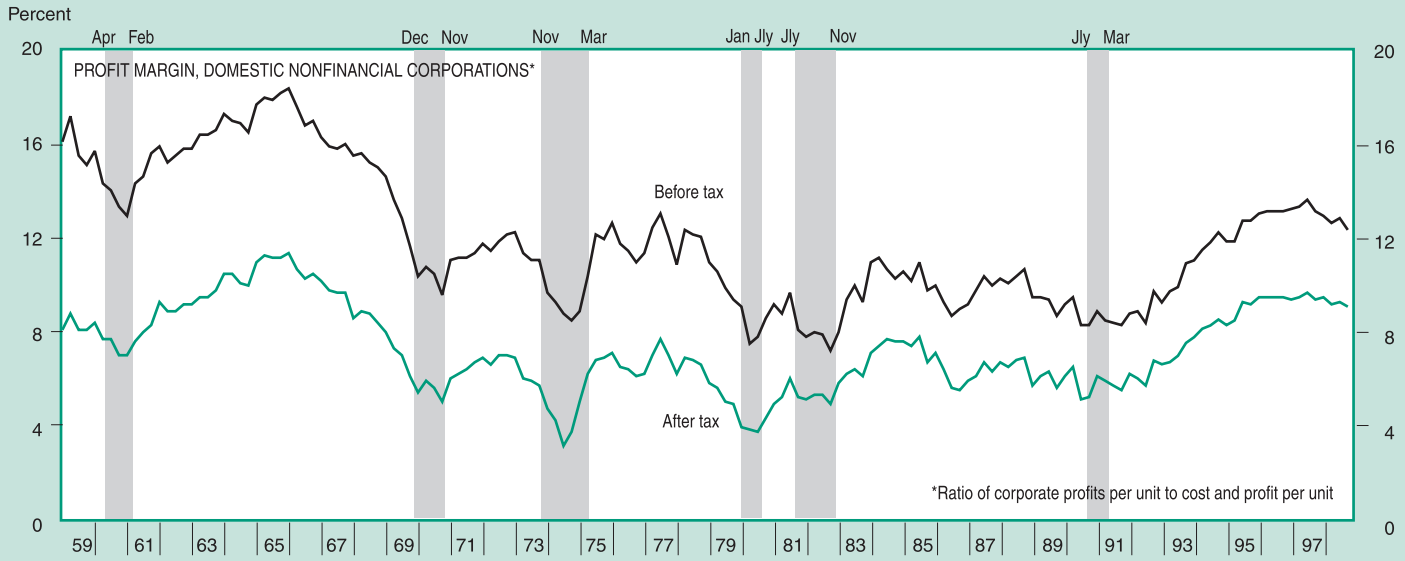
SHARES OF GROSS DOMESTIC PURCHASES



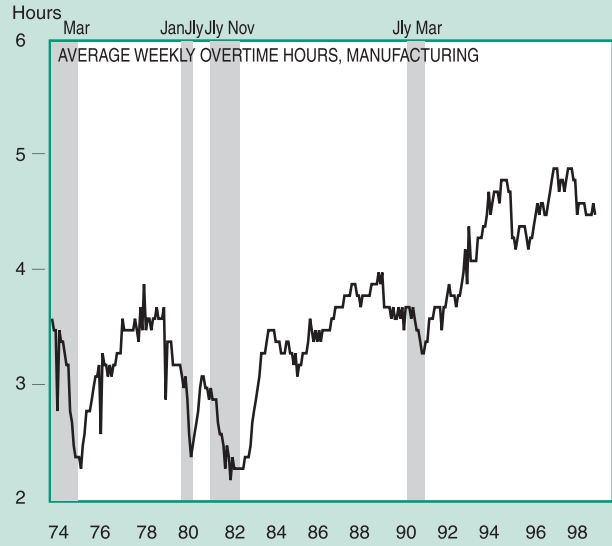
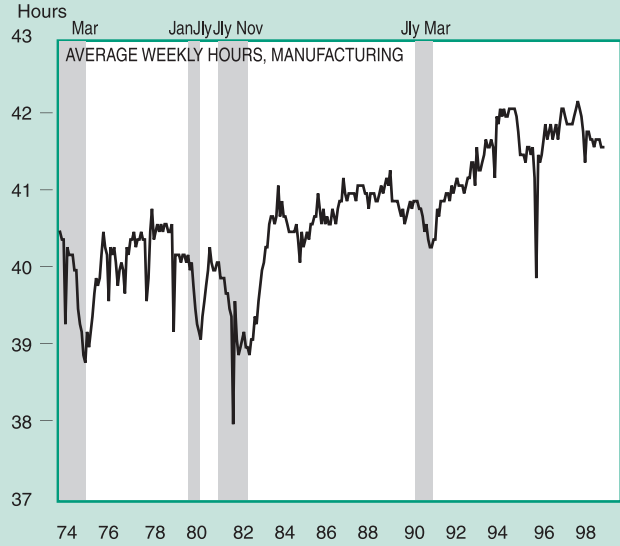
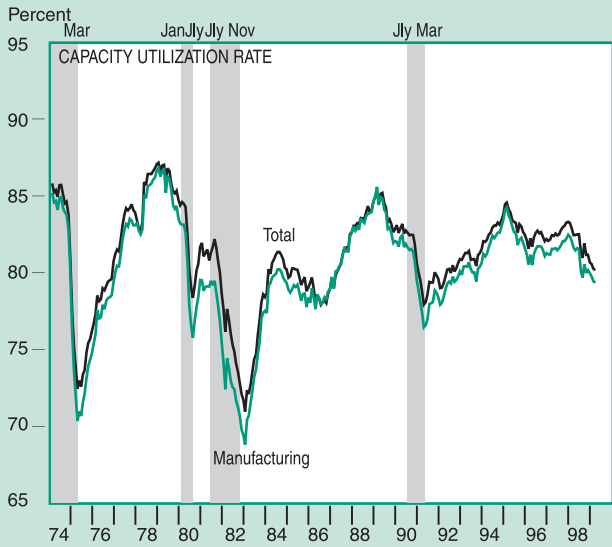
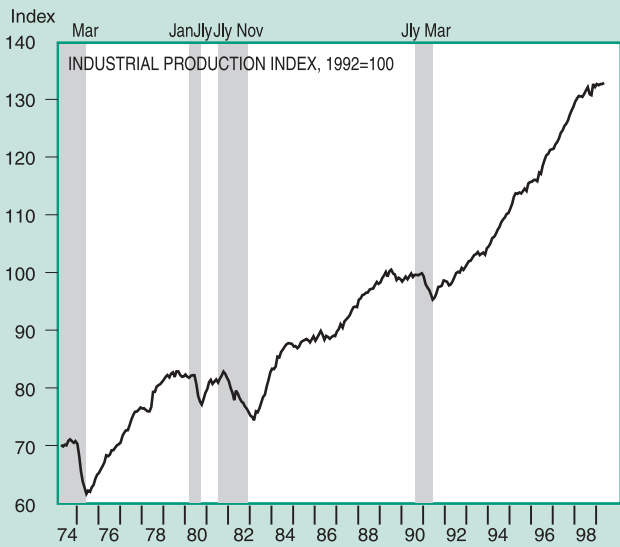
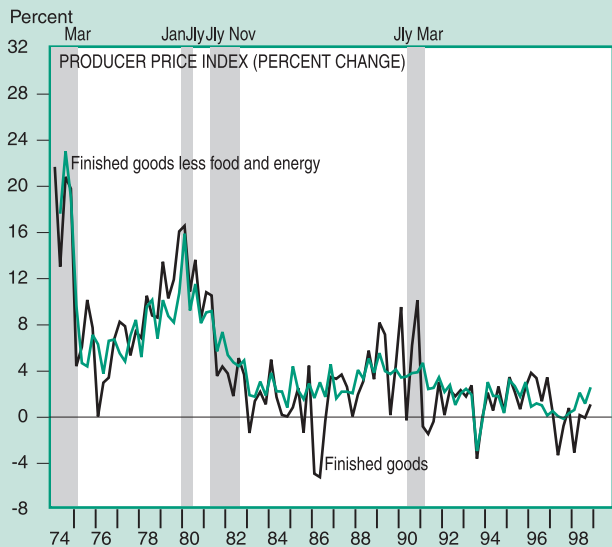
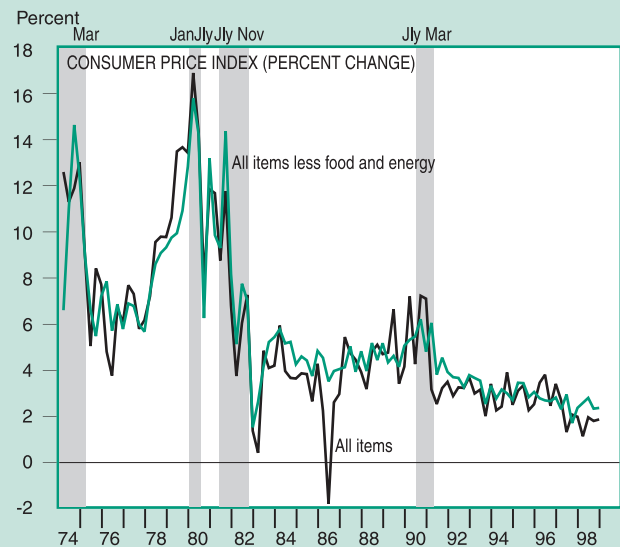
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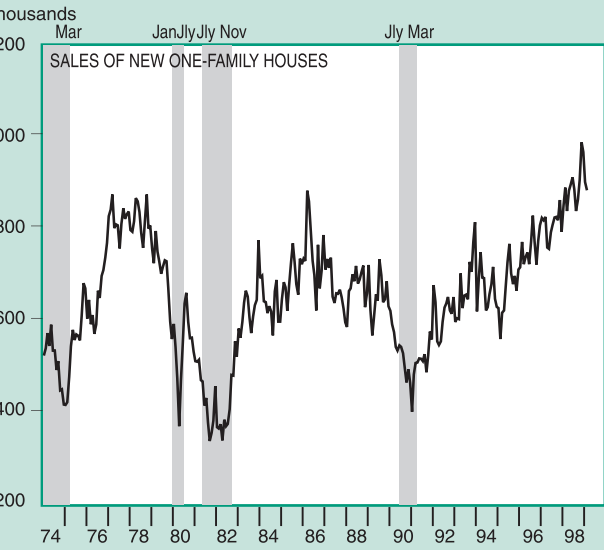
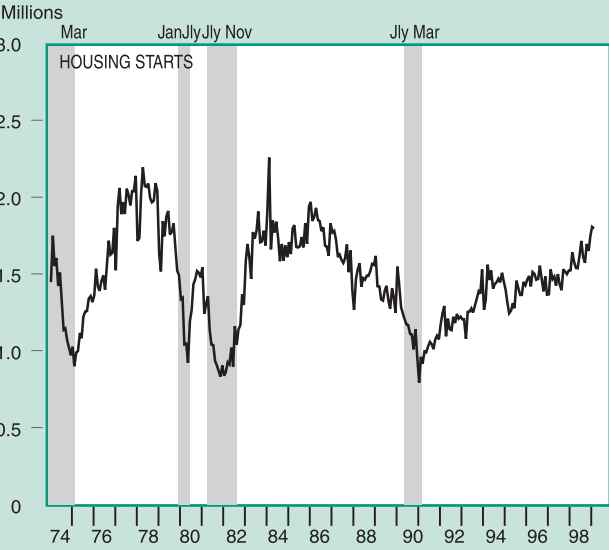
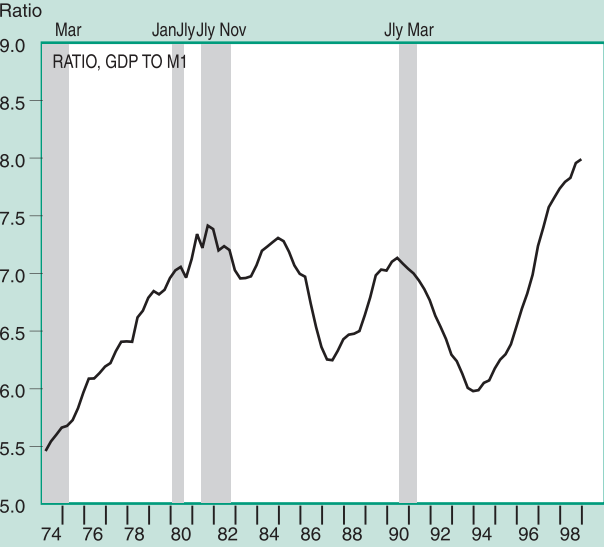
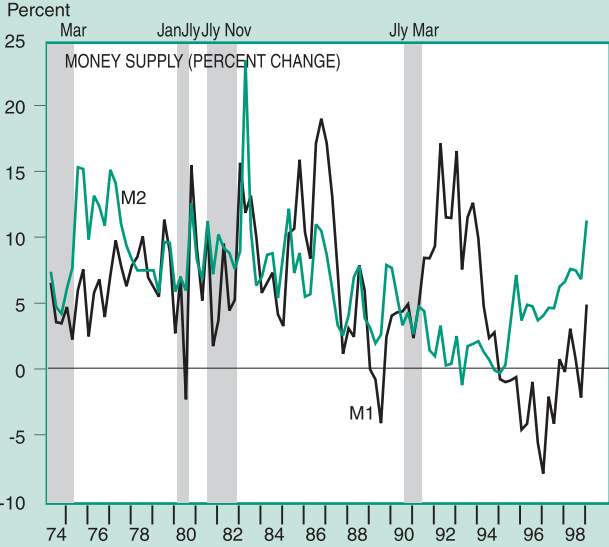
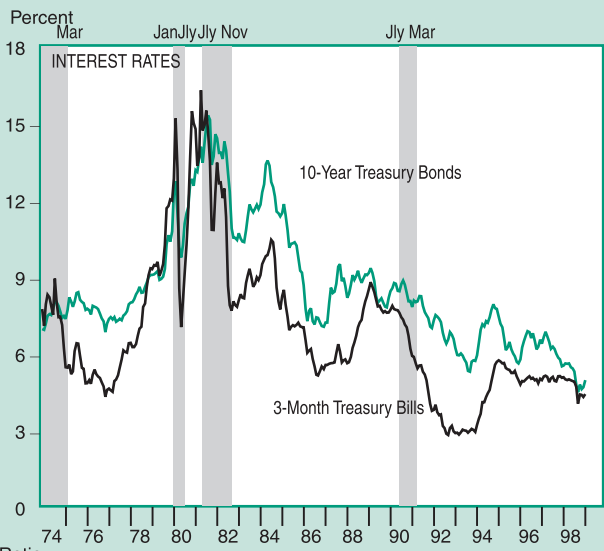
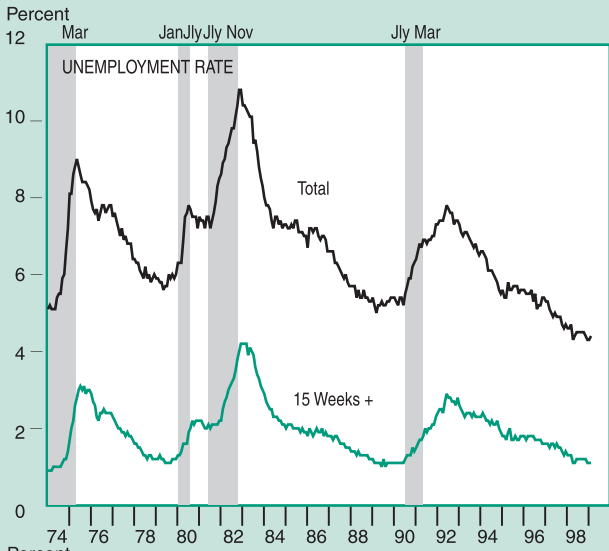
# SELECTED NIPA SERIES



# OTHER INDICATORS OF THE DOMESTIC ECONOMY



# OTHER INDICATORS OF THE DOMESTIC ECONOMY



# 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 March 18, 1999 and include "preliminary" estimates for January 1999 and "revised" estimates for January–December 1998. 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]

	1997	1998 <sup>r</sup>	1998												1999	
			Dec.	Jan. <sup>r</sup>	Feb. <sup>r</sup>	Mar. <sup>r</sup>	Apr. <sup>r</sup>	May <sup>r</sup>	June <sup>r</sup>	July <sup>r</sup>	Aug. <sup>r</sup>	Sept. <sup>r</sup>	Oct. <sup>r</sup>	Nov. <sup>r</sup>		Dec. <sup>r</sup>
<b>Exports of goods and services</b> .....	<b>937,593</b>	<b>931,026</b>	<b>79,784</b>	<b>79,551</b>	<b>77,700</b>	<b>78,945</b>	<b>77,593</b>	<b>76,536</b>	<b>76,111</b>	<b>74,928</b>	<b>74,986</b>	<b>77,443</b>	<b>80,415</b>	<b>78,942</b>	<b>77,873</b>	<b>76,773</b>
<b>Goods</b> .....	<b>679,325</b>	<b>670,641</b>	<b>58,336</b>	<b>57,809</b>	<b>56,258</b>	<b>57,125</b>	<b>55,243</b>	<b>54,626</b>	<b>54,674</b>	<b>53,733</b>	<b>53,769</b>	<b>55,912</b>	<b>58,246</b>	<b>57,110</b>	<b>56,133</b>	<b>54,830</b>
Foods, feeds, and beverages .....	51,507	46,342	4,476	4,256	4,237	4,013	3,776	3,681	3,811	3,733	3,618	3,293	4,006	3,850	4,068	3,717
Industrial supplies and materials .....	158,226	147,865	13,087	13,036	12,550	12,858	12,468	12,558	12,049	11,861	12,034	11,912	12,474	12,420	11,646	11,142
Capital goods, except automotive .....	294,470	299,247	25,755	25,341	24,689	24,763	23,672	23,681	24,251	24,725	23,745	25,981	26,733	25,797	25,869	25,668
Automotive vehicles, engines, and parts .....	74,029	72,687	6,138	6,531	6,383	6,612	6,501	6,017	5,634	4,766	5,634	6,026	6,016	6,414	6,153	5,939
Consumer goods (nonfood), except automotive .....	77,446	79,374	6,416	6,588	6,405	6,530	6,570	6,542	6,844	6,638	6,671	6,714	6,791	6,615	6,467	6,466
Other goods .....	33,505	36,982	2,978	2,694	2,801	3,232	2,912	2,904	2,984	2,976	3,381	2,927	3,428	3,616	3,128	2,851
Adjustments <sup>1</sup> .....	-9,858	-11,856	-513	-636	-807	-882	-655	-756	-898	-965	-1,314	-940	-1,202	-1,602	-1,199	-952
<b>Services</b> .....	<b>258,268</b>	<b>260,385</b>	<b>21,448</b>	<b>21,742</b>	<b>21,442</b>	<b>21,820</b>	<b>22,350</b>	<b>21,910</b>	<b>21,437</b>	<b>21,195</b>	<b>21,217</b>	<b>21,531</b>	<b>22,169</b>	<b>21,832</b>	<b>21,740</b>	<b>21,943</b>
Travel .....	73,268	71,116	5,959	6,241	5,984	5,710	6,415	6,022	5,672	5,464	5,608	5,858	6,090	5,983	6,069	6,103
Passenger fares .....	20,895	20,137	1,753	1,795	1,730	1,651	1,817	1,737	1,648	1,565	1,595	1,630	1,669	1,668	1,632	1,641
Other transportation .....	26,911	25,787	2,246	2,236	2,120	2,103	2,149	2,120	2,022	2,088	2,133	2,112	2,265	2,239	2,199	2,192
Royalties and license fees .....	33,676	35,063	2,776	2,858	2,888	2,914	2,968	2,972	2,953	2,858	2,848	2,863	2,958	2,984	2,998	2,993
Other private services .....	84,465	90,729	7,302	7,219	7,264	7,424	7,599	7,739	7,736	7,736	7,677	7,729	7,699	7,507	7,559	7,638
Transfers under U.S. military agency sales contracts <sup>2</sup> .....	18,269	16,765	1,351	1,328	1,391	1,953	1,337	1,414	1,337	1,419	1,290	1,273	1,421	1,385	1,217	1,309
U.S. Government miscellaneous services .....	784	788	61	65	65	65	65	66	66	65	66	66	66	67	66	67
<b>Imports of goods and services</b> .....	<b>1,047,799</b>	<b>1,100,314</b>	<b>89,989</b>	<b>89,574</b>	<b>89,433</b>	<b>92,562</b>	<b>91,734</b>	<b>92,297</b>	<b>90,444</b>	<b>90,100</b>	<b>91,719</b>	<b>92,038</b>	<b>94,378</b>	<b>94,107</b>	<b>91,928</b>	<b>93,764</b>
<b>Goods</b> .....	<b>877,279</b>	<b>918,800</b>	<b>75,298</b>	<b>74,997</b>	<b>74,489</b>	<b>77,740</b>	<b>76,689</b>	<b>77,316</b>	<b>75,316</b>	<b>74,874</b>	<b>76,616</b>	<b>76,826</b>	<b>78,526</b>	<b>78,779</b>	<b>76,632</b>	<b>78,251</b>
Foods, feeds, and beverages .....	39,694	41,223	3,493	3,372	3,507	3,542	3,394	3,452	3,587	3,433	3,350	3,327	3,339	3,369	3,551	3,642
Industrial supplies and materials .....	213,767	200,347	17,198	17,270	16,822	16,727	17,287	17,442	16,604	16,623	16,801	16,488	16,847	16,256	15,179	15,339
Capital goods, except automotive .....	254,175	270,343	22,438	21,895	22,234	23,088	22,304	23,130	22,176	22,282	22,221	22,233	22,950	23,411	22,419	23,085
Automotive vehicles, engines, and parts .....	140,779	150,617	11,929	11,861	12,215	13,000	12,210	12,568	11,800	10,703	12,262	12,986	13,391	13,795	13,827	13,950
Consumer goods (nonfood), except automotive .....	192,918	215,473	17,269	17,203	16,875	18,216	18,277	17,897	18,177	18,270	17,984	18,017	18,193	18,218	18,144	18,645
Other goods .....	29,338	35,593	2,548	2,817	2,611	2,659	2,894	2,540	2,616	3,206	3,303	3,228	3,250	3,216	3,253	3,429
Adjustments <sup>1</sup> .....	6,609	5,204	423	578	226	508	322	288	355	358	695	546	556	514	259	161
<b>Services</b> .....	<b>170,520</b>	<b>181,514</b>	<b>14,691</b>	<b>14,577</b>	<b>14,944</b>	<b>14,822</b>	<b>15,045</b>	<b>14,981</b>	<b>15,128</b>	<b>15,226</b>	<b>15,103</b>	<b>15,212</b>	<b>15,852</b>	<b>15,328</b>	<b>15,296</b>	<b>15,513</b>
Travel .....	51,220	53,728	4,313	4,443	4,440	4,399	4,558	4,411	4,469	4,451	4,394	4,479	4,751	4,472	4,461	4,588
Passenger fares .....	18,235	18,851	1,534	1,541	1,559	1,538	1,609	1,560	1,576	1,597	1,537	1,554	1,656	1,580	1,544	1,596
Other transportation .....	28,949	30,285	2,530	2,355	2,345	2,549	2,418	2,496	2,515	2,540	2,586	2,509	2,750	2,602	2,619	2,622
Royalties and license fees .....	9,411	10,654	857	831	1,198	818	904	920	932	881	820	816	839	846	850	841
Other private services .....	48,421	52,470	4,202	4,126	4,116	4,236	4,345	4,390	4,486	4,479	4,549	4,514	4,471	4,458	4,479	4,479
Direct defense expenditures <sup>2</sup> .....	11,488	12,693	1,024	1,047	1,051	1,047	1,021	1,014	1,010	1,035	1,050	1,068	1,105	1,119	1,126	1,152
U.S. Government miscellaneous services .....	2,796	2,833	231	234	235	235	235	235	236	236	237	237	238	238	238	235
<b>Memoranda:</b>																
Balance on goods .....	-197,955	-248,159	-16,962	-17,187	-18,231	-20,615	-21,446	-22,690	-20,642	-21,141	-22,847	-20,913	-20,279	-21,669	-20,499	-23,420
Balance on services .....	87,748	78,871	6,757	7,165	6,498	6,998	7,305	6,929	6,309	5,969	6,114	6,319	6,317	6,504	6,444	6,430
Balance on goods and services .....	-110,207	-169,288	-10,205	-10,022	-11,733	-13,617	-14,141	-15,761	-14,333	-15,172	-16,733	-14,594	-13,962	-15,165	-14,055	-16,990

<sup>p</sup> Preliminary.

<sup>r</sup> 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.2.—U.S. International Transactions

[Millions of dollars]

Line	(Credits +; debits -) <sup>1</sup>	1997	1998 <sup>2</sup>	Not seasonally adjusted				Seasonally adjusted			
				1998				1998			
				I	II	III <sup>3</sup>	IV <sup>3</sup>	I <sup>3</sup>	II <sup>3</sup>	III <sup>3</sup>	IV <sup>3</sup>
1	<b>Exports of goods, services, and income</b> .....	<b>1,179,380</b>	<b>1,174,055</b>	<b>296,986</b>	<b>294,063</b>	<b>283,508</b>	<b>299,498</b>	<b>298,740</b>	<b>292,165</b>	<b>285,837</b>	<b>297,312</b>
2	Goods, adjusted, excluding military <sup>2</sup> .....	679,325	671,055	170,589	168,303	157,326	174,837	171,190	164,543	163,414	171,908
3	Services <sup>3</sup> .....	258,268	260,385	63,344	63,677	68,121	65,243	65,004	65,697	63,943	65,741
4	Transfers under U.S. military agency sales contracts <sup>4</sup> .....	18,269	16,765	4,672	4,088	3,982	4,023	4,672	3,982	3,982	4,023
5	Travel .....	73,268	71,116	15,817	17,741	20,349	17,209	17,935	18,109	16,930	18,142
6	Passenger fares .....	20,895	20,137	4,877	5,053	5,478	4,729	5,176	5,202	4,790	4,969
7	Other transportation .....	26,911	25,787	6,290	6,279	6,401	6,817	6,459	6,291	6,333	6,703
8	Royalties and license fees <sup>5</sup> .....	33,676	35,063	8,443	8,615	8,496	9,509	8,660	8,893	8,569	8,940
9	Other private services <sup>5</sup> .....	84,465	90,729	23,050	21,704	23,218	22,757	21,907	22,917	23,142	22,765
10	U.S. Government miscellaneous services .....	784	788	195	197	197	199	195	197	197	199
11	Income receipts on U.S. assets abroad .....	241,787	242,615	63,053	62,083	58,061	59,418	62,546	61,925	58,480	59,663
12	Direct investment receipts .....	109,407	100,447	26,828	26,212	22,273	25,134	26,428	25,883	22,808	25,329
13	Other private receipts .....	128,845	138,600	35,302	35,105	34,783	33,410	35,302	35,105	34,783	33,410
14	U.S. Government receipts .....	3,535	3,568	923	766	1,005	874	818	937	889	924
15	<b>Imports of goods, services, and income</b> .....	<b>-1,294,904</b>	<b>-1,365,648</b>	<b>-324,587</b>	<b>-339,452</b>	<b>-349,871</b>	<b>-351,738</b>	<b>-336,330</b>	<b>-339,746</b>	<b>-341,499</b>	<b>-348,076</b>
16	Goods, adjusted, excluding military <sup>2</sup> .....	-877,279	-919,040	-218,744	-227,804	-232,439	-240,053	-227,223	-229,321	-228,313	-234,183
17	Services <sup>3</sup> .....	-170,520	-181,514	-41,417	-45,985	-49,311	-44,801	-44,343	-45,541	-45,541	-46,476
18	Direct defense expenditures .....	-11,488	-12,693	-3,145	-3,045	-3,153	-3,350	-3,145	-3,045	-3,153	-3,350
19	Travel .....	-51,220	-53,728	-11,290	-14,318	-16,324	-11,796	-13,282	-13,438	-13,324	-13,684
20	Passenger fares .....	-18,235	-18,851	-4,280	-5,079	-5,281	-4,231	-4,638	-4,745	-4,688	-4,780
21	Other transportation .....	-28,949	-30,285	-7,066	-7,390	-7,784	-8,045	-7,249	-7,429	-7,635	-7,971
22	Royalties and license fees <sup>5</sup> .....	-9,411	-10,654	-2,835	-2,590	-2,542	-2,687	-2,847	-2,756	-2,517	-2,535
23	Other private services <sup>5</sup> .....	-48,421	-52,470	-12,117	-12,857	-13,517	-13,979	-12,478	-13,035	-13,514	-13,443
24	U.S. Government miscellaneous services .....	-2,796	-2,833	-704	-706	-710	-713	-704	-706	-710	-713
25	Income payments on foreign assets in the United States .....	-247,105	-265,094	-64,426	-65,663	-68,121	-66,884	-64,764	-65,271	-67,645	-67,417
26	Direct investment payments .....	-45,674	-45,796	-10,458	-11,059	-12,170	-12,109	-10,796	-10,667	-11,694	-12,642
27	Other private payments .....	-113,959	-128,560	-31,285	-31,644	-33,174	-32,457	-31,285	-31,644	-33,174	-32,457
28	U.S. Government payments .....	-87,472	-90,738	-22,683	-22,960	-22,777	-22,318	-22,683	-22,777	-22,318	-22,318
29	<b>Unilateral transfers, net</b> .....	<b>-39,691</b>	<b>-41,855</b>	<b>-9,617</b>	<b>-9,034</b>	<b>-9,826</b>	<b>-13,378</b>	<b>-9,428</b>	<b>-9,390</b>	<b>-10,032</b>	<b>-13,001</b>
30	U.S. Government grants <sup>4</sup> .....	-12,090	-12,492	-2,266	-2,063	-2,663	-5,500	-2,266	-2,063	-2,663	-5,500
31	U.S. Government pensions and other transfers .....	-4,193	-4,304	-1,019	-898	-839	-1,548	-1,019	-898	-1,019	-898
32	Private remittances and other transfers <sup>6</sup> .....	-23,408	-25,059	-6,332	-6,073	-6,324	-6,330	-6,089	-6,254	-6,289	-6,423
33	<b>U.S. assets abroad, net (increase/capital outflow (-))</b> .....	<b>-478,502</b>	<b>-305,385</b>	<b>-48,591</b>	<b>-111,123</b>	<b>-61,157</b>	<b>-84,514</b>	<b>-46,025</b>	<b>-110,164</b>	<b>-60,395</b>	<b>-88,798</b>
34	U.S. official reserve assets, net <sup>7</sup> .....	-1,010	-6,784	-444	-1,945	-2,026	-2,369	-444	-1,945	-2,026	-2,369
35	Gold .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
36	Special drawing rights .....	-350	-149	-182	-72	188	-227	-182	-72	188	-227
37	Reserve position in the International Monetary Fund .....	-3,575	-5,118	-85	-1,031	-2,078	-1,924	-85	-1,031	-2,078	-1,924
38	Foreign currencies .....	2,915	-1,517	-177	-986	-136	-218	-177	-986	-136	-218
39	U.S. Government assets, other than official reserve assets, net .....	174	-836	-388	-433	174	-189	-388	-433	174	-189
40	U.S. credits and other long-term assets .....	-5,302	-4,761	-1,189	-1,159	-1,285	-1,128	-1,189	-1,159	-1,285	-1,128
41	Repayments on U.S. credits and other long-term assets <sup>8</sup> .....	5,504	4,211	1,177	722	1,321	991	1,177	722	1,321	991
42	U.S. foreign currency holdings and U.S. short-term assets, net .....	-28	-286	-376	4	138	-52	-376	4	138	-52
43	U.S. private assets, net .....	-477,666	-297,765	-47,759	-108,745	-59,305	-81,956	-45,193	-107,786	-58,543	-86,240
44	Direct investment .....	-121,843	-131,933	-37,264	-41,925	-24,045	-28,699	-34,698	-40,966	-23,283	-32,983
45	Foreign securities .....	-87,981	-89,352	-6,973	-27,878	17,056	-71,557	-6,973	-27,878	17,056	-71,557
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	-120,403	-45,440	-6,596	-14,327	-20,320	-4,197	-6,596	-14,327	-20,320	-4,197
47	U.S. claims reported by U.S. banks, not included elsewhere .....	-147,439	-31,040	3,074	-24,615	-31,996	22,497	3,074	-24,615	-31,996	22,497
48	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b> .....	<b>733,441</b>	<b>542,482</b>	<b>95,172</b>	<b>165,402</b>	<b>99,804</b>	<b>182,104</b>	<b>95,637</b>	<b>164,967</b>	<b>98,742</b>	<b>183,136</b>
49	Foreign official assets in the United States, net .....	15,817	-22,112	11,324	-10,274	-46,347	23,185	11,324	-10,274	-46,347	23,185
50	U.S. Government securities .....	-2,936	-3,614	13,946	-20,064	-30,905	33,409	13,946	-20,064	-30,905	33,409
51	U.S. Treasury securities <sup>9</sup> .....	-7,270	-9,946	11,336	-20,318	-32,811	31,847	11,336	-20,318	-32,811	31,847
52	Other <sup>10</sup> .....	4,334	6,332	2,610	254	1,906	1,562	2,610	254	1,906	1,562
53	Other U.S. Government liabilities <sup>11</sup> .....	-2,521	-2,506	-1,059	-422	-264	-761	-1,059	-422	-264	-761
54	U.S. liabilities reported by U.S. banks, not included elsewhere .....	21,928	-12,515	-607	9,380	-12,684	-8,604	-607	9,380	-12,684	-8,604
55	Other foreign official assets <sup>12</sup> .....	-654	-3,477	-956	832	-2,494	-956	832	-2,494	-956	832
56	Other foreign assets in the United States, net .....	717,624	564,594	83,848	175,676	146,151	158,919	84,313	175,241	145,089	159,951
57	Direct investment .....	93,449	196,229	25,574	19,684	31,403	119,568	26,039	19,249	30,341	120,600
58	U.S. Treasury securities .....	146,710	48,060	-1,701	26,916	-1,438	24,283	-1,701	26,916	-1,438	24,283
59	U.S. currency .....	24,782	16,622	746	2,349	7,277	6,250	746	2,349	7,277	6,250
60	U.S. securities other than U.S. Treasury securities .....	196,845	217,312	77,019	71,017	20,041	49,235	77,019	71,017	20,041	49,235
61	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	107,779	43,803	32,707	18,040	11,875	-18,819	32,707	18,040	11,875	-18,819
62	U.S. liabilities reported by U.S. banks, not included elsewhere .....	148,059	42,568	-50,497	37,670	76,993	-21,598	-50,497	37,670	76,993	-21,598
63	<b>Allocations of special drawing rights</b> .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
64	<b>Statistical discrepancy (sum of above items with sign reversed)</b> .....	<b>-99,724</b>	<b>-3,649</b>	<b>-9,363</b>	<b>144</b>	<b>37,542</b>	<b>-31,972</b>	<b>-2,594</b>	<b>2,168</b>	<b>27,347</b>	<b>-30,573</b>
64a	Of which seasonal adjustment discrepancy .....	.....	.....	.....	.....	.....	.....	6,769	2,024	-10,195	1,399
65	<b>Memoranda:</b>	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
65	Balance on goods (lines 2 and 16) .....	-197,954	-247,985	-48,155	-59,501	-75,113	-65,216	-56,033	-64,778	-64,899	-62,275
66	Balance on services (lines 3 and 17) .....	87,748	78,871	21,927	17,692	18,810	20,442	20,661	20,543	18,402	19,265
67	Balance on goods and services (lines 65 and 66) .....	-110,206	-169,114	-26,228	-41,809	-56,303	-44,774	-35,372	-44,235	-46,497	-43,010
68	Balance on investment income (lines 11 and 25) .....	-5,318	-22,479	-1,373	-3,580	-10,060	-7,466	-2,218	-3,346	-9,165	-7,754
69	Balance on goods, services, and income (lines 1 and 15 or lines 67 and 68) <sup>13</sup> .....	-115,524	-191,593	-27,601	-45,389	-66,363	-52,240	-37,590	-47,581	-55,662	-50,764
70	Unilateral transfers, net (line 29) .....	-39,691	-41,855	-9,617	-9,034	-9,826	-13,378	-9,428	-9,390	-10,032	-13,001
71	Balance on current account (lines 1, 15, and 29 or lines 69 and 70) <sup>13</sup> .....	-155,215	-233,448	-37,218	-54,423	-76,189	-65,618	-47,018	-56,971	-65,694	-63,765

See footnotes to table F.3.

Table F.3.—U.S. International Transactions, by Area

[Millions of dollars]

Line	(Credits +; debits -) <sup>1</sup>	Western Europe			European Union <sup>14</sup>			United Kingdom			European Union (6) <sup>15</sup>		
		1998			1998			1998			1998		
		II	III <sup>r</sup>	IV <sup>p</sup>	II	III <sup>r</sup>	IV <sup>p</sup>	II	III <sup>r</sup>	IV <sup>p</sup>	II	III <sup>r</sup>	IV <sup>p</sup>
1	<b>Exports of goods, services, and income</b>	<b>90,139</b>	<b>88,063</b>	<b>93,309</b>	<b>81,685</b>	<b>79,260</b>	<b>83,505</b>	<b>26,418</b>	<b>25,321</b>	<b>25,916</b>	<b>42,361</b>	<b>41,603</b>	<b>44,088</b>
2	Goods, adjusted, excluding military <sup>2</sup>	39,537	37,207	41,221	36,424	34,143	37,083	9,761	9,292	8,757	21,149	19,829	22,508
3	Services <sup>3</sup>	23,053	24,832	24,203	20,636	22,185	21,658	6,792	7,077	6,917	9,843	11,118	10,578
4	Transfers under U.S. military agency sales contracts <sup>4</sup>	1,100	1,188	1,349	696	686	916	91	908	102	165	165	403
5	Travel	5,570	6,883	5,937	5,082	6,370	5,466	2,060	2,335	2,135	2,125	3,027	2,314
6	Passenger fares	1,758	1,980	1,640	1,502	1,906	1,584	668	700	608	812	967	765
7	Other transportation	1,849	1,838	1,902	1,569	1,558	1,620	405	399	438	761	763	772
8	Royalties and license fees <sup>5</sup>	4,480	4,412	5,020	4,264	4,183	4,761	866	862	944	2,430	2,449	2,792
9	Other private services <sup>5</sup>	8,256	8,491	8,314	7,285	7,447	7,275	2,689	2,670	2,676	3,533	3,671	3,515
10	U.S. Government miscellaneous services	40	40	41	35	35	36	13	13	14	17	17	17
11	Income receipts on U.S. assets abroad	27,549	26,024	27,885	24,625	22,932	24,764	9,865	8,952	10,242	11,369	10,656	11,002
12	Direct investment receipts	13,236	11,240	13,499	11,458	9,529	11,604	3,032	2,176	3,606	6,845	5,909	6,183
13	Other private receipts	14,135	14,501	14,157	13,009	13,164	12,949	6,833	6,776	6,613	4,382	4,592	4,649
14	U.S. Government receipts	178	283	229	158	239	211			23	142	155	170
15	<b>Imports of goods, services, and income</b>	<b>-99,829</b>	<b>-102,610</b>	<b>-103,113</b>	<b>-90,721</b>	<b>-93,550</b>	<b>-93,836</b>	<b>-31,995</b>	<b>-33,097</b>	<b>-33,348</b>	<b>-45,754</b>	<b>-46,740</b>	<b>-47,562</b>
16	Goods, adjusted, excluding military <sup>2</sup>	-48,104	-48,457	-52,468	-43,946	-43,962	-47,529	-8,674	-8,517	-9,072	-27,651	-27,357	-30,345
17	Services <sup>3</sup>	-19,017	-20,049	-16,997	-16,758	-17,871	-15,122	-5,994	-6,453	-5,696	-8,383	-8,721	-7,565
18	Direct defense expenditures	-1,601	-1,671	-1,680	-1,384	-1,453	-1,480	-119	-210	-180	-1,173	-1,149	-1,210
19	Travel	-5,335	-5,781	-3,416	-4,630	-5,211	-3,109	-1,405	-1,527	-1,127	-2,392	-2,633	-1,542
20	Passenger fares	-2,657	-2,766	-1,820	-2,413	-2,527	-1,657	-964	-1,030	-638	-1,031	-1,001	-714
21	Other transportation	-2,660	-2,711	-2,702	-2,135	-2,156	-2,137	-557	-622	-626	-1,077	-1,071	-1,070
22	Royalties and license fees <sup>5</sup>	-1,582	-1,615	-1,669	-1,334	-1,392	-1,429	-429	-506	-513	-755	-708	-719
23	Other private services <sup>5</sup>	-4,886	-5,205	-5,407	-4,608	-4,874	-5,049	-2,494	-2,532	-2,585	-1,768	-1,968	-2,117
24	U.S. Government miscellaneous services	-296	-300	-303	-254	-258	-261	-26	-26	-27	-187	-191	-193
25	Income payments on foreign assets in the United States	-32,708	-34,104	-33,648	-30,017	-31,717	-31,185	-17,327	-18,127	-18,580	-9,720	-10,662	-9,652
26	Direct investment payments	-7,182	-7,807	-7,635	-6,462	-7,480	-7,090	-1,999	-2,252	-2,772	-3,422	-4,219	-3,353
27	Other private payments	-15,634	-16,414	-16,247	-14,436	-15,089	-14,983	-10,174	-10,711	-10,633	-3,570	-3,685	-3,532
28	U.S. Government payments	-9,892	-9,883	-9,766	-9,119	-9,148	-9,112	-5,154	-5,164	-5,175	-2,728	-2,758	-2,767
29	<b>Unilateral transfers, net</b>	<b>-52</b>	<b>-65</b>	<b>-22</b>	<b>208</b>	<b>196</b>	<b>189</b>	<b>369</b>	<b>331</b>	<b>350</b>	<b>37</b>	<b>76</b>	<b>46</b>
30	U.S. Government grants <sup>4</sup>	-153	-133	-55									
31	U.S. Government pensions and other transfers	-327	-321	-374	-291	-289	-293	-50	-45	-48	-161	-163	-166
32	Private remittances and other transfers <sup>6</sup>	428	389	407	499	485	482	419	376	398	198	239	212
33	<b>U.S. assets abroad, net (increase/capital outflow (-))</b>	<b>-73,296</b>	<b>-31,325</b>	<b>-78,479</b>	<b>-67,368</b>	<b>-11,546</b>	<b>-81,167</b>	<b>-45,432</b>	<b>-7,992</b>	<b>-58,327</b>	<b>-12,137</b>	<b>-6,015</b>	<b>-24,644</b>
34	U.S. official reserve assets, net <sup>7</sup>	-148	-50	-2,386	-135	-3	5,156				-135	-3	5,156
35	Gold												
36	Special drawing rights												
37	Reserve position in the International Monetary Fund												
38	Foreign currencies	-148	-50	-2,386	-135	-3	5,156				-135	-3	5,156
39	U.S. Government assets, other than official reserve assets, net	5	272	177	-10	182	120	2	-4	131	-8	10	-17
40	U.S. credits and other long-term assets	-59	-76	-50	-38	-31	-28						
41	Repayments on U.S. credits and other long-term assets <sup>8</sup>	126	277	238	30	203	165			130			
42	U.S. foreign currency holdings and U.S. short-term assets, net	-62	71	-11	-2	10	-17	2	-4	1	-8	10	-17
43	U.S. private assets, net	-73,153	-31,547	-76,270	-67,223	-11,725	-86,443	-45,434	-7,988	-58,458	-11,994	-6,022	-29,783
44	Direct investment	-25,519	-11,590	-14,346	-23,990	-10,343	-12,058	-14,583	-5,527	-17,139	-4,310	-5,150	-10,510
45	Foreign securities	-10,414	8,840	-69,417	-12,346	5,748	-67,364	-5,801	-1,501	-43,943	-1,725	3,283	-22,134
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-11,559	-14,797		-10,651	-14,013		-1,622	-13,067		-7,859	-2,696	
47	U.S. claims reported by U.S. banks, not included elsewhere	-25,661	-14,000	7,493	-20,236	6,883	-7,021	-23,428	-11,571	-8,988	4,729	-2,299	-2,499
48	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b>	<b>112,503</b>	<b>101,318</b>	<b>122,534</b>	<b>103,234</b>	<b>110,269</b>	<b>114,636</b>	<b>62,719</b>	<b>59,249</b>	<b>70,063</b>	<b>34,309</b>	<b>41,716</b>	<b>45,999</b>
49	Foreign official assets in the United States, net	5,245	-3,610	6,000	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
50	U.S. Government securities	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
51	U.S. Treasury securities <sup>9</sup>	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
52	Other <sup>10</sup>	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
53	Other U.S. Government liabilities <sup>11</sup>	25	-139	-460	168	138	-225	46	78	-96	139	52	-126
54	U.S. liabilities reported by U.S. banks, not included elsewhere	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
55	Other foreign official assets <sup>12</sup>	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
56	Other foreign assets in the United States, net	107,258	104,928	116,534	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
57	Direct investment	14,642	19,156	109,937	15,036	18,352	105,106	5,613	-7,815	65,086	7,932	23,308	36,359
58	U.S. Treasury securities	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
59	U.S. currency												
60	U.S. securities other than U.S. Treasury securities	56,874	38,347	40,303	50,245	36,257	43,576	31,551	21,546	35,109	16,230	13,650	6,873
61	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	16,866	3,891		15,837	17,734		19,387	12,676		-3,984	5,406	
62	U.S. liabilities reported by U.S. banks, not included elsewhere	(17)	(17)	(17)	18 21,948	18 37,788	18 -33,821	18 6,122	18 32,764	18 -30,036	18 13,992	18 -700	18 2,893
63	<b>Allocations of special drawing rights</b>												
64	<b>Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed)</b>	<b>-29,465</b>	<b>-55,381</b>	<b>-34,229</b>	<b>-27,038</b>	<b>-84,629</b>	<b>-23,327</b>	<b>-12,079</b>	<b>-43,812</b>	<b>-4,654</b>	<b>-18,816</b>	<b>-30,640</b>	<b>-17,927</b>
65	<b>Memoranda:</b>												
65	Balance on goods (lines 2 and 16)	-8,567	-11,250	-11,247	-7,522	-9,819	-10,446	1,087	775	-315	-6,502	-7,528	-7,837
66	Balance on services (lines 3 and 17)	4,036	4,783	7,206	3,878	4,314	6,536	798	624	1,221	1,460	2,397	3,013
67	Balance on goods and services (lines 65 and 66)	-4,531	-6,467	-4,041	-3,644	-5,505	-3,910	1,885	1,399	906	-5,042	-5,131	-4,824
68	Balance on investment income (lines 11 and 25)	-5,159	-8,080	-5,663	-5,392	-8,785	-6,421	-7,462	-9,175	-8,338	1,649	-6	1,350
69	Balance on goods, services, and income (lines 1 and 15 or lines 67 and 68) <sup>13</sup>	-9,690	-14,547	-9,804	-9,036	-14,290	-10,331	-5,577	-7,776	-7,432	-3,393	-5,137	-3,474
70	Unilateral transfers, net (line 29)	-52	-65	-22	208	196	189	369	331	350	37	76	46
71	Balance on current account (lines 1, 15, and 29 or lines 69 and 70) <sup>13</sup>	-9,742	-14,612	-9,826	-8,828	-14,094	-10,142	-5,208	-7,445	-7,082	-3,356	-5,061	-3,428

<sup>p</sup> Preliminary.  
<sup>r</sup> Revised.  
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 in "U.S. International Transactions, Fourth Quarter and Year 1998" in this issue of the SURVEY.  
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 1982, 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 December 31, 1998, were as follows in millions of dollars: Line 34, 81,761; line 35, 11,046; line 36, 10,603; line 37, 24,111; line 38, 36,001. Data are preliminary.

8. Includes transfers of goods and services under U.S. military grant programs.  
9. Beginning in 1982, 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.  
10. 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.  
11. For all areas, amounts outstanding December 31, 1998, were as follows in millions of dollars: Line 34, 81,761; line 35, 11,046; line 36, 10,603; line 37, 24,111; line 38, 36,001. Data are preliminary.



Table F.3.—U.S. International Transactions, by Area

[Millions of dollars]

Line	(Credits +; debits -) <sup>1</sup>	Eastern Europe			Canada			Latin America and Other Western Hemisphere			Japan		
		1998			1998			1998			1998		
		II	III <sup>r</sup>	IV <sup>p</sup>	II	III <sup>r</sup>	IV <sup>p</sup>	II	III <sup>r</sup>	IV <sup>p</sup>	II	III <sup>r</sup>	IV <sup>p</sup>
1	<b>Exports of goods, services, and income</b> .....	<b>3,582</b>	<b>2,814</b>	<b>2,369</b>	<b>50,815</b>	<b>44,720</b>	<b>49,468</b>	<b>62,180</b>	<b>61,143</b>	<b>62,853</b>	<b>23,879</b>	<b>23,765</b>	<b>22,736</b>
2	Goods, adjusted, excluding military <sup>2</sup> .....	2,319	1,665	1,421	40,877	35,819	40,269	35,699	34,341	36,897	14,086	14,077	13,692
3	Services <sup>3</sup> .....	968	1,093	980	5,198	4,794	4,671	10,729	11,960	11,901	7,802	8,081	7,550
4	Transfers under U.S. military agency sales contracts <sup>4</sup> .....	60	104	83	24	18	14	154	96	109	109	142	66
5	Travel .....	374	499	317	1,857	1,292	1,167	4,238	5,240	5,046	2,541	2,718	2,195
6	Passenger fares .....	42	47	42	379	347	323	1,298	1,367	1,342	1,060	1,095	909
7	Other transportation .....	74	70	75	594	574	647	823	885	961	740	685	746
8	Royalties and license fees <sup>5</sup> .....	69	69	69	367	363	410	569	570	638	1,485	1,391	1,539
9	Other private services <sup>5</sup> .....	339	394	384	1,973	2,196	2,106	3,609	3,764	3,767	1,856	2,039	2,084
10	U.S. Government miscellaneous services .....	10	10	10	4	4	4	38	38	38	11	11	11
11	Income receipts on U.S. assets abroad .....	295	56	-32	4,740	4,107	4,528	15,752	14,842	14,055	1,991	1,607	1,494
12	Direct investment receipts .....	68	-197	-215	2,251	1,545	2,021	4,322	3,701	3,482	377	239	257
13	Other private receipts .....	179	180	152	2,489	2,562	2,507	11,330	11,038	10,469	1,603	1,358	1,225
14	U.S. Government receipts .....	48	73	31				100	103	104	11	10	12
15	<b>Imports of goods, services, and income</b> .....	<b>-3,914</b>	<b>-4,108</b>	<b>-3,614</b>	<b>-51,129</b>	<b>-49,465</b>	<b>-52,510</b>	<b>-57,944</b>	<b>-58,164</b>	<b>-58,825</b>	<b>-42,135</b>	<b>-42,724</b>	<b>-45,472</b>
16	Goods, adjusted, excluding military <sup>2</sup> .....	-2,847	-2,877	-2,740	-44,917	-42,065	-46,485	-36,728	-36,440	-37,856	-29,972	-29,843	-31,817
17	Services <sup>3</sup> .....	-650	-792	-476	-4,030	-5,083	-3,690	-8,545	-8,746	-8,812	-3,871	-4,021	-4,170
18	Direct defense expenditures .....	-30	-50	-30	-16	-15	-15	-78	-98	-102	-308	-339	-370
19	Travel .....	-265	-373	-113	-1,501	-2,453	-964	-3,861	-3,814	-3,917	-720	-985	-755
20	Passenger fares .....	-99	-111	-67	-165	-200	-121	-641	-716	-673	-208	-185	-210
21	Other transportation .....	-57	-58	-60	-754	-740	-855	-613	-589	-636	-1,023	-948	-1,081
22	Royalties and license fees <sup>5</sup> .....	-3	-3	-3	-86	-96	-101	-51	-36	-33	-634	-558	-651
23	Other private services <sup>5</sup> .....	-181	-182	-188	-1,472	-1,543	-1,598	-3,190	-3,382	-3,340	-944	-972	-1,069
24	U.S. Government miscellaneous services .....	-15	-15	-15	-36	-36	-36	-111	-111	-111	-34	-34	-34
25	Income payments on foreign assets in the United States .....	-417	-439	-398	-2,182	-2,317	-2,335	-12,671	-12,978	-12,157	-8,292	-8,860	-9,485
26	Direct investment payments .....	-2	-5	-4	-963	-1,038	-1,064	-413	-486	-495	-1,325	-1,575	-1,896
27	Other private payments .....	-130	-148	-100	-996	-1,078	-1,083	-9,323	-9,532	-8,999	-1,994	-2,381	-2,678
28	U.S. Government payments .....	-285	-286	-294	-223	-201	-188	-2,935	-2,960	-2,663	-4,973	-4,904	-4,911
29	<b>Unilateral transfers, net</b> .....	<b>-823</b>	<b>-946</b>	<b>-714</b>	<b>-104</b>	<b>-128</b>	<b>-110</b>	<b>-2,911</b>	<b>-3,037</b>	<b>-3,208</b>	<b>-26</b>	<b>-56</b>	<b>-28</b>
30	U.S. Government grants <sup>4</sup> .....	-459	-593	-338				-229	-288	-364			
31	U.S. Government pensions and other transfers .....	-10	-10	-9	-119	-120	-125	-151	-175	-200	-25	-25	-22
32	Private remittances and other transfers <sup>6</sup> .....	-354	-343	-367	15	-8	15	-2,531	-2,574	-2,644	-1	-31	-6
33	<b>U.S. assets abroad, net (increase/capital outflow (-))</b> .....	<b>-1,086</b>	<b>1,537</b>	<b>-331</b>	<b>-4,186</b>	<b>-9,156</b>	<b>-12,440</b>	<b>-38,943</b>	<b>-9,422</b>	<b>6,788</b>	<b>16,876</b>	<b>-5,425</b>	<b>6,311</b>
34	U.S. official reserve assets, net <sup>7</sup> .....										-838	-86	2,168
35	Gold .....												
36	Special drawing rights .....												
37	Reserve position in the International Monetary Fund .....												
38	Foreign currencies .....											-838	2,168
39	U.S. Government assets, other than official reserve assets, net .....	35	72	-9	-1			166	-43	-124	2	2	-11
40	U.S. credits and other long-term assets .....	-10	-267	-19				-138	-445	-570			
41	Repayments on U.S. credits and other long-term assets <sup>8</sup> .....	10	273	16				311	406	448			
42	U.S. foreign currency holdings and U.S. short-term assets, net .....	35	66	-6	-1			-7	-4	-2	2	2	-11
43	U.S. private assets, net .....	-1,121	1,465	-322	-4,185	-9,156	-12,440	-39,109	-9,379	6,912	17,712	-5,341	4,154
44	Direct investment .....	-659	-216	38	-1,966	-1,930	-4,431	-3,880	-3,474	-4,871	-1,877	-345	285
45	Foreign securities .....	-392	427	-868	-1,591	3,738	-3,341	-10,071	-3,720	51	569	3,686	1,797
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns .....	-241	278		-1,580	4,328		-3,052	-8,733	-16,000	-270	-452	
47	U.S. claims reported by U.S. banks, not included elsewhere .....	171	976	508	952	-15,292	-4,668	-22,106	6,548	27,732	19,290	-8,230	2,072
48	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b> .....	<b>-991</b>	<b>-2,097</b>	<b>2,901</b>	<b>4,240</b>	<b>10,340</b>	<b>4,720</b>	<b>70,496</b>	<b>-22,729</b>	<b>-15,260</b>	<b>-21,938</b>	<b>25,085</b>	<b>56,373</b>
49	Foreign official assets in the United States, net .....	(18)	(18)	(18)	-879	-3,226	3,113	(18)	(18)	(18)	(18)	(18)	(18)
50	U.S. Government securities .....	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
51	U.S. Treasury securities <sup>9</sup> .....	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
52	Other <sup>10</sup> .....	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
53	Other U.S. Government liabilities <sup>11</sup> .....	-44	10	149	5		-4	-71	-2	-7	489	102	-78
54	U.S. liabilities reported by U.S. banks, not included elsewhere .....	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
55	Other foreign official assets <sup>12</sup> .....	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
56	Other foreign assets in the United States, net .....	(18)	(18)	(18)	5,119	13,566	1,607	(18)	(18)	(18)	(18)	(18)	(18)
57	Direct investment .....	4	-9	9	1,695	10,721	2,370	1,014	-173	2,453	298	1,413	3,433
58	U.S. Treasury securities .....	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
59	U.S. currency .....												
60	U.S. securities other than U.S. Treasury securities .....	199	209		-539	588	-1,639	10,301	-10,757	1,646	3,637	-888	6,103
61	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns .....	11	10		393	1,325		1,276	10,646	-7,700	-2,261	-2,478	46,915
62	U.S. liabilities reported by U.S. banks, not included elsewhere .....	18 -1,161	18 -2,317	18 2,743	(17)	(17)	(17)	18 57,976	18 -22,443	18 -11,652	18 -24,101	18 26,936	18 46,915
63	<b>Allocations of special drawing rights</b> .....												
64	<b>Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed)</b> .....	<b>3,232</b>	<b>2,800</b>	<b>-611</b>	<b>364</b>	<b>3,689</b>	<b>10,872</b>	<b>-32,878</b>	<b>32,209</b>	<b>7,652</b>	<b>23,344</b>	<b>-645</b>	<b>-39,920</b>
65	<b>Memoranda:</b>												
65	Balance on goods (lines 2 and 16) .....	-528	-1,212	-1,319	-4,040	-6,246	-6,216	-1,029	-2,099	-959	-15,886	-15,766	-18,125
66	Balance on services (lines 3 and 17) .....	318	301	504	1,168	-289	981	2,184	3,214	3,089	3,931	4,060	3,380
67	Balance on goods and services (lines 65 and 66) .....	-210	-911	-815	-2,872	-6,535	-5,235	1,155	1,115	2,130	-11,955	-11,706	-14,745
68	Balance on investment income (lines 11 and 25) .....	-122	-383	-430	2,558	1,790	2,193	3,081	1,864	1,898	-6,301	-7,253	-7,991
69	Balance on goods, services, and income (lines 1 and 15 or lines 67 and 68) <sup>13</sup> .....	-332	-1,294	-1,245	-314	-4,745	-3,042	4,236	2,979	4,028	-18,256	-18,959	-22,736
70	Unilateral transfers, net (line 29) .....	-823	-946	-714	-104	-128	-110	-2,911	-3,037	-3,208	-26	-56	-28
71	Balance on current account (lines 1, 15, and 29 or lines 69 and 70) <sup>13</sup> .....	-1,155	-2,240	-1,959	-418	-4,873	-3,152	1,325	-58	820	-18,282	-19,015	-22,764

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 in "U.S. International Transactions, Fourth Quarter and Year 1998" in this issue of the SURVEY.

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 on page D-74 of this issue. 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).

Table F.3.—U.S. International Transactions, by Area

[Millions of dollars]

Line	(Credits +; debits -) <sup>1</sup>	Australia			Other countries in Asia and Africa			International organizations and unallocated <sup>16</sup>		
		1998			1998			1998		
		II	III <sup>r</sup>	IV <sup>p</sup>	II	III <sup>r</sup>	IV <sup>p</sup>	II	III <sup>r</sup>	IV <sup>p</sup>
<b>1</b>	<b>Exports of goods, services, and income</b>	<b>5,618</b>	<b>5,429</b>	<b>5,279</b>	<b>51,851</b>	<b>51,275</b>	<b>56,949</b>	<b>5,999</b>	<b>6,299</b>	<b>6,535</b>
2	Goods, adjusted, excluding military <sup>2</sup>	2,858	2,925	2,893	32,927	31,292	38,444			
3	Services <sup>3</sup>	1,358	1,309	1,258	13,097	14,446	13,003	1,472	1,606	1,677
4	Transfers under U.S. military agency sales contracts <sup>4</sup>	219	43	44	2,422	2,391	2,358			
5	Travel	356	456	385	2,805	3,361	2,162			
6	Passenger fares	120	135	128	394	507	345			
7	Other transportation	77	83	86	1,990	2,019	2,163	134	247	237
8	Royalties and license fees <sup>5</sup>	180	181	204	1,021	1,069	1,135	444	441	494
9	Other private services <sup>5</sup>	400	405	403	4,377	5,011	4,753	894	918	946
10	U.S. Government miscellaneous services	6	6	8	88	88	87			
11	Income receipts on U.S. assets abroad	1,402	1,195	1,128	5,827	5,537	5,502	4,527	4,693	4,858
12	Direct investment receipts	631	462	425	2,862	2,611	2,821	2,465	2,672	2,844
13	Other private receipts	771	733	703	2,731	2,601	2,410	1,867	1,810	1,787
14	U.S. Government receipts				234	325	271	195	211	227
<b>15</b>	<b>Imports of goods, services, and income</b>	<b>-2,438</b>	<b>-2,511</b>	<b>-2,549</b>	<b>-79,516</b>	<b>-87,459</b>	<b>-82,949</b>	<b>-2,547</b>	<b>-2,830</b>	<b>-2,706</b>
16	Goods, adjusted, excluding military <sup>2</sup>	-1,434	-1,312	-1,358	-63,802	-71,445	-67,329			
17	Services <sup>3</sup>	-555	-736	-759	-8,597	-8,883	-8,992	-720	-1,001	-905
18	Direct defense expenditures	-9	-7	-12	-1,003	-973	-1,141			
19	Travel	-159	-298	-268	-2,477	-2,620	-2,363			
20	Passenger fares	-112	-135	-157	-1,197	-1,168	-1,183			
21	Other transportation	-40	-52	-53	-1,885	-2,040	-2,089	-358	-646	-569
22	Royalties and license fees <sup>5</sup>	-9	-9	-11	-38	-37	-42	-187	-188	-177
23	Other private services <sup>5</sup>	-214	-223	-246	-1,795	-1,843	-1,972	-175	-167	-159
24	U.S. Government miscellaneous services	-12	-12	-12	-202	-202	-202			
25	Income payments on foreign assets in the United States	-449	-463	-432	-7,117	-7,131	-6,628	-1,827	-1,829	-1,801
26	Direct investment payments	-213	-243	-156	15	-38	157	-976	-978	-1,016
27	Other private payments	-160	-159	-150	-2,569	-2,614	-2,416	-838	-848	-784
28	U.S. Government payments	-76	-61	-126	-4,563	-4,479	-4,369	-13	-3	-1
<b>29</b>	<b>Unilateral transfers, net</b>	<b>-39</b>	<b>-43</b>	<b>-43</b>	<b>-2,940</b>	<b>-3,602</b>	<b>-6,584</b>	<b>-2,139</b>	<b>-1,949</b>	<b>-2,669</b>
30	U.S. Government grants <sup>4</sup>				-999	-1,481	-4,580	-223	-168	-163
31	U.S. Government pensions and other transfers	-9	-9	-9	-120	-97	-123	-137	-82	-686
32	Private remittances and other transfers <sup>6</sup>	-30	-34	-34	-1,821	-2,024	-1,879	-1,779	-1,699	-1,820
<b>33</b>	<b>U.S. assets abroad, net (increase/capital outflow (-))</b>	<b>-7,496</b>	<b>-1,862</b>	<b>622</b>	<b>489</b>	<b>947</b>	<b>-14,821</b>	<b>-3,481</b>	<b>-6,451</b>	<b>7,836</b>
34	U.S. official reserve assets, net <sup>7</sup>							-959	-1,890	-2,151
35	Gold									
36	Special drawing rights							72	188	-227
37	Reserve position in the International Monetary Fund							-1,031	-2,078	-1,924
38	Foreign currencies									
39	U.S. Government assets, other than official reserve assets, net	-1			-322	162	45	-317	-291	-267
40	U.S. credits and other long-term assets				-635	-206	-222	-317	-291	-267
41	Repayments on U.S. credits and other long-term assets <sup>8</sup>				275	365	289			
42	U.S. foreign currency holdings and U.S. short-term assets, net	-1			38	3	-22			
43	U.S. private assets, net	-7,495	-1,862	622	811	785	-14,866	-2,205	-4,270	10,254
44	Direct investment	-4,743	-587	-368	-979	-3,904	-2,528	-2,302	-1,999	-2,478
45	Foreign securities	-1,348	-403	432	-4,789	4,384	451	158	104	-662
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	129	-513		2,261	-386		-15	-45	11,803
47	U.S. claims reported by U.S. banks, not included elsewhere	-1,533	-359	558	4,318	691	-12,789	-46	-2,330	1,591
<b>48</b>	<b>Foreign assets in the United States, net (increase/capital inflow (+))</b>	<b>2,738</b>	<b>-3,198</b>	<b>1,515</b>	<b>-1,760</b>	<b>-16,362</b>	<b>15,265</b>	<b>114</b>	<b>7,447</b>	<b>-5,944</b>
49	Foreign official assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)			1
50	U.S. Government securities	(18)	(18)	(18)	(18)	(18)	(18)			
51	U.S. Treasury securities <sup>9</sup>	(18)	(18)	(18)	(18)	(18)	(18)			
52	Other <sup>10</sup>	(18)	(18)	(18)	(18)	(18)	(18)			
53	Other U.S. Government liabilities <sup>11</sup>	-179	-2	15	-647	-233	-377			1
54	U.S. liabilities reported by U.S. banks, not included elsewhere	(18)	(18)	(18)	(18)	(18)	(18)			
55	Other foreign official assets <sup>12</sup>	(18)	(18)	(18)	(18)	(18)	(18)			
56	Other foreign assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	114	7,447	-5,945
57	Direct investment	487	-265	288	706	-227	227	838	851	851
58	U.S. Treasury securities	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
59	U.S. currency							2,349	7,277	6,250
60	U.S. securities other than U.S. Treasury securities	-325	7	966	655	-7,262	1,938	215	-203	-82
61	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	1,623	97		59	-1,665		73	49	-11,119
62	U.S. liabilities reported by U.S. banks, not included elsewhere	18 1,132	18 -3,035	18 246	18 -2,533	18 -6,911	18 13,477	18 -3,361	18 -527	18 -1,845
<b>63</b>	<b>Allocations of special drawing rights</b>									
<b>64</b>	<b>Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed)</b>	<b>1,617</b>	<b>2,185</b>	<b>-4,824</b>	<b>31,876</b>	<b>55,201</b>	<b>32,140</b>	<b>2,054</b>	<b>-2,516</b>	<b>-3,052</b>
<b>Memoranda:</b>										
65	Balance on goods (lines 2 and 16)	1,424	1,613	1,535	-30,875	-40,153	-28,885			
66	Balance on services (lines 3 and 17)	803	573	499	4,500	5,563	4,011	752	605	772
67	Balance on goods and services (lines 65 and 66)	2,227	2,186	2,034	-26,375	-34,590	-24,874	752	605	772
68	Balance on investment income (lines 11 and 25)	953	732	696	-1,290	-1,594	-1,126	2,700	2,864	3,057
69	Balance on goods, services, and income (lines 1 and 15 or lines 67 and 68) <sup>13</sup>	3,180	2,918	2,730	-27,665	-36,184	-26,000	3,452	3,469	3,829
70	Unilateral transfers, net (line 29)	-39	-43	-43	-2,940	-3,602	-6,584	-2,139	-1,949	-2,669
71	Balance on current account (lines 1, 15, and 29 or lines 69 and 70) <sup>13</sup>	3,141	2,875	2,687	-30,605	-39,786	-32,584	1,313	1,520	1,160

14. 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.

15. 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.

16. 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; 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.

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

18. Details not shown separately are included in line 62.

NOTE.—The data in tables F.2 and F.3 are from tables 1 and 10 in "U.S. International Transactions, Fourth Quarter and Year 1998" in this issue of the SURVEY OF CURRENT BUSINESS, which presents the most recent estimates from the balance of payments accounts.

Table F.4—Private Service Transactions

[Millions of dollars]

Line		1997	1998 <sup>p</sup>	Seasonally adjusted					
				1997		1998			
				III	IV	I <sup>r</sup>	II <sup>r</sup>	III <sup>r</sup>	IV <sup>p</sup>
1	<b>Exports of private services</b> .....	<b>239,215</b>	<b>242,832</b>	<b>60,545</b>	<b>60,827</b>	<b>60,137</b>	<b>61,412</b>	<b>59,764</b>	<b>61,519</b>
2	Travel (table F.2, line 5) .....	73,268	71,116	18,325	18,204	17,935	18,109	16,930	18,142
3	Passenger fares (table F.2, line 6) .....	20,895	20,137	5,212	5,364	5,176	5,202	4,790	4,969
4	Other transportation (table F.2, line 7) .....	26,911	25,787	6,678	6,809	6,459	6,291	6,333	6,703
5	Freight .....	11,773	11,115	2,919	3,031	2,901	2,715	2,660	2,840
6	Port services .....	15,137	14,672	3,759	3,778	3,559	3,577	3,674	3,864
7	Royalties and license fees (table F.2, line 8) .....	33,676	35,063	8,580	8,381	8,660	8,893	8,569	8,940
8	Affiliated .....	25,515	26,573	6,543	6,330	6,585	6,788	6,431	6,768
9	U.S. parents' receipts .....	23,457	24,614	5,929	5,724	5,912	6,189	6,058	6,453
10	U.S. affiliates' receipts .....	2,058	1,959	614	606	673	599	373	315
11	Unaffiliated .....	8,161	8,490	2,037	2,051	2,075	2,105	2,138	2,172
12	Industrial processes <sup>1</sup> .....	3,272	3,272	812	809	811	815	820	826
13	Other <sup>2</sup> .....	4,889	5,218	1,225	1,242	1,264	1,290	1,318	1,346
14	Other private services (table F.2, line 9) .....	84,465	90,729	21,750	22,069	21,907	22,917	23,142	22,765
15	Affiliated services .....	26,336	27,600	6,791	6,717	6,647	6,879	7,195	6,880
16	U.S. parents' receipts .....	16,164	16,648	4,128	4,198	4,102	4,202	4,186	4,158
17	U.S. affiliates' receipts .....	10,172	10,952	2,663	2,519	2,545	2,677	3,009	2,722
18	Unaffiliated services .....	58,128	63,129	14,959	15,352	15,260	16,038	15,947	15,885
19	Education .....	8,278	8,451	2,108	2,105	2,101	2,097	2,157	2,096
20	Financial services .....	11,064	13,212	2,914	3,157	2,891	3,617	3,380	3,324
21	Insurance, net .....	2,391	2,594	605	616	629	642	656	669
22	Premiums received .....	5,952	6,181	1,483	1,491	1,508	1,531	1,557	1,584
23	Losses paid .....	3,561	3,587	879	875	880	890	902	915
24	Telecommunications .....	3,771	3,744	956	987	969	940	914	921
25	Business, professional, and technical services .....	21,304	23,010	5,500	5,564	5,669	5,755	5,793	5,793
26	Other unaffiliated services <sup>3</sup> .....	11,321	12,117	2,876	2,923	3,001	2,987	3,047	3,083
27	<b>Imports of private services</b> .....	<b>156,236</b>	<b>165,988</b>	<b>39,769</b>	<b>40,039</b>	<b>40,494</b>	<b>41,403</b>	<b>41,678</b>	<b>42,413</b>
28	Travel (table F.2, line 19) .....	51,220	53,728	12,897	12,823	13,282	13,438	13,324	13,684
29	Passenger fares (table F.2, line 20) .....	18,235	18,851	4,704	4,557	4,638	4,745	4,688	4,780
30	Other transportation (table F.2, line 21) .....	28,949	30,285	7,200	7,397	7,249	7,429	7,635	7,971
31	Freight .....	17,644	19,328	4,408	4,454	4,462	4,731	4,996	5,138
32	Port services .....	11,305	10,957	2,792	2,943	2,877	2,698	2,639	2,833
33	Royalties and license fees (table F.2, line 22) .....	9,411	10,654	2,559	2,578	2,847	2,756	2,517	2,535
34	Affiliated .....	7,087	7,862	1,941	1,980	1,874	2,151	1,879	1,959
35	U.S. parents' payments .....	955	826	235	284	247	182	198	199
36	U.S. affiliates' payments .....	6,132	7,036	1,706	1,696	1,627	1,969	1,681	1,760
37	Unaffiliated .....	2,324	2,792	618	598	973	605	638	576
38	Industrial processes <sup>1</sup> .....	1,265	1,366	313	317	324	335	347	360
39	Other <sup>2</sup> .....	1,060	1,427	305	282	649	270	292	216
40	Other private services (table F.2, line 23) .....	48,421	52,470	12,409	12,684	12,478	13,035	13,514	13,443
41	Affiliated services .....	18,324	19,689	4,635	4,801	4,426	4,832	5,289	5,142
42	U.S. parents' payments .....	9,407	9,968	2,427	2,445	2,330	2,500	2,566	2,572
43	U.S. affiliates' payments .....	8,917	9,721	2,208	2,356	2,096	2,332	2,723	2,570
44	Unaffiliated services .....	30,098	32,781	7,774	7,883	8,052	8,203	8,225	8,301
45	Education .....	1,347	1,474	346	349	349	365	378	382
46	Financial services .....	3,906	4,037	1,093	965	999	1,069	1,007	962
47	Insurance, net .....	5,208	5,826	1,381	1,452	1,477	1,471	1,451	1,427
48	Premiums paid .....	15,036	15,654	3,787	3,832	3,869	3,900	3,928	3,956
49	Losses recovered .....	9,828	9,828	2,406	2,380	2,392	2,429	2,477	2,530
50	Telecommunications .....	8,113	8,438	2,028	2,080	2,121	2,103	2,088	2,127
51	Business, professional, and technical services .....	6,571	7,753	1,676	1,737	1,832	1,905	1,973	2,043
52	Other unaffiliated services <sup>3</sup> .....	4,952	5,252	1,251	1,299	1,274	1,290	1,328	1,360
	<b>Memoranda:</b>								
53	Balance on goods (table F.2, line 65) .....	-197,954	-247,985	-49,296	-49,839	-56,033	-64,778	-64,899	-62,275
54	Balance on private services (line 1 minus line 27) .....	82,979	76,844	20,776	20,788	19,643	20,009	18,086	19,106
55	Balance on goods and private services (lines 53 and 54) .....	-114,975	-171,141	-28,520	-29,051	-36,390	-44,769	-46,813	-43,169

<sup>p</sup> Preliminary.<sup>r</sup> 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 commuters in U.S. border areas.

NOTE.—The data in table F.4 are from table 3 in "U.S. International Transactions, Fourth Quarter and Year 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 <sup>r</sup>	Changes in position in 1997 (decrease (-))				Total (a+b+c+d)	Position 1997 <sup>p</sup>
			Attributable to:					
			Capital flows	Valuation adjustments				
				Price changes	Exchange rate changes <sup>1</sup>	Other changes <sup>2</sup>		
(a)	(b)	(c)	(d)	(a+b+c+d)				
1	<b>Net international investment position of the United States:</b>							
2	<b>With direct investment positions at current cost (line 3 less line 24)</b>	-767,076	-254,939	-51,669	-127,725	-22,159	-456,492	-1,223,568
2	<b>With direct investment positions at market value (line 4 less line 25)</b>	-743,656	-254,939	-116,094	-197,805	-9,961	-578,799	-1,322,455
	<b>U.S. assets abroad:</b>							
3	<b>With direct investment positions at current cost (lines 5+10+15) ...</b>	3,767,018	478,502	175,135	-155,352	-27,992	470,293	4,237,311
4	<b>With direct investment positions at market value (lines 5+10+16) ...</b>	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	-25,903	134,836
6	Gold .....	96,698		<sup>3</sup> -20,762		<sup>4</sup> -7	-20,769	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 <sup>5</sup> .....	79,786	-202		-8	-3	-213	79,573
12	Repayable in dollars .....	79,114	-168			-4	-172	78,942
13	Other <sup>6</sup> .....	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
	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
	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
	<b>Foreign assets in the United States:</b>							
24	<b>With direct investment at current cost (lines 26+33) .....</b>	4,534,094	733,441	226,804	-27,627	-5,833	926,785	5,460,879
25	<b>With direct investment at market value (lines 26+34) .....</b>	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 <sup>7</sup> .....	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
	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
	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

<sup>p</sup> Preliminary.<sup>r</sup> 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/monetizations 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
<b>All countries, all industries</b> .....	<b>699,015</b>	<b>777,203</b>	<b>860,723</b>	<b>92,074</b>	<b>74,833</b>	<b>114,537</b>	<b>87,346</b>	<b>92,105</b>	<b>100,703</b>
<b>By country</b>									
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
<b>By industry</b>									
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	280,920	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	
<b>All countries, all industries</b> .....	<b>21,901</b>	<b>3,075,516</b>	<b>2,227,014</b>	<b>135,108</b>	<b>7,616.5</b>
<b>By country</b>					
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
<b>By industry</b>					
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
<b>All countries, all industries</b> .....	<b>535,553</b>	<b>594,088</b>	<b>681,651</b>	<b>58,772</b>	<b>76,453</b>	<b>90,748</b>	<b>30,931</b>	<b>31,970</b>	<b>42,502</b>
<b>By country</b>									
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	121,288	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
<b>By industry</b>									
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
<b>All countries, all industries</b> .....	<b>12,626</b>	<b>2,613,985</b>	<b>1,596,022</b>	<b>21,110</b>	<b>339,485</b>	<b>4,977.5</b>	<b>136,588</b>	<b>252,990</b>
<b>By country</b>								
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
<b>By industry</b>								
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

<sup>D</sup> 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

	1997	1998	1997	1998												1999
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
Exchange rates per U.S. dollar (not seasonally adjusted) <sup>1</sup>																
Canada (Can./US\$) .....	1.3849	1.4836	1.4271	1.4409	1.4334	1.4166	1.4298	1.4452	1.4655	1.4869	1.5346	1.5218	1.5452	1.5404	1.5433	1.5194
European Monetary Union (Euro/US\$) <sup>2</sup>																1.0853
France (FFr/US\$) <sup>2</sup> .....	5.8393	5.8995	5.9542	6.0832	6.0744	6.1257	6.0782	5.9528	6.0118	6.0280	5.9912	5.6969	5.4925	5.6422	5.5981	
Germany (DM/US\$) <sup>2</sup> .....	1.7348	1.7597	1.7788	1.8165	1.8123	1.8272	1.8132	1.7753	1.7928	1.7976	1.7869	1.6990	1.6381	1.6827	1.6698	
Italy (L/US\$) <sup>2</sup> .....	17.0381	17.3685	17.4386	17.8787	17.8828	17.9907	17.9124	17.5079	17.6632	17.7242	17.6301	16.7892	16.2096	16.6491	16.5323	
Japan (¥/US\$) .....	1.2106	1.3099	1.2973	1.2955	1.2585	1.2908	1.3175	1.3490	1.4033	1.4079	1.4468	1.3448	1.2105	1.2029	1.1707	1.1329
Mexico (Peso/US\$) .....	7.9177	9.1520	8.1271	8.2272	8.5021	8.5681	8.5017	8.5848	8.9200	8.8990	9.3712	10.2192	10.1594	9.9680	9.9070	10.1280
United Kingdom (US\$/£) .....	1.6376	1.6573	1.6597	1.6350	1.6408	1.6619	1.6723	1.6382	1.6504	1.6437	1.6342	1.6823	1.6944	1.6611	1.6708	1.6498
Addendum: Exchange value of the U.S. dollar <sup>2</sup> ..	104.47	116.25	112.60	116.29	114.69	114.36	114.13	115.16	117.87	118.17	120.14	118.85	115.46	115.34	114.56	114.68
Unemployment rates (percent, monthly data seasonally adjusted)																
Canada .....	9.2	8.3	8.5	8.8	8.6	8.4	8.4	8.4	8.4	8.4	8.3	8.3	8.0	8.0	8.0	7.8
France .....	12.5	11.8	12.3	12.2	12.1	12.0	11.9	11.9	11.8	11.8	11.8	11.7	11.6	11.5	11.5	11.4
Germany .....	11.5	11.1	11.7	11.6	11.5	11.5	11.3	11.2	11.0	10.9	10.9	10.8	10.7	10.7	10.7	10.6
Italy .....	12.3				12.0			12.4			12.4					
Japan .....	3.4	4.1	3.5	3.5	3.6	3.9	4.1	4.1	4.3	4.1	4.3	4.3	4.3	4.4	4.3	
Mexico .....	3.7	3.2	3.4	3.5	3.4	3.3	3.3	3.2	3.4	3.0	3.0	3.1	3.1	3.1	3.1	
United Kingdom .....	5.5	4.7	4.9	4.9	4.8	4.8	4.8	4.8	4.8	4.7	4.6	4.6	4.6	4.6	4.6	
Addendum: United States .....	4.9	4.5	4.7	4.6	4.6	4.7	4.3	4.4	4.5	4.5	4.5	4.5	4.5	4.4	4.3	4.3
Consumer prices (monthly data seasonally adjusted, 1990=100)																
Canada .....	115.3	116.5	115.4	116.0	116.1	116.2	116.1	116.5	116.7	116.7	116.7	116.4	116.9	116.9	116.5	116.8
France .....	115.2	116.0	115.7	115.3	115.7	115.9	116.2	116.3	116.4	115.9	116.1	116.1	116.0	116.0	116.1	115.8
Germany .....	118.6	119.7	119.1	119.1	119.4	119.2	119.5	119.9	120.0	120.3	120.2	119.9	119.7	119.7	119.7	119.6
Italy .....	135.2	137.5	136.1	136.5	136.9	136.9	137.1	137.4	137.5	137.5	137.7	137.8	138.0	139.4	139.4	
Japan .....	109.0	109.7	109.3	109.2	109.1	109.6	109.8	110.1	109.7	109.0	108.9	109.8	110.5	110.4	110.0	109.5
Mexico .....	364.0	422.0	385.7	394.1	401.0	405.7	409.5	412.7	417.6	421.7	425.7	432.6	438.8	446.6	457.5	469.1
United Kingdom .....	124.9	129.1	126.9	126.5	127.1	127.5	128.9	129.6	129.6	129.2	129.8	130.3	130.4	130.3	130.3	129.6
Addendum: United States .....	122.9	124.8	123.8	124.0	124.1	124.1	124.4	124.7	124.8	125.0	125.1	125.2	125.4	125.7	125.8	126.0
Real gross domestic product (percent change from preceding quarter, quarterly data seasonally adjusted at annual rates)																
Canada .....	3.8	3.0			3.2			1.5			1.7			4.6		
France .....	2.3	3.2			3.2			3.6			1.5			2.9		
Germany .....	2.3				5.9			2			3.5					
Italy .....	1.5				-6			2.3			2.0					
Japan .....	1.4				-4.8			-2.9			-2.6					
Mexico .....	7.0				6.2			7.8			8.1					
United Kingdom .....	3.5	2.3			1.4			2.1			1.0			8		
Addendum: United States .....	3.9	3.9			5.5			1.8			3.7			6.0		

See footnotes at the end of the table.

Table H.1.—International Perspectives—Continued

	1997	1998	1997	1998												1999
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
Short-term, 3-month, interest rates (percent, not seasonally adjusted)																
Canada .....	3.53	5.04	4.58	4.62	4.96	4.85	4.88	5.00	5.00	5.02	5.15	5.59	5.27	5.13	4.99	4.99
France .....	3.46	3.56	3.69	3.62	3.57	3.57	3.63	3.61	3.57	3.56	3.56	3.54	3.56	3.59	3.32	.....
Germany .....	3.33	3.54	3.74	3.57	3.51	3.52	3.63	3.63	3.56	3.54	3.50	3.49	3.57	3.63	3.38	.....
Italy .....	6.88	4.99	6.08	6.09	6.13	5.62	5.23	5.11	5.12	4.88	4.89	4.97	4.53	3.95	3.38	3.10
Japan .....	.60	.72	.89	.95	1.10	.81	.70	.59	.58	.74	.73	.55	.61	.63	.62	.69
Mexico .....	21.26	26.11	19.88	19.37	19.63	20.76	19.47	18.85	20.99	21.82	25.22	41.03	37.49	34.30	34.35	31.97
United Kingdom .....	6.83	7.33	7.62	7.48	7.45	7.48	7.44	7.41	7.62	7.70	7.66	7.37	7.13	6.88	6.37	5.79
Addendum:																
United States .....	5.07	4.81	5.16	5.09	5.11	5.03	5.00	5.03	4.99	4.96	4.94	4.74	4.08	4.44	4.42	4.34
Long-term interest rates, government bond yields (percent, not seasonally adjusted)																
Canada .....	6.47	5.45	5.85	5.58	5.60	5.64	5.50	5.52	5.45	5.46	5.65	5.39	5.17	5.39	5.07	5.13
France .....	5.67	4.82	5.45	5.26	5.11	5.04	5.12	5.05	4.95	4.91	4.61	4.39	4.51	4.43	4.41	4.13
Germany .....	5.70	4.60	5.30	5.10	5.00	4.90	4.90	5.00	4.80	4.70	4.40	4.10	4.10	4.10	3.90	3.70
Italy .....	6.86	4.88	5.74	5.43	5.38	5.20	5.15	5.21	5.08	4.97	4.79	4.53	4.49	4.38	4.00	3.92
Japan .....	2.37	1.54	1.94	1.95	2.00	1.86	1.87	1.66	1.54	1.68	1.50	1.10	.88	.98	1.49	1.91
United Kingdom .....	7.04	5.52	6.36	6.08	6.03	5.95	5.79	5.83	5.73	5.75	5.54	5.12	5.00	4.91	4.50	4.29
Addendum:																
United States .....	6.35	5.26	5.81	5.54	5.57	5.65	5.64	5.65	5.50	5.46	5.34	4.81	4.53	4.83	4.65	4.72
Share price indices (not seasonally adjusted, 1990=100)																
Canada .....	189	198	196	196	207	221	224	222	215	203	162	164	181	185	190	197
France .....	152	198	157	163	175	195	208	216	223	228	211	189	177	197	200	217
Germany .....	158	202	171	177	188	201	214	219	228	237	215	191	175	193	191	205
Italy .....	131	210	154	175	189	214	238	232	225	239	224	191	180	204	214	.....
Japan .....	64	54	55	56	58	58	56	56	55	58	54	50	47	51	51	50
Mexico .....	779	744	917	801	839	880	894	795	751	745	525	501	592	661	696	.....
United Kingdom .....	189	222	200	205	216	226	232	237	236	238	222	207	201	219	221	232
Addendum:																
United States .....	249	300	275	275	290	306	315	313	311	320	294	276	279	308	314	325

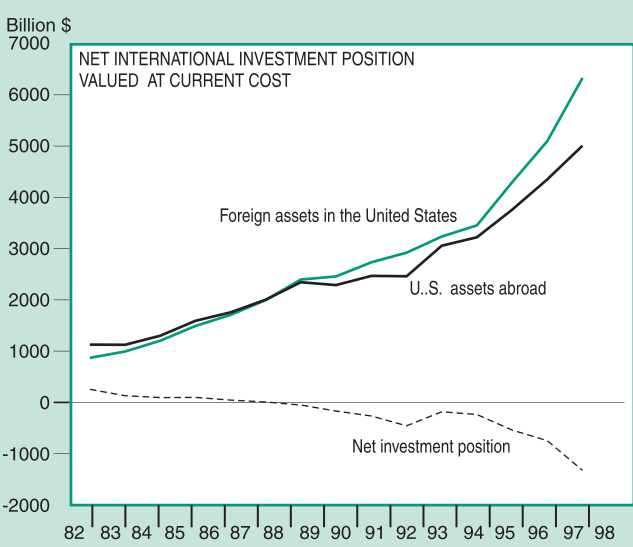
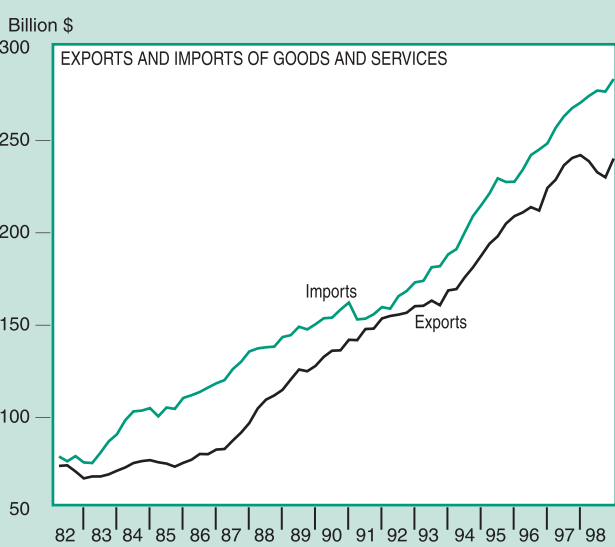
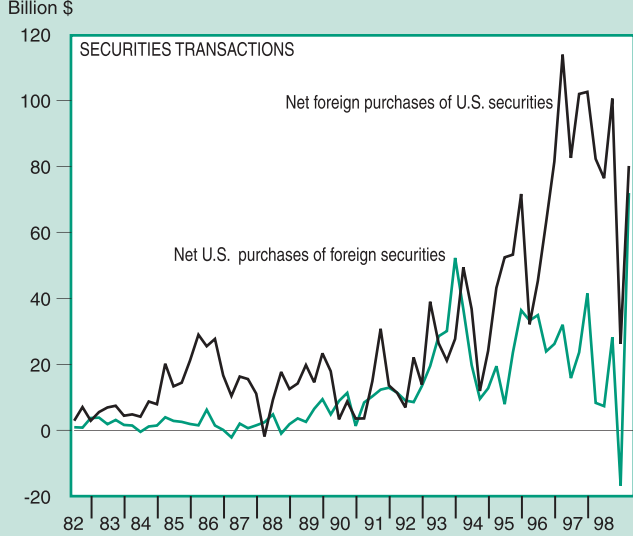
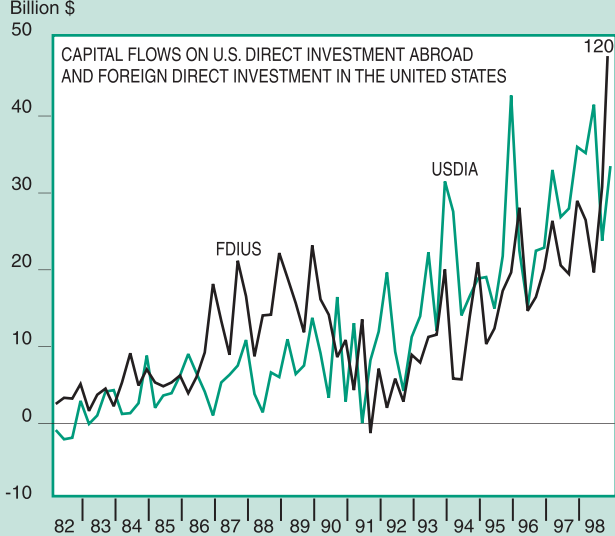
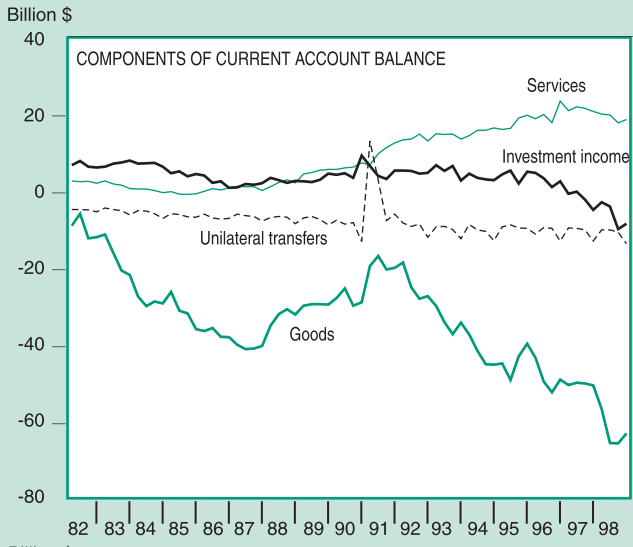
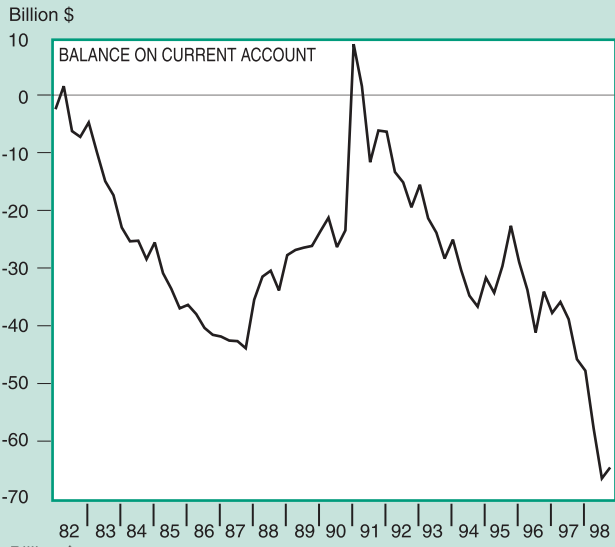
1. All exchange rates are from the Board of Governors of the Federal Reserve System.  
 2. As of January 1, 1999, the euro is reported in place of the individual euro-area currencies. These currency rates can be derived from the euro rate by using the following conversion rates: 1 euro = 6.55957 French francs, 1.95583 German marks, and 1,936.27 Italian lire. The rate shown for the United States is an index of the weighted average of the foreign exchange value of the U.S. dollar against the currencies of a broad group of major U.S. trading partners, January 1997=100. For more information on the exchange rate indexes, see "New Summary Meas-

ures of the Foreign Exchange Value of the Dollar," *Federal Reserve Bulletin*, vol. 84 (October 1998), pages 811-18.

NOTE.—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, March 1999, *OECD Main Economic Indicators* and are reproduced with permission of the OECD.

I. Charts

THE U.S. IN THE INTERNATIONAL ECONOMY



# Regional Data

## J. State and Regional Tables

The tables in this section include the most recent estimates of State personal income and gross state product. The sources of these estimates are noted.

The quarterly and annual State personal income estimates and the gross state product estimates are available on diskettes or CD-ROM. For information on personal income, E-mail [reis.remd@bea.doc.gov](mailto:reis.remd@bea.doc.gov); write to the Regional Economic Information System, BE-55, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230; or call 202-606-5360. For information on gross state product, E-mail [gspread@bea.doc.gov](mailto:gspread@bea.doc.gov); write to the Regional Economic Analysis Division, BE-61, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230; or call 202-606-5340.

**Table J.1.—Quarterly Personal Income for States and Regions**

Area name	Millions of dollars, seasonally adjusted at annual rates												Percent change <sup>1</sup>			
	1996				1997				1998				1997:III-1997:IV	1997:IV-1998:I	1998:I-1998:II	1998:II-1998:III
	I	II	III	IV	I	II	III	IV	I	II	III					
<b>United States</b> .....	<b>6,269,149</b>	<b>6,373,076</b>	<b>6,459,289</b>	<b>6,534,446</b>	<b>6,652,349</b>	<b>6,729,607</b>	<b>6,807,743</b>	<b>6,893,137</b>	<b>6,992,631</b>	<b>7,070,631</b>	<b>7,149,524</b>	<b>1.3</b>	<b>1.4</b>	<b>1.1</b>	<b>1.1</b>	
<b>New England</b> .....	<b>375,401</b>	<b>381,684</b>	<b>386,940</b>	<b>392,636</b>	<b>400,057</b>	<b>404,197</b>	<b>408,687</b>	<b>416,018</b>	<b>418,664</b>	<b>424,570</b>	<b>429,059</b>	<b>1.8</b>	<b>.6</b>	<b>1.4</b>	<b>1.1</b>	
Connecticut .....	108,076	109,850	111,408	112,865	115,568	116,716	117,801	120,173	121,269	122,060	123,303	2.0	.9	.7	1.0	
Maine .....	25,357	25,742	26,130	26,516	26,860	27,117	27,250	27,718	27,671	28,278	28,654	1.7	-2	2.2	1.3	
Massachusetts .....	175,454	178,711	181,154	184,185	187,604	189,401	191,843	194,783	196,225	199,829	202,095	1.5	.7	1.8	1.1	
New Hampshire .....	30,109	30,502	30,954	31,373	31,770	32,264	32,863	33,536	33,533	34,019	34,238	2.0	0	1.4	.6	
Rhode Island .....	23,602	23,935	24,168	24,530	24,886	25,235	25,404	25,939	26,029	26,262	26,475	2.1	.3	.9	.8	
Vermont .....	12,801	12,945	13,126	13,167	13,368	13,465	13,527	13,869	13,936	14,122	14,294	2.5	.5	1.3	1.2	
<b>Mideast</b> .....	<b>1,221,822</b>	<b>1,240,073</b>	<b>1,252,618</b>	<b>1,268,123</b>	<b>1,286,623</b>	<b>1,294,001</b>	<b>1,307,359</b>	<b>1,325,111</b>	<b>1,339,594</b>	<b>1,356,951</b>	<b>1,371,887</b>	<b>1.4</b>	<b>1.1</b>	<b>1.3</b>	<b>1.1</b>	
Delaware .....	19,188	19,557	19,894	20,338	20,461	20,535	20,984	21,253	21,592	21,854	22,123	1.3	1.6	1.2	1.2	
District of Columbia .....	18,114	18,041	18,304	18,516	18,518	18,556	18,785	18,810	19,106	19,288	19,442	.1	1.6	1.0	.8	
Maryland .....	135,367	137,271	139,168	140,885	143,530	145,008	146,626	149,076	150,167	152,551	154,358	1.7	.7	1.6	1.2	
New Jersey .....	242,577	246,138	248,770	251,583	256,574	257,195	260,425	264,072	269,248	269,621	272,697	1.4	2.0	-1	1.1	
New York .....	517,969	525,046	528,586	535,929	543,202	545,785	551,121	558,018	562,883	573,893	580,113	1.3	.9	2.0	1.1	
Pennsylvania .....	286,607	294,019	297,896	300,872	304,338	306,921	309,418	313,883	316,598	319,746	323,155	1.4	.9	1.0	1.1	
<b>Great Lakes</b> .....	<b>1,033,924</b>	<b>1,050,139</b>	<b>1,063,992</b>	<b>1,072,260</b>	<b>1,089,826</b>	<b>1,102,775</b>	<b>1,112,544</b>	<b>1,128,280</b>	<b>1,143,889</b>	<b>1,151,924</b>	<b>1,161,979</b>	<b>1.4</b>	<b>1.4</b>	<b>.7</b>	<b>.9</b>	
Illinois .....	308,925	313,159	317,533	320,850	325,755	330,778	333,773	338,659	342,267	345,941	349,873	1.5	1.1	1.1	1.1	
Indiana .....	126,961	129,059	130,819	131,890	133,922	135,332	136,081	138,446	140,458	141,670	141,744	1.7	1.5	.9	.1	
Michigan .....	229,192	233,247	235,191	236,881	240,721	242,939	245,346	248,308	254,542	254,743	256,462	1.2	2.5	-1	1.0	
Ohio .....	252,533	256,422	260,150	261,335	266,513	269,357	271,661	275,434	278,763	280,134	283,012	1.4	1.2	.5	1.0	
Wisconsin .....	116,312	118,252	120,299	121,304	122,915	124,369	125,683	127,433	127,860	129,436	130,887	1.4	.3	1.2	1.1	
<b>Plains</b> .....	<b>416,904</b>	<b>424,059</b>	<b>430,228</b>	<b>434,037</b>	<b>439,487</b>	<b>445,613</b>	<b>450,253</b>	<b>454,888</b>	<b>460,906</b>	<b>465,666</b>	<b>469,782</b>	<b>1.0</b>	<b>1.3</b>	<b>1.0</b>	<b>.9</b>	
Iowa .....	61,593	62,644	63,596	63,687	65,011	65,973	66,344	67,110	67,432	68,006	68,277	1.2	.5	.9	.4	
Kansas .....	57,616	58,354	59,244	59,959	60,909	62,031	62,753	63,555	64,265	65,196	65,993	1.3	1.1	1.4	1.2	
Minnesota .....	114,644	116,850	118,705	119,487	120,635	122,568	124,079	125,545	128,416	129,582	130,956	1.2	2.3	.9	1.1	
Missouri .....	118,805	120,589	122,100	123,703	126,407	127,403	128,724	130,068	131,682	132,912	134,052	1.0	1.2	.9	.9	
Nebraska .....	36,779	37,550	37,990	38,644	38,546	39,103	39,473	39,656	39,927	40,572	40,959	.5	.7	1.6	1.0	
North Dakota .....	12,728	12,985	13,286	13,204	12,720	12,901	13,050	13,146	13,242	13,289	13,374	.7	.7	.4	.6	
South Dakota .....	14,740	15,087	15,308	15,354	15,260	15,634	15,828	15,808	15,942	16,109	16,170	-1	.8	1.0	.4	
<b>Southeast</b> .....	<b>1,367,913</b>	<b>1,394,180</b>	<b>1,415,301</b>	<b>1,429,538</b>	<b>1,458,543</b>	<b>1,473,455</b>	<b>1,489,403</b>	<b>1,507,310</b>	<b>1,526,389</b>	<b>1,547,470</b>	<b>1,564,898</b>	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>	<b>1.1</b>	
Alabama .....	83,276	84,773	85,991	86,601	88,320	88,980	89,630	90,682	91,487	92,488	93,474	1.2	.9	1.1	1.1	
Arkansas .....	45,853	47,100	47,670	47,867	48,605	49,280	49,646	50,281	50,789	51,124	51,436	1.3	1.0	.7	.6	
Florida .....	335,661	341,367	346,580	350,981	357,042	361,288	365,944	369,115	374,763	380,461	385,969	.9	1.5	1.5	1.4	
Georgia .....	162,790	167,154	170,174	171,867	176,047	177,802	179,814	181,816	185,786	188,443	190,061	1.1	2.2	1.4	.9	
Kentucky .....	73,702	75,097	76,466	77,071	79,137	80,111	80,926	81,836	82,716	83,402	84,241	1.1	1.1	.8	1.0	
Louisiana .....	83,507	84,830	85,778	86,350	87,634	88,603	89,315	90,825	91,901	93,191	94,153	1.7	1.2	1.4	1.0	
Mississippi .....	46,178	47,045	47,678	47,790	48,574	49,183	49,548	50,240	50,893	51,363	51,913	1.4	1.3	1.0	1.0	
North Carolina .....	156,392	160,437	162,905	165,042	169,423	171,247	172,550	175,072	176,902	179,048	180,896	1.5	1.0	1.2	1.0	
South Carolina .....	71,575	72,985	74,191	74,876	76,399	77,101	78,017	79,083	79,379	80,889	81,956	1.4	.4	1.9	1.3	
Tennessee .....	113,205	115,098	116,739	117,933	120,220	121,295	122,656	124,373	125,086	128,006	129,147	1.4	.6	2.3	.9	
Virginia .....	163,260	168,494	167,897	169,745	173,447	174,637	177,257	179,640	182,089	184,260	186,539	1.3	1.4	1.2	1.2	
West Virginia .....	32,515	32,781	33,233	33,414	33,696	33,926	34,099	34,346	34,598	34,776	35,112	.7	.7	.5	1.0	
<b>Southwest</b> .....	<b>600,186</b>	<b>610,071</b>	<b>619,471</b>	<b>628,078</b>	<b>644,274</b>	<b>655,280</b>	<b>666,804</b>	<b>674,515</b>	<b>690,325</b>	<b>697,217</b>	<b>705,714</b>	<b>1.2</b>	<b>2.3</b>	<b>1.0</b>	<b>1.2</b>	
Arizona .....	91,126	92,654	94,329	95,380	97,701	99,266	100,940	102,821	104,442	106,471	108,167	1.9	1.6	1.9	1.6	
New Mexico .....	31,338	31,706	32,014	32,251	32,771	33,242	33,449	33,724	34,004	34,395	34,732	.8	.8	1.1	1.0	
Oklahoma .....	62,584	63,506	64,167	64,878	66,005	67,061	67,492	67,052	68,201	68,479	69,242	-1	1.7	.4	1.1	
Texas .....	415,138	422,205	428,961	435,469	447,197	455,712	464,924	470,919	483,678	487,873	493,573	1.3	2.7	.9	1.2	
<b>Rocky Mountain</b> .....	<b>182,156</b>	<b>185,753</b>	<b>188,626</b>	<b>191,109</b>	<b>195,137</b>	<b>198,256</b>	<b>201,525</b>	<b>203,850</b>	<b>209,092</b>	<b>211,079</b>	<b>213,918</b>	<b>1.2</b>	<b>2.6</b>	<b>1.0</b>	<b>1.3</b>	
Colorado .....	95,225	97,008	98,654	100,169	102,352	104,256	106,213	107,813	111,758	112,402	114,285	1.5	3.7	.6	1.7	
Idaho .....	22,926	23,428	23,612	23,763	24,225	24,563	24,905	25,029	25,439	25,635	25,982	.5	1.6	.8	1.4	
Montana .....	16,252	16,473	16,665	16,837	17,042	17,226	17,392	17,603	17,800	18,104	17,985	1.2	1.1	1.7	-1	
Utah .....	37,632	38,577	39,266	39,825	40,785	41,423	42,109	42,440	43,006	43,777	44,350	.8	1.3	1.8	1.7	
Wyoming .....	10,121	10,268	10,429	10,525	10,734	10,787	10,905	10,965	11,089	11,161	11,315	.6	1.1	.6	1.4	
<b>Far West</b> .....	<b>1,070,844</b>	<b>1,087,117</b>	<b>1,102,112</b>	<b>1,118,664</b>	<b>1,138,403</b>	<b>1,156,030</b>	<b>1,171,168</b>	<b>1,183,167</b>	<b>1,203,772</b>	<b>1,215,753</b>	<b>1,232,287</b>	<b>1.0</b>	<b>1.7</b>	<b>1.0</b>	<b>1.4</b>	
Alaska .....	14,627	14,631	14,751	14,837	14,986	15,229	15,230	15,352	15,763	15,698	15,828	.8	2.7	-4	.8	
California .....	761,805	793,055	802,404	814,814	828,319	841,373	853,328	861,407	877,393	884,237	896,215	.9	1.9	.8	1.4	
Hawaii .....	29,570	29,642	29,756	29,824	30,162	30,390	30,704	30,659	30,900	30,985	31,205	-1	.8	.3	.7	
Nevada .....	39,971	40,990	41,977	42,754	43,680	44,297	44,670	45,470	46,188	46,984	47,888	1.8	1.6	1.7		

Table J.2.—Annual Personal Income and Disposable Personal Income for States and Regions

Area name	Personal income					Disposable personal income				
	Millions of dollars			Percent change <sup>1</sup>		Millions of dollars			Percent change <sup>1</sup>	
	1995	1996	1997	1995-96	1996-97	1995	1996	1997	1995-96	1996-97
<b>United States</b> .....	<b>6,060,138</b>	<b>6,408,990</b>	<b>6,770,709</b>	<b>5.8</b>	<b>5.6</b>	<b>5,266,018</b>	<b>5,519,456</b>	<b>5,782,771</b>	<b>4.8</b>	<b>4.8</b>
<b>New England</b> .....	<b>364,235</b>	<b>384,165</b>	<b>407,240</b>	<b>5.5</b>	<b>6.0</b>	<b>310,142</b>	<b>322,864</b>	<b>338,807</b>	<b>4.1</b>	<b>4.9</b>
Connecticut .....	104,777	110,550	117,564	5.5	6.3	87,710	91,150	95,844	3.9	5.2
Maine .....	24,646	25,936	27,236	5.2	5.0	21,767	22,775	23,664	4.6	3.9
Massachusetts .....	170,141	179,876	190,908	5.7	6.1	143,513	149,655	157,289	4.3	5.1
New Hampshire .....	29,051	30,734	32,608	5.8	6.1	25,780	26,933	28,316	4.5	5.1
Rhode Island .....	23,242	24,059	25,366	3.5	5.4	20,444	21,014	21,968	2.8	4.5
Vermont .....	12,378	13,010	13,557	5.1	4.2	10,928	11,338	11,725	3.7	3.4
<b>Mideast</b> .....	<b>1,183,517</b>	<b>1,245,659</b>	<b>1,303,273</b>	<b>5.3</b>	<b>4.6</b>	<b>1,014,319</b>	<b>1,058,161</b>	<b>1,096,276</b>	<b>4.3</b>	<b>3.6</b>
Delaware .....	18,369	19,744	20,808	7.5	5.4	15,762	16,818	17,561	6.7	4.4
District of Columbia .....	17,783	18,244	18,667	2.6	2.3	15,274	15,403	15,599	.8	1.3
Maryland .....	131,290	138,173	146,060	5.2	5.7	112,283	117,199	122,404	4.4	4.4
New Jersey .....	235,337	247,267	259,567	5.1	5.0	201,584	210,077	218,716	4.2	4.1
New York .....	500,433	526,883	549,531	5.3	4.3	425,229	442,766	457,170	4.1	3.3
Pennsylvania .....	280,305	295,349	308,640	5.4	4.5	244,187	255,898	264,826	4.8	5.4
<b>Great Lakes</b> .....	<b>1,009,168</b>	<b>1,055,079</b>	<b>1,108,356</b>	<b>4.5</b>	<b>5.0</b>	<b>870,278</b>	<b>902,634</b>	<b>940,038</b>	<b>3.7</b>	<b>4.1</b>
Illinois .....	298,369	315,117	332,241	5.6	5.4	256,666	268,591	280,555	4.6	4.5
Indiana .....	124,104	129,682	135,945	4.5	4.8	107,496	111,768	116,286	4.0	4.0
Michigan .....	226,261	233,628	244,329	3.3	4.6	195,048	199,665	206,863	2.4	3.6
Ohio .....	247,517	257,610	270,741	4.1	5.1	214,290	221,498	231,071	3.4	4.3
Wisconsin .....	112,917	119,042	125,100	5.4	5.1	96,779	101,113	105,263	4.5	4.1
<b>Plains</b> .....	<b>398,029</b>	<b>426,307</b>	<b>447,560</b>	<b>7.1</b>	<b>5.0</b>	<b>345,678</b>	<b>367,590</b>	<b>382,544</b>	<b>6.3</b>	<b>4.1</b>
Iowa .....	58,123	62,880	66,110	8.2	5.1	50,916	54,944	57,369	7.9	4.4
Kansas .....	55,368	58,793	62,312	6.2	6.0	48,213	50,806	53,437	5.4	5.2
Minnesota .....	109,451	117,421	123,207	7.3	4.9	92,684	97,903	101,664	5.6	3.8
Missouri .....	115,067	121,299	128,151	5.4	5.6	100,814	105,563	110,663	4.7	4.8
Nebraska .....	34,489	37,741	39,195	9.4	3.9	30,136	32,991	33,887	9.5	2.7
North Dakota .....	11,728	13,051	12,954	11.3	-7	10,454	11,687	11,458	11.8	-2.0
South Dakota .....	13,803	15,122	15,632	9.6	3.4	12,462	13,695	14,065	9.9	2.7
<b>Southeast</b> .....	<b>1,322,289</b>	<b>1,401,733</b>	<b>1,482,178</b>	<b>6.0</b>	<b>5.7</b>	<b>1,163,967</b>	<b>1,225,611</b>	<b>1,286,299</b>	<b>5.3</b>	<b>5.0</b>
Alabama .....	81,346	85,160	89,403	4.7	5.0	72,328	75,505	78,864	4.4	4.4
Arkansas .....	44,494	47,122	49,453	5.9	4.9	39,567	41,797	43,698	5.6	4.5
Florida .....	321,415	343,652	363,347	6.9	5.7	282,893	298,779	313,157	5.6	4.8
Georgia .....	155,990	167,996	178,870	7.7	6.5	135,874	145,240	153,501	6.9	5.7
Kentucky .....	71,761	75,584	80,503	5.3	6.5	62,812	65,909	69,816	4.9	5.9
Louisiana .....	81,498	85,117	89,094	4.4	4.7	73,270	76,078	78,930	3.8	3.7
Mississippi .....	44,623	47,173	49,386	5.7	4.7	40,617	42,850	44,646	5.5	4.2
North Carolina .....	150,880	161,194	172,073	6.8	6.7	131,204	139,857	148,185	6.6	6.0
South Carolina .....	69,508	73,407	77,650	5.6	5.8	61,397	64,517	67,823	5.1	5.1
Tennessee .....	110,562	115,744	122,136	4.7	5.5	99,137	103,038	107,991	3.9	4.8
Virginia .....	158,426	166,599	176,245	5.2	5.8	136,427	142,556	149,438	4.5	4.8
West Virginia .....	31,785	32,986	34,017	3.8	3.1	28,441	29,486	30,250	3.7	2.6
<b>Southwest</b> .....	<b>576,249</b>	<b>614,451</b>	<b>660,218</b>	<b>6.6</b>	<b>7.4</b>	<b>513,740</b>	<b>543,549</b>	<b>580,867</b>	<b>5.8</b>	<b>6.9</b>
Arizona .....	86,455	93,372	100,182	8.0	7.3	75,760	81,022	86,140	6.9	6.3
New Mexico .....	30,358	31,827	33,297	4.8	4.6	27,095	28,250	29,335	4.3	3.8
Oklahoma .....	60,718	63,809	67,052	5.1	5.1	53,722	56,117	58,582	4.5	4.4
Texas .....	398,718	425,443	459,688	6.7	8.0	357,162	378,160	406,809	5.9	7.6
<b>Rocky Mountain</b> .....	<b>174,662</b>	<b>186,911</b>	<b>199,692</b>	<b>7.0</b>	<b>6.8</b>	<b>151,139</b>	<b>160,589</b>	<b>170,127</b>	<b>6.3</b>	<b>5.9</b>
Colorado .....	90,884	97,764	105,158	7.6	7.6	78,112	83,279	88,701	6.6	6.5
Idaho .....	22,071	23,430	24,681	6.2	5.3	19,280	20,432	21,377	6.0	4.6
Montana .....	15,906	16,557	17,316	4.1	4.6	14,052	14,557	15,103	3.6	3.8
Utah .....	35,897	38,825	41,689	8.2	7.4	30,947	33,403	35,665	7.9	6.8
Wyoming .....	9,903	10,336	10,848	4.4	5.0	8,748	8,917	9,281	1.9	4.1
<b>Far West</b> .....	<b>1,031,987</b>	<b>1,094,684</b>	<b>1,162,192</b>	<b>6.1</b>	<b>6.2</b>	<b>896,754</b>	<b>938,457</b>	<b>987,813</b>	<b>4.7</b>	<b>5.3</b>
Alaska .....	14,419	14,711	15,199	2.0	3.3	12,346	12,566	12,903	1.8	2.7
California .....	754,269	798,020	846,017	5.8	6.0	654,979	682,407	717,166	4.2	5.1
Hawaii .....	29,333	29,698	30,479	1.2	2.6	25,652	25,826	26,363	.7	2.1
Nevada .....	37,512	41,423	44,524	10.4	7.5	32,371	35,352	37,669	9.2	6.6
Oregon .....	67,822	73,044	77,791	7.7	6.5	57,945	62,094	65,389	7.2	5.3
Washington .....	128,633	137,788	148,182	7.1	7.5	113,460	120,213	128,322	6.0	6.7

1. Percent changes are calculated from unrounded data.

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 1 and 3 in "State Personal Income, Revised Estimates for 1982-97" in the October 1998 issue of the SURVEY.

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

Area name	Per capita personal income <sup>1</sup>				Per capita disposable personal income <sup>1</sup>			
	Dollars			Rank in U.S.	Dollars			Rank in U.S.
	1995	1996	1997	1997	1995	1996	1997	1997
<b>United States</b> .....	<b>23,063</b>	<b>24,169</b>	<b>25,298</b>	.....	<b>20,041</b>	<b>20,814</b>	<b>21,607</b>	.....
<b>New England</b> .....	<b>27,426</b>	<b>28,828</b>	<b>30,440</b>	.....	<b>23,353</b>	<b>24,228</b>	<b>25,325</b>	.....
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
<b>Mideast</b> .....	<b>26,630</b>	<b>27,993</b>	<b>29,245</b>	.....	<b>22,823</b>	<b>23,779</b>	<b>24,600</b>	.....
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
<b>Great Lakes</b> .....	<b>23,208</b>	<b>24,136</b>	<b>25,253</b>	.....	<b>20,014</b>	<b>20,649</b>	<b>21,418</b>	.....
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	20,657	21,657	22
Wisconsin .....	22,084	23,132	24,199	22	18,927	19,648	20,362	27
<b>Plains</b> .....	<b>21,686</b>	<b>23,083</b>	<b>24,100</b>	.....	<b>18,834</b>	<b>19,904</b>	<b>20,599</b>	.....
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
<b>Southeast</b> .....	<b>20,817</b>	<b>21,800</b>	<b>22,776</b>	.....	<b>18,324</b>	<b>19,061</b>	<b>19,766</b>	.....
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
<b>Southwest</b> .....	<b>20,578</b>	<b>21,535</b>	<b>22,734</b>	.....	<b>18,346</b>	<b>19,050</b>	<b>20,002</b>	.....
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
<b>Rocky Mountain</b> .....	<b>21,227</b>	<b>22,310</b>	<b>23,436</b>	.....	<b>18,369</b>	<b>19,168</b>	<b>19,967</b>	.....
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
<b>Far West</b> .....	<b>23,753</b>	<b>24,901</b>	<b>26,061</b>	.....	<b>20,640</b>	<b>21,347</b>	<b>22,151</b>	.....
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.

Table J.4.—Gross State Product for States and Regions by Industry, 1996

[Millions of dollars]

State and region	Rank of total gross state product	Total gross state product	Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	Government
<b>United States</b> .....		<b>7,631,022</b>	<b>129,842</b>	<b>113,631</b>	<b>306,052</b>	<b>1,332,093</b>	<b>648,280</b>	<b>516,777</b>	<b>667,903</b>	<b>1,445,535</b>	<b>1,539,525</b>	<b>931,384</b>
<b>New England</b> .....		<b>435,880</b>	<b>3,409</b>	<b>292</b>	<b>14,686</b>	<b>72,794</b>	<b>28,636</b>	<b>29,226</b>	<b>35,538</b>	<b>107,237</b>	<b>101,792</b>	<b>42,271</b>
Connecticut .....	21	124,046	893	52	4,055	20,712	7,698	8,229	9,211	35,041	27,029	11,126
Maine .....	41	28,894	513	15	1,297	5,333	2,151	1,723	3,197	5,340	5,410	3,915
Massachusetts .....	11	208,591	1,212	130	6,606	32,265	13,128	14,845	16,373	50,880	53,879	19,273
New Hampshire .....	40	34,108	252	31	1,198	7,557	2,590	2,113	3,098	7,566	6,617	3,088
Rhode Island .....	44	25,629	208	19	895	4,282	1,426	1,835	2,242	5,802	5,814	3,106
Vermont .....	50	14,611	332	46	635	2,645	1,234	890	1,416	2,607	3,043	1,762
<b>Mideast</b> .....		<b>1,440,922</b>	<b>9,244</b>	<b>2,464</b>	<b>48,440</b>	<b>197,808</b>	<b>121,614</b>	<b>92,909</b>	<b>106,168</b>	<b>358,390</b>	<b>324,047</b>	<b>179,839</b>
Delaware .....	42	28,331	290	6	970	5,993	1,509	1,124	1,698	10,026	4,042	2,673
District of Columbia .....		51,197	14	12	442	1,285	2,769	580	1,369	8,863	16,684	19,180
Maryland .....	17	143,190	1,338	100	7,216	12,317	11,307	9,046	12,514	30,573	33,229	25,552
New Jersey .....	8	276,377	1,524	128	9,675	37,985	27,540	25,132	20,221	64,187	60,211	29,773
New York .....	2	613,287	2,780	471	17,629	72,154	49,518	37,741	42,056	182,389	140,228	68,323
Pennsylvania .....	6	328,540	3,298	1,748	12,509	68,074	28,971	19,286	28,310	62,352	69,654	34,338
<b>Great Lakes</b> .....		<b>1,233,424</b>	<b>16,660</b>	<b>4,670</b>	<b>50,574</b>	<b>313,739</b>	<b>97,437</b>	<b>87,053</b>	<b>107,524</b>	<b>201,866</b>	<b>226,610</b>	<b>127,292</b>
Illinois .....	4	370,778	5,052	1,282	15,476	71,444	34,029	28,507	29,877	71,023	76,832	37,257
Indiana .....	15	155,797	2,735	715	7,228	49,338	12,578	9,382	14,212	20,426	23,893	15,289
Michigan .....	9	263,336	2,526	1,173	10,131	71,683	17,509	18,874	23,420	41,538	48,791	27,691
Ohio .....	7	304,353	3,331	1,134	11,753	82,669	23,506	21,535	27,984	46,511	53,989	31,941
Wisconsin .....	20	139,160	3,016	365	5,986	38,605	9,816	8,756	12,030	22,367	23,105	15,114
<b>Plains</b> .....		<b>514,201</b>	<b>23,553</b>	<b>3,406</b>	<b>22,473</b>	<b>99,777</b>	<b>47,400</b>	<b>39,066</b>	<b>45,461</b>	<b>79,404</b>	<b>92,293</b>	<b>61,367</b>
Iowa .....	29	76,315	5,771	177	3,138	18,292	6,123	5,213	6,296	10,915	11,655	8,735
Kansas .....	31	68,014	2,986	983	2,838	12,451	7,340	5,311	6,540	8,608	11,360	9,597
Minnesota .....	18	141,573	4,174	877	6,195	27,115	10,876	11,776	12,275	25,352	27,558	15,374
Missouri .....	16	145,123	2,621	522	6,697	31,122	14,920	10,659	13,223	21,345	27,768	16,246
Nebraska .....	36	47,187	4,330	114	2,097	6,662	4,853	3,495	3,906	7,007	8,055	6,669
North Dakota .....	49	15,701	1,668	482	764	1,184	1,695	1,377	1,427	1,989	2,741	2,374
South Dakota .....	46	20,289	2,003	251	745	2,951	1,591	1,236	1,795	4,188	3,156	2,373
<b>Southeast</b> .....		<b>1,674,519</b>	<b>30,754</b>	<b>29,524</b>	<b>71,440</b>	<b>315,211</b>	<b>152,763</b>	<b>111,941</b>	<b>161,015</b>	<b>265,718</b>	<b>308,111</b>	<b>228,041</b>
Alabama .....	25	99,190	2,016	1,474	4,144	22,131	9,301	6,259	9,781	12,694	15,996	15,395
Arkansas .....	32	56,417	2,886	570	2,240	13,898	6,163	3,469	5,729	6,453	8,344	6,664
Florida .....	5	360,496	6,520	787	17,031	29,286	32,296	26,417	40,362	78,695	84,406	44,696
Georgia .....	10	216,033	3,801	906	8,356	39,079	24,166	18,940	19,333	35,515	38,919	27,019
Kentucky .....	26	95,410	2,438	2,448	3,752	26,833	7,933	5,565	8,472	10,733	14,293	12,944
Louisiana .....	22	121,143	1,488	17,973	5,086	22,989	10,690	6,451	9,502	14,709	19,054	13,201
Mississippi .....	33	56,406	1,798	507	2,192	13,208	6,003	3,150	5,630	6,474	9,032	8,410
North Carolina .....	12	204,229	4,757	259	8,563	55,075	16,135	13,094	18,242	29,719	31,418	26,968
South Carolina .....	27	89,476	1,208	223	4,195	23,768	7,107	5,172	9,180	11,861	13,505	13,258
Tennessee .....	19	140,750	1,651	399	5,527	32,244	11,076	10,396	15,368	19,450	27,633	17,005
Virginia .....	13	197,809	1,952	997	8,635	29,986	17,021	11,068	16,168	35,268	39,364	37,351
West Virginia .....	38	37,160	240	2,980	1,720	6,716	4,873	1,960	3,248	4,147	6,147	5,129
<b>Southwest</b> .....		<b>778,815</b>	<b>11,565</b>	<b>49,688</b>	<b>34,892</b>	<b>125,482</b>	<b>77,631</b>	<b>53,480</b>	<b>70,763</b>	<b>115,141</b>	<b>141,929</b>	<b>98,243</b>
Arizona .....	24	111,520	1,899	1,480	6,442	16,143	8,644	6,997	11,743	21,120	22,546	14,505
New Mexico .....	37	42,698	808	3,050	1,979	7,027	3,262	1,823	3,800	5,937	7,468	7,545
Oklahoma .....	30	72,767	1,531	3,879	2,332	12,587	7,289	4,421	7,267	9,064	12,634	11,762
Texas .....	3	551,830	7,327	41,278	24,138	89,725	58,436	40,239	47,953	79,020	99,282	64,431
<b>Rocky Mountain</b> .....		<b>229,833</b>	<b>5,684</b>	<b>9,956</b>	<b>12,246</b>	<b>29,427</b>	<b>24,530</b>	<b>13,873</b>	<b>22,154</b>	<b>35,767</b>	<b>44,767</b>	<b>31,430</b>
Colorado .....	23	116,227	2,053	1,936	6,219	14,226	12,957	7,355	11,274	19,815	25,161	15,231
Idaho .....	43	27,898	1,744	174	1,653	5,754	2,442	1,689	2,774	3,431	4,548	3,691
Montana .....	47	18,509	943	903	893	1,430	2,331	1,192	1,839	2,473	3,557	2,948
Utah .....	35	50,352	583	1,620	2,858	7,051	4,400	3,094	5,167	8,304	9,892	7,383
Wyoming .....	48	16,847	361	5,323	622	967	2,400	543	1,101	1,744	1,610	2,177
<b>Far West</b> .....		<b>1,323,429</b>	<b>28,973</b>	<b>13,631</b>	<b>51,301</b>	<b>177,855</b>	<b>98,269</b>	<b>89,229</b>	<b>119,281</b>	<b>282,013</b>	<b>299,977</b>	<b>162,901</b>
Alaska .....	45	24,161	355	5,424	983	1,161	3,770	710	1,576	2,584	2,871	4,728
California .....	1	962,696	20,564	5,776	31,656	134,179	67,135	65,857	85,443	218,439	222,748	110,900
Hawaii .....	39	36,317	445	28	1,753	1,123	3,732	1,446	4,192	7,768	8,077	7,752
Nevada .....	34	53,687	406	1,969	4,495	2,589	4,146	2,478	5,053	9,877	17,336	5,339
Oregon .....	28	86,967	2,590	104	4,731	17,868	6,711	6,937	7,586	14,140	15,939	10,361
Washington .....	14	159,602	4,612	332	7,683	20,934	12,775	11,802	15,432	29,205	33,006	23,823

NOTE.—Totals shown for the United States differ from the national income and product account estimates of gross domestic product (GDP) because GSP is derived from gross domestic income, which differs from GDP by the statistical discrepancy. In addition, GSP excludes and GDP includes the compensation of Federal civilian and military personnel stationed abroad and government consumption of fixed capital for military structures located abroad and

for military equipment, except office equipment. Also, GSP and GDP have different revision schedules.

Source: Tables 6 and 7 in "Gross State Product by Industry, 1977-96" in the June 1998 issue of the SURVEY.

# K. Local Area Table

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

Area name	Personal income				Per capita personal income <sup>3</sup>			Rank in U.S.	Area name	Personal income				Per capita personal income <sup>3</sup>			
	Millions of dollars			Percent change <sup>2</sup>	Dollars		Rank in U.S.			Millions of dollars			Percent change <sup>2</sup>	Dollars		Rank in U.S.	
	1994	1995	1996		1994	1995				1996	1994	1995		1996	1994		1995
<b>United States<sup>1</sup></b>	<b>5,774,875</b>	<b>6,137,878</b>	<b>6,480,031</b>	<b>5.6</b>	<b>22,186</b>	<b>23,359</b>	<b>24,436</b>		Cleveland-Lorain-Elyria, OH*	53,474	56,730	59,150	4.3	23,971	25,434	26,529	46
<b>Metropolitan portion</b>	<b>4,883,837</b>	<b>5,201,691</b>	<b>5,490,338</b>	<b>5.5</b>	<b>23,494</b>	<b>24,794</b>	<b>25,926</b>		Colorado Springs, CO	9,005	9,812	10,544	7.5	19,872	21,112	22,320	148
<b>Nonmetropolitan portion</b>	<b>891,038</b>	<b>936,187</b>	<b>989,693</b>	<b>5.7</b>	<b>16,999</b>	<b>17,675</b>	<b>18,530</b>		Columbia, MO	2,457	2,655	2,824	6.4	20,286	21,509	22,424	144
<b>Consolidated Metropolitan Statistical Areas</b>									Columbia, SC	9,846	10,556	11,212	6.2	20,332	21,513	22,529	137
Chicago-Gary-Kenosha, IL-IN-WI	222,978	238,058	250,787	5.3	26,242	27,866	29,195		Columbus, GA-AL	4,827	5,098	5,398	5.9	17,665	18,777	19,800	243
Cincinnati-Hamilton, OH-KY-IN	42,644	45,357	47,786	5.4	22,511	23,787	24,901		Columbus, OH	32,316	34,293	35,966	4.9	22,738	23,910	24,863	78
Cleveland-Akron, OH	68,194	72,543	75,712	4.4	23,485	24,957	26,025		Corpus Christi, TX	6,526	6,866	7,285	6.1	17,387	18,127	19,034	277
Dallas-Fort Worth, TX	106,085	114,316	122,834	7.5	24,294	25,663	26,906		Cumberland, MD-WV	1,680	1,739	1,807	3.9	16,637	17,249	18,052	292
Denver-Boulder-Greeley, CO	56,092	60,771	65,084	7.1	25,657	27,262	28,650		Dallas, TX*	74,328	80,498	86,785	7.8	25,596	27,145	28,513	29
Detroit-Ann Arbor-Flint, MI	132,287	141,283	147,044	4.1	24,802	26,264	27,113		Danville, VA	1,862	1,947	2,005	3.0	16,970	17,806	18,404	288
Houston-Galveston-Brazoria, TX	98,543	105,839	112,597	6.4	24,046	25,424	26,556		Davenport-Moline-Rock Island, IA-IL	7,332	7,729	8,122	5.1	20,543	21,635	22,746	132
Los Angeles-Riverside-Orange County, CA	341,769	360,329	378,298	5.0	22,417	23,533	24,522		Dayton-Springfield, OH	20,870	22,184	23,017	3.8	21,885	23,292	24,239	93
Miami-Fort Lauderdale, FL	75,283	80,181	84,660	5.6	22,150	23,294	24,341		Daytona Beach, FL	7,903	8,460	8,959	5.9	17,892	18,783	19,565	255
Milwaukee-Racine, WI	39,656	42,156	44,087	4.6	24,268	25,768	26,923		Decatur, AL	2,626	2,788	2,911	4.4	18,998	19,984	20,706	210
New York-No. New Jersey-Long Island, NY-NJ-CT-PA	590,202	626,539	659,399	5.2	29,970	31,732	33,303		Decatur, IL	2,438	2,546	2,719	6.8	20,902	21,905	23,582	116
Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD	152,556	161,128	169,717	5.3	25,587	26,989	28,413		Denver, CO*	46,819	50,815	54,449	7.2	26,119	27,810	29,234	24
Portland-Salem, OR-WA	44,697	48,636	52,531	8.0	22,508	24,000	25,343		Des Moines, IA	10,016	10,669	11,339	6.3	23,996	25,246	26,557	45
Sacramento-Yolo, CA	35,322	37,783	39,619	4.9	22,283	23,518	24,288		Detroit, MI*	109,265	116,667	121,456	4.1	24,897	26,373	27,250	36
San Francisco-Oakland-San Jose, CA	188,817	203,046	217,884	7.3	28,990	30,989	32,933		Dothan, AL	2,364	2,508	2,579	2.8	17,669	18,707	19,334	268
Seattle-Tacoma-Bremerton, WA	81,292	87,159	93,546	7.3	25,287	26,716	28,269		Dover, DE	2,162	2,318	2,481	7.0	18,123	19,155	20,374	223
Washington-Baltimore, DC-MD-VA-WV	195,280	205,681	215,836	4.9	27,766	29,018	30,204		Dubuque, IA	1,770	1,866	1,952	4.6	20,088	21,139	22,096	156
									Duluth-Superior, MN-WI	4,539	4,775	5,024	5.2	18,863	20,068	21,141	191
<b>Metropolitan Statistical Areas<sup>4</sup></b>									Dutchess County, NY*	6,133	6,479	6,823	5.3	23,519	24,790	25,946	55
Abilene, TX	2,161	2,333	2,452	5.1	17,824	19,057	20,198	228	Eau Claire, WI	2,587	2,768	2,921	5.5	18,271	19,468	20,452	219
Akron, OH*	14,721	15,812	16,562	4.7	21,873	23,386	24,371	90	El Paso, TX	9,004	9,491	9,919	4.5	13,536	14,026	14,480	312
Albany, GA	2,066	2,187	2,305	5.4	17,768	18,790	19,688	247	Elkhart-Goshen, IN	3,632	3,823	3,958	3.5	22,170	22,948	23,449	118
Albany-Schenectady-Troy, NY	20,327	21,010	21,708	3.3	23,069	23,850	24,695	82	Elmira, NY	1,769	1,848	1,933	4.6	18,749	19,630	20,451	212
Albuquerque, NM	13,132	14,255	14,943	4.8	20,331	21,598	22,353	146	Enid, OK	1,071	1,110	1,161	4.6	18,897	19,419	20,417	220
Alexandria, LA	2,303	2,413	2,477	2.7	18,294	19,048	19,656	249	Erie, PA	5,541	5,758	5,989	4.0	19,775	20,552	21,389	176
Allentown-Bethlehem-Easton, PA	13,828	14,551	15,228	4.7	22,649	23,804	24,866	77	Eugene-Springfield, OR	5,782	6,217	6,601	6.2	19,351	20,520	21,534	172
Altoona, PA	2,391	2,488	2,616	5.1	18,079	18,849	19,919	239	Evansville-Henderson, IN-KY	6,146	6,384	6,748	5.7	21,478	22,247	23,430	119
Amarillo, TX	3,930	4,211	4,377	4.0	19,776	20,610	21,215	187	Fargo-Moorhead, ND-MN	3,179	3,373	3,680	9.1	19,654	20,622	22,335	147
Anchorage, AK	6,907	7,057	7,209	2.2	27,471	28,129	28,908	28	Fayetteville, NC	4,892	5,251	5,549	5.7	17,261	18,468	19,556	256
Ann Arbor, MI*	13,561	14,687	15,464	5.3	26,441	28,165	29,137	25	Fayetteville-Springdale-Rogers, AR	4,711	5,124	5,449	6.3	19,346	20,217	20,856	202
Annisson, AL	1,921	2,034	2,107	3.6	16,553	17,439	18,082	290	Flagstaff, AZ-UT	1,829	1,965	2,105	7.1	16,049	16,885	17,847	294
Appleton-Oshkosh-Neenah, WI	7,201	7,730	8,158	5.5	21,704	23,026	24,030	98	Flint, MI*	9,461	9,929	10,121	1.9	21,892	22,875	23,240	123
Asheville, NC	4,119	4,430	4,706	6.2	20,205	21,407	22,454	142	Florence, AL	2,401	2,567	2,668	3.9	17,744	18,648	19,508	259
Athens, GA	2,424	2,623	2,802	6.8	18,187	19,487	20,463	218	Florence, SC	2,194	2,303	2,441	6.0	18,136	18,808	19,808	245
Atlanta, GA	81,442	89,020	96,193	8.1	24,451	25,938	27,241	37	Fort Collins-Loveland, CO	4,449	4,855	5,280	8.8	20,959	22,378	23,841	103
Atlantic-Cape May, NJ*	8,582	9,060	9,413	3.9	26,067	27,360	28,266	31	Fort Lauderdale, FL*	34,500	36,990	39,081	5.7	24,883	26,167	27,129	40
Augusta-Aiken, GA-SC	8,442	8,868	9,134	3.0	18,848	19,604	20,161	230	Fort Myers-Cape Coral, FL	8,340	8,966	9,578	6.8	22,706	23,903	25,144	71
Austin-San Marcos, TX	20,642	22,704	24,632	8.5	21,350	22,615	23,669	109	Fort Pierce-Port St. Lucie, FL	6,428	6,868	7,321	6.6	23,110	24,281	25,269	68
Bakersfield, CA	10,255	10,671	11,073	3.8	16,790	17,335	17,810	295	Fort Smith, AR-OK	3,249	3,449	3,599	4.3	17,576	18,311	18,841	281
Baltimore, MD*	59,932	62,952	65,994	4.8	24,429	25,558	26,731	44	Fort Walton Beach, FL	3,071	3,211	3,314	9.4	19,109	19,666	21,218	186
Bangor, ME (NECMA)	2,615	2,706	2,805	3.7	17,909	18,728	19,495	261	Fort Wayne, IN	10,391	11,017	11,513	4.5	22,205	23,400	24,281	92
Barnstable-Yarmouth, MA (NECMA)	11,115	5,515	5,870	6.4	26,188	27,700	29,009	26	Fort Worth-Arlington, TX*	31,757	33,817	36,048	6.6	21,710	22,711	23,690	106
Baton Rouge, LA	5,125	11,880	12,404	4.4	20,176	21,135	21,910	164	Fresno, CA	14,666	15,260	16,097	5.5	17,526	18,043	18,727	284
Beaumont-Port Arthur, TX	6,996	7,354	7,598	3.3	18,729	19,621	20,292	225	Gadsden, AL	1,743	1,834	1,867	1.8	17,096	17,978	18,248	289
Bellingham, WA	2,760	2,956	3,170	7.2	18,938	19,828	20,827	203	Gainesville, FL	3,681	3,936	4,140	5.2	19,039	20,131	20,968	200
Benton Harbor, MI	3,234	3,422	3,523	3.0	20,063	21,168	21,861	166	Galveston-Texas City, TX*	4,759	5,036	5,322	5.5	20,270	21,256	22,154	155
Bergen-Passaic, NJ*	42,747	44,777	46,943	4.8	32,518	33,920	35,371	5	Gary, IN*	12,795	13,435	14,151	5.3	20,725	21,676	22,783	130
Billings, MT	2,510	2,674	2,791	4.4	20,468	21,482	22,235	153	Glens Falls, NY	2,242	2,347	2,436	3.8	18,418	19,181	19,902	242
Biloxi-Gulfport-Pascagoula, MS	5,814	6,061	6,291	3.8	17,259	17,775	18,440	287	Goldsporo, NC	1,751	1,881	1,990	5.8	16,111	17,004	17,798	296
Binghamton, NY	5,152	5,255	5,403	2.8	19,820	20,400	21,274	180	Grand Forks, ND-MN	1,793	1,880	2,026	7.8	17,206	18,081	19,388	254
Birmingham, AL	19,172	20,521	21,659	5.5	21,787	23,101	24,227	94	Grand Junction, CO	1,889	2,016	2,145	6.4	18,257	18,999	19,806	246
Bismarck, ND	1,710	1,816	1,914	5.4	19,440	20,386	21,227	185	Grand Rapids-Muskegon-Holland, MI	21,577	23,213	24,508	5.6	21,807	23,158	24,139	95
Bloomington, IN	2,037	2,154	2,277	5.7	17,933	18,687	19,646	251	Great Falls, MT	1,524	1,627	1,701	4.5	18,803	20,120	21,051	195
Bloomington-Normal, IL	3,067	3,262</															



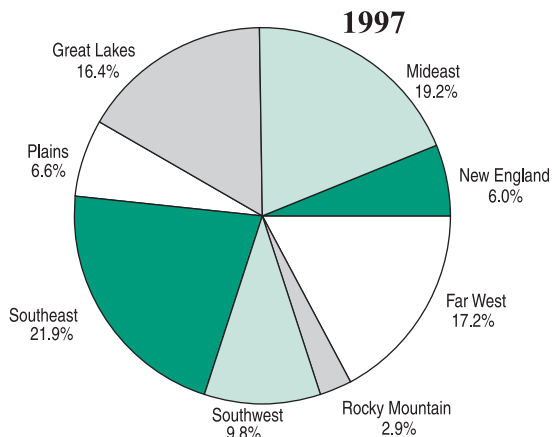
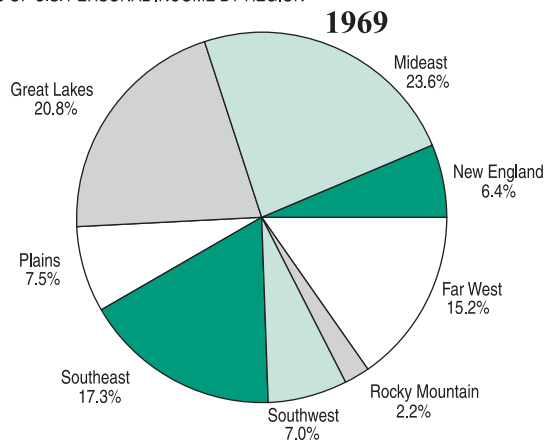
Table K.1.—Personal Income and Per Capita Personal Income by Metropolitan Area, 1994-96—Continued

Area name	Personal income				Per capita personal income <sup>3</sup>				Area name	Personal income				Per capita personal income <sup>3</sup>			
	Millions of dollars			Percent change <sup>2</sup>	Dollars			Rank in U.S.		Millions of dollars			Percent change <sup>2</sup>	Dollars			Rank in U.S.
	1994	1995	1996		1994	1995	1996			1994	1995	1996		1994	1995	1996	
Jonesboro, AR	1,219	1,337	1,415	5.8	16,638	17,891	18,590	286	Raleigh-Durham-Chapel Hill, NC	22,796	24,901	26,843	7.8	23,643	25,061	26,255	52
Joplin, MO	2,554	2,754	2,942	6.8	18,024	19,182	20,195	229	Rapid City, SD	1,630	1,734	1,805	4.1	18,848	19,917	20,770	207
Kalamazoo-Battle Creek, MI	9,241	9,771	10,204	4.4	20,967	22,078	22,962	128	Reading, PA	8,085	8,481	8,890	4.8	23,198	24,209	25,248	69
Kankakee, IL*	1,898	2,040	2,159	5.8	18,783	20,142	21,261	183	Redding, CA	3,053	3,137	3,262	4.0	19,111	19,499	20,144	231
Kansas City, MO-KS	38,562	41,353	43,810	5.9	23,281	24,738	25,949	54	Reno, NV	7,495	8,178	8,819	7.8	26,468	28,126	29,528	21
Kenosha, WI*	2,761	2,964	3,098	4.5	20,102	21,268	21,913	162	Richland-Kennebec-Pasco, WA	3,581	3,709	3,808	2.7	20,597	20,690	21,120	192
Killeen-Temple, TX	4,555	4,875	5,114	4.9	15,816	16,744	17,117	301	Richmond-Petersburg, VA	22,776	23,991	25,213	5.1	24,860	25,908	26,974	43
Knoxville, TN	12,954	13,906	14,420	3.7	20,588	21,740	22,247	152	Riverside-San Bernardino, CA*	52,445	54,986	57,446	5.0	17,979	18,453	19,090	275
Kokomo, IN	2,223	2,418	2,512	3.9	22,372	24,258	25,053	72	Roanoke, VA	5,192	5,566	5,804	4.3	22,730	24,382	25,387	64
La Crosse, WI-MN	2,448	2,554	2,705	5.9	20,395	21,175	22,320	148	Rochester, MN	2,652	2,792	2,996	7.3	23,486	24,834	26,478	48
Lafayette, IN	6,143	6,481	6,916	6.7	17,042	17,779	18,785	283	Rochester, NY	25,426	26,996	27,751	4.0	23,399	24,588	25,443	60
Lafayette, LA	3,201	3,343	3,531	5.6	19,040	19,690	20,640	214	Rockford, IL	7,421	7,931	8,293	4.6	21,479	22,738	23,523	117
Lake Charles, LA	3,184	3,390	3,577	5.5	18,336	19,287	20,084	234	Rocky Mount, NC	2,472	2,635	2,801	6.3	17,606	18,530	19,474	265
Lakeland-Winter Haven, FL	7,756	8,278	8,797	6.3	18,061	18,977	19,905	241	Sacramento, CA*	32,231	34,506	36,201	4.9	22,397	23,661	24,444	89
Lancaster, PA	9,804	10,287	10,870	5.7	22,147	22,997	24,138	96	Saginaw-Bay City-Midland, MI	8,497	9,014	9,426	4.6	21,101	22,394	23,390	120
Lansing-East Lansing, MI	9,213	9,697	10,092	4.1	20,747	21,784	22,587	136	St. Cloud, MN	2,765	2,921	3,132	7.2	17,662	18,425	19,594	253
Laredo, TX	1,930	2,007	2,160	7.6	11,732	11,675	12,199	314	St. Joseph, MO	1,800	1,881	1,971	4.8	18,399	19,311	20,298	224
Las Cruces, NM	2,136	2,295	2,383	3.9	13,627	14,378	14,529	311	St. Louis, MO-IL	60,119	64,142	67,118	4.6	23,733	25,238	26,337	50
Las Vegas, NV-AZ	23,990	26,739	29,588	10.7	22,244	23,481	24,706	81	Salem, OR*	5,663	6,132	6,534	6.6	18,441	19,578	20,480	217
Lawrence, KS	1,511	1,627	1,717	5.6	17,350	18,431	19,147	272	Salinas, CA	8,021	8,477	8,761	3.4	23,304	24,580	25,032	73
Lawton, OK	1,814	1,904	1,965	3.2	15,436	16,525	17,090	302	Salt Lake City-Ogden, UT	22,195	24,130	26,085	8.1	18,731	20,015	21,271	181
Lewiston-Auburn, ME (NECMA)	1,931	1,992	2,071	4.0	18,718	19,416	20,385	222	San Angelo, TX	1,843	1,947	2,040	4.8	18,276	19,193	19,996	237
Lexington, KY	9,063	9,805	10,522	7.3	21,061	22,579	23,929	101	San Antonio, TX	27,806	29,887	31,553	5.6	19,457	20,499	21,237	184
Lima, OH	2,993	3,122	3,222	3.2	19,200	20,069	20,727	209	San Diego, CA	58,191	61,380	65,008	5.9	22,111	23,201	24,282	91
Lynchburg, VA	4,817	5,136	5,451	6.1	21,305	22,413	23,951	113	San Francisco, CA*	57,102	61,301	65,512	6.9	29,932	31,391	39,746	1
Little Rock-North Little Rock, AR	11,025	11,850	12,531	5.7	20,541	21,878	22,882	129	San Jose, CA*	46,175	51,238	56,218	9.7	29,577	32,707	35,995	4
Longview-Marshall, TX	3,668	3,886	4,114	5.9	18,234	19,086	19,950	238	San Luis Obispo-Atascadero-Paso Robles, CA	4,397	4,652	4,941	6.2	19,645	20,515	21,483	173
Los Angeles-Long Beach, CA*	204,873	216,269	226,592	4.8	22,584	23,885	24,945	75	Santa Barbara-Santa Maria-Lompoc, CA	9,415	9,874	10,395	5.3	24,589	25,764	27,003	42
Louisville, KY-IN	21,942	23,298	24,487	5.1	22,418	23,666	24,764	79	Santa Cruz-Watsonville, CA*	5,835	6,207	6,631	6.8	24,846	26,288	27,896	33
Lubbock, TX	4,373	4,586	4,874	6.3	19,000	19,824	21,065	193	Santa Fe, NM	3,113	3,421	3,635	3.3	23,714	25,255	27,774	58
Lynchburg, VA	3,942	4,133	4,309	4.3	19,435	20,256	20,962	201	Santa Rosa, CA*	10,196	10,761	11,524	7.1	24,813	25,860	27,353	35
Macon, GA	5,555	5,627	5,687	5.9	18,771	19,853	20,791	206	Sarasota-Bradenton, FL	14,472	15,756	16,443	5.6	27,937	29,674	30,931	14
Madison, WI	9,797	10,510	11,080	5.4	25,161	26,798	28,087	112	Savannah, GA	5,596	5,952	6,320	6.2	20,299	21,343	22,477	141
Manchester, NH	3,214	3,379	3,517	4.1	18,340	19,275	20,067	236	Scranton-Wilkes-Barre-Hazleton, PA	12,364	12,924	13,398	3.7	19,470	20,462	21,363	177
McAllen-Edinburg-Mission, TX	4,954	5,303	5,680	7.1	10,680	11,032	11,478	315	Seattle-Bellevue-Everett, WA*	60,298	64,801	69,844	7.8	27,736	29,494	31,372	13
Medford-Ashton, OR	3,150	3,392	3,605	6.3	19,447	20,502	21,410	175	Sharon, PA	2,156	2,267	2,370	4.5	17,695	18,579	19,386	267
Melbourne-Titusville-Palm Bay, FL	8,961	9,412	9,836	4.5	20,245	20,922	21,640	168	Sheboygan, WI	2,331	2,478	2,581	4.2	21,729	22,811	23,583	115
Memphis, TN-AR-MS	23,677	25,603	26,826	4.8	22,492	24,048	24,945	75	Sherman-Deleon, TX	1,751	1,880	2,014	7.1	17,998	19,159	20,080	235
Merced, CA	3,068	2,999	3,294	9.8	15,641	15,505	17,064	303	Sidney-Doniphan County, LA	7,310	7,630	7,885	3.1	19,395	20,156	20,786	208
Miami, FL*	40,783	43,190	45,579	5.5	20,268	21,292	22,370	145	Sioux City, IA-NE	2,325	2,492	2,659	6.7	19,475	20,693	21,974	159
Middlesex-Somerset-Hunterdon, NJ*	33,091	35,459	37,473	5.7	31,051	32,928	34,366	7	Sioux Falls, SD	3,500	3,719	4,018	8.0	22,632	23,724	25,246	70
Milwaukee-Waukesha, WI*	35,578	37,815	39,526	4.5	24,510	26,040	27,202	38	South Bend, IN	5,472	5,782	5,943	2.8	21,468	22,543	23,095	126
Minneapolis-St. Paul, MN-WI	70,644	75,469	80,878	7.2	26,246	27,682	29,299	23	Spokane, WA	7,803	8,303	8,701	4.8	19,712	20,691	21,555	170
Mobile, AL	9,038	9,608	10,156	5.7	17,664	18,627	19,508	259	Springfield, IL	4,403	4,579	4,819	5.3	21,779	22,556	23,633	110
Modesto, CA	7,149	7,404	7,884	6.5	17,602	18,037	18,953	279	Springfield, MO	5,704	6,139	6,444	5.0	19,766	20,884	21,702	167
Monmouth-Ocean, NJ*	28,071	29,758	31,199	4.8	27,162	28,359	29,343	22	Springfield, MA (NECMA)	12,639	13,451	13,949	3.7	21,240	22,687	23,601	112
Monroe, LA	2,537	2,728	2,881	5.6	17,398	18,619	19,621	252	State College, PA	2,389	2,538	2,662	4.9	18,435	19,460	20,135	232
Montgomery, AL	6,217	6,620	6,956	5.1	19,989	21,088	21,973	161	Steubenville-Weirton, OH-WV	2,481	2,531	2,615	3.3	17,445	18,165	19,189	280
Muncie, IN	2,311	2,411	2,491	3.3	19,435	20,304	21,063	194	Sturgeon-Lodi, CA	9,456	9,885	10,410	5.3	18,274	18,845	19,531	258
Myrtle Beach, SC	2,800	3,092	3,318	7.3	18,407	19,626	20,271	226	Sumter, SC	1,552	1,638	1,743	6.4	14,616	15,357	16,298	307
Naples, FL	5,820	6,073	6,473	8.3	32,737	33,204	34,830	6	Syracuse, NY	15,479	16,133	16,581	2.8	20,622	21,552	22,253	151
Nashville, TN	25,676	27,852	29,266	5.1	24,040	25,207	26,262	51	Tacoma, WA*	12,680	13,544	14,353	6.0	19,895	20,928	21,913	162
Nassau-Suffolk, NY*	82,459	85,472	89,919	5.2	31,187	32,237	33,837	10	Tallahassee, FL	4,813	5,169	5,450	5.4	18,891	20,069	20,985	199
New Haven-Bridgeport-Stamford-Danbury-Waterbury, CT*	55,291	59,964	63,249	5.5	34,063	36,964	38,962	2	Tampa-St. Petersburg-Clearwater, FL	46,279	49,670	52,738	6.2	21,503	22,817	23,984	99
New London-Norwich, CT (NECMA)	6,289	6,643	6,927	4.3	24,956	26,228	27,385	34	Terre Haute, IN	2,686	2,805	2,872	2.4	18,002	18,772	19,226	271
New Orleans, LA	26,769	28,209	29,021	2.9	20,474	21,527	22,179	154	Texarkana, TX-Texarkana, AR	2,082	2,198	2,306	4.9	16,981	17,916	18,666	285
New York, NY*	253,351	270,487	285,207	5.4	29,498	31,474	33,177	11	Toledo, OH	13,336	14,094	14,628	3.8	21,804	23,066	23,955	100
Newark, NJ*	59,212	62,635	65,787	5.0	30,675	32,401	33,952	9	Topeka, KS	3,561	3,770	3,936	4.4	21,620	22,883	23,888	102
Newburgh, NY-PA*	7,383	7,739	8,069	4.3	20,814	21,583	22,279	150	Trenton, NJ*	10,220	10,891	11,296	3.7	31,114	33,078	34,292	8
Norfolk-Virginia Beach-Newport News, VA-NC	29,902	31,397	32,726	4.2	19,616	20,507	21,311	179	Tucson, AZ	13,838	14,828	15,766	6.3	18,840	19,647	20,535	216
Oakland, CA*	59,219	62,872	66,728	6.1	26,910	28,405	29,842	20	Tulsa, OK	15,668	16,525	17,456	5.6	21,182	22,170	23,141	125
Ocala, FL	3,830	4,114	4,392	6.8	17,460	18,217	18,975	278	Tuscaloosa, AL	2,850	3,011	3,159	4.9	18,277	19,003	19,887	244
Odessa-Midland, TX	4,840	5,121	5,392	5.3	20,520	21,607	22,493	140	Tyler, TX	3,242	3,469	3,706	6.8	20,316	21,457	22,506	139
Oklahoma City, OK	19,537	20,515	21,620	5.4	19,429	20,244	21,148	190	Utica-Rome, NY	5,849	6,069						

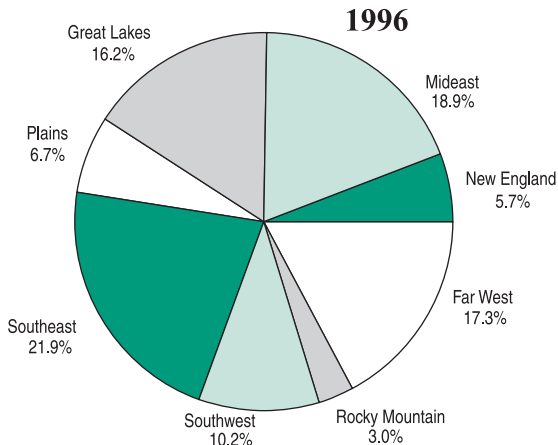
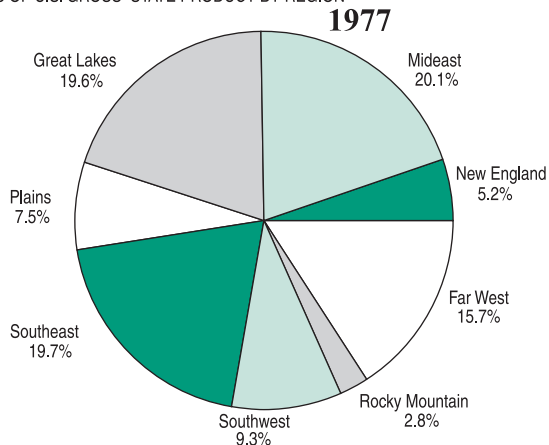
L. Charts

SELECTED REGIONAL ESTIMATES

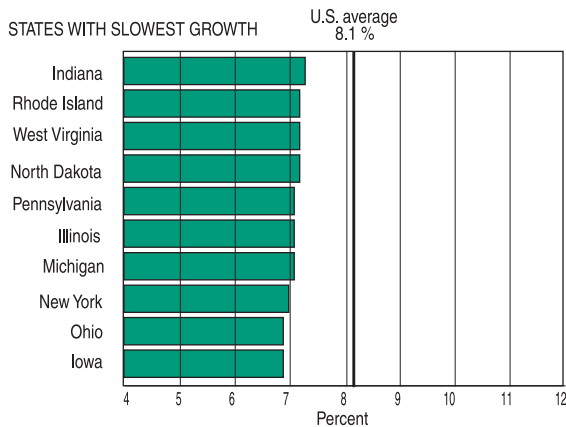
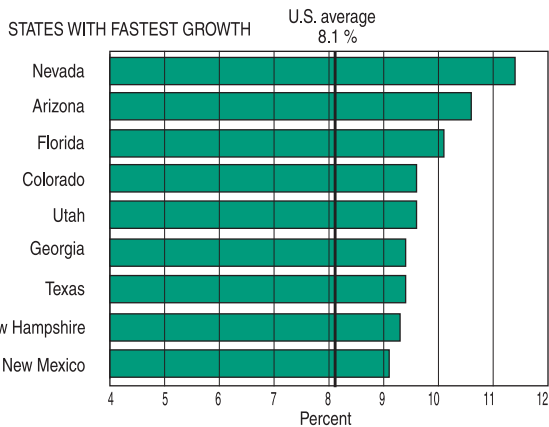
SHARES OF U.S. PERSONAL INCOME BY REGION



SHARES OF U.S. GROSS STATE PRODUCT BY REGION

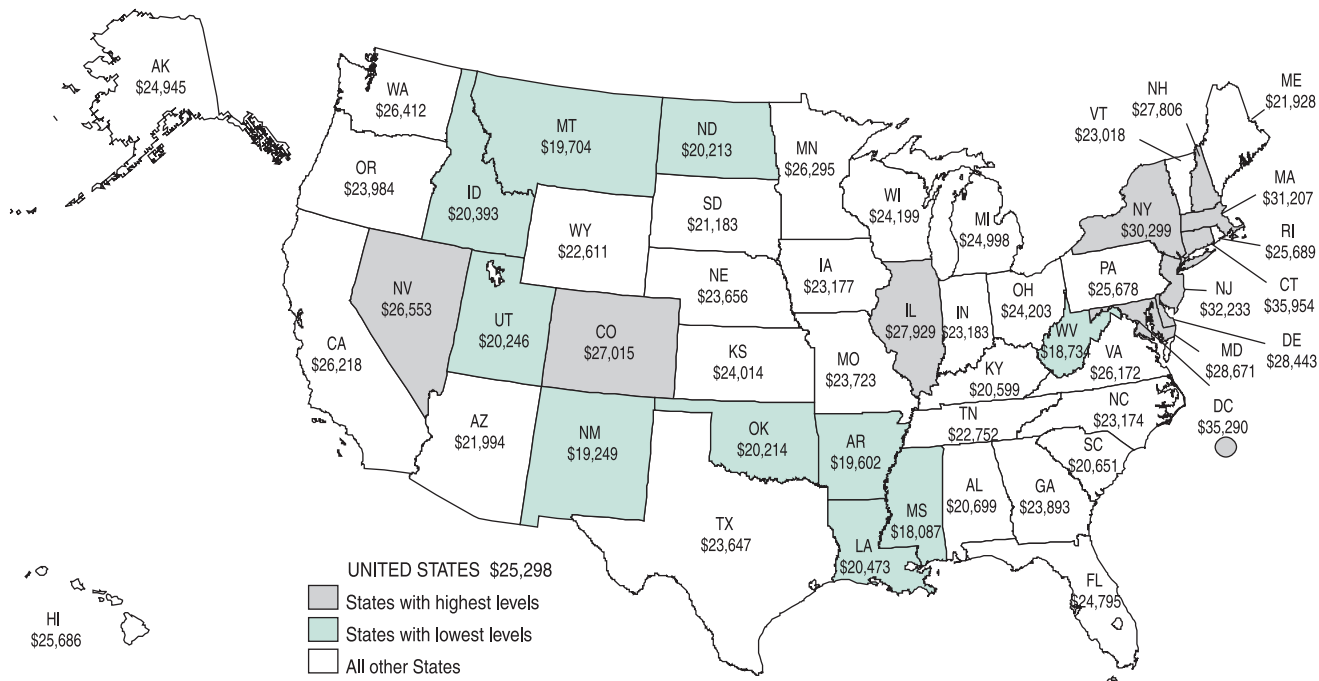


AVERAGE ANNUAL GROWTH RATE OF PERSONAL INCOME, 1969-97

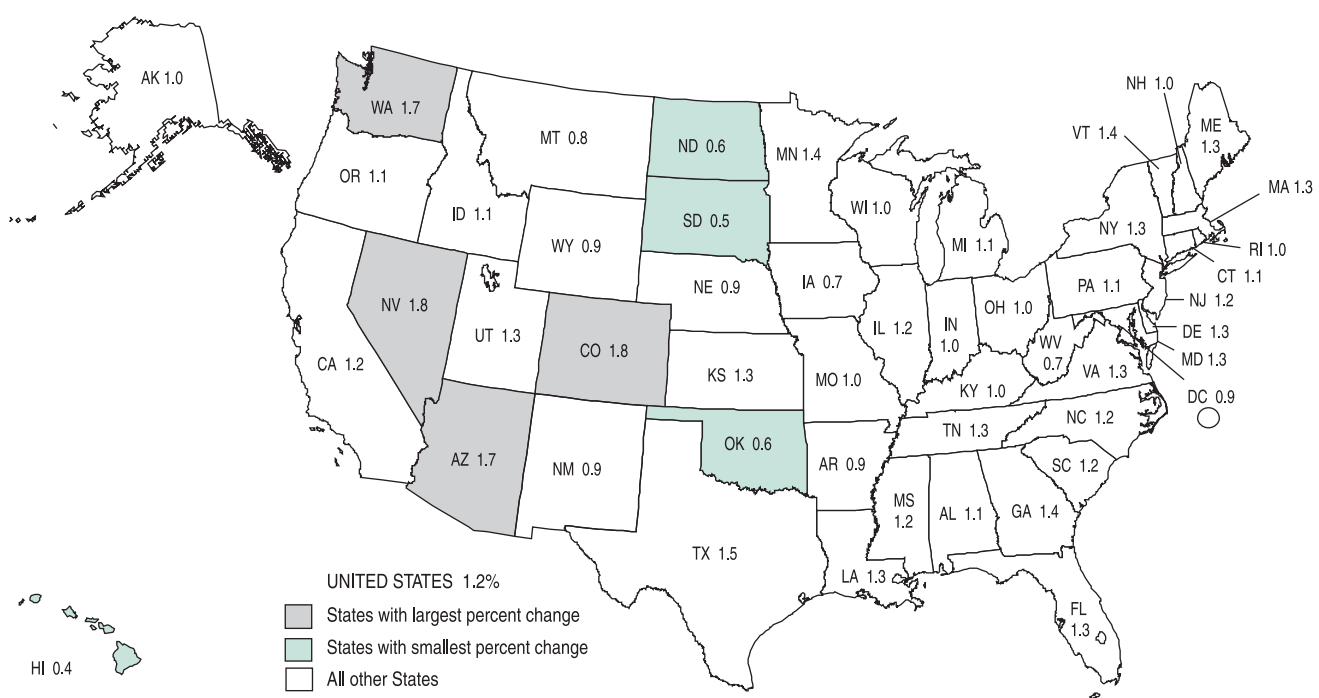


# SELECTED REGIONAL ESTIMATES

PER CAPITA PERSONAL INCOME, 1997



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



## 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]

	1997	1998	Seasonally adjusted at annual rates					
			1997		1998			
			III	IV	I	II	III	IV
<b>BEA-derived compensation per hour of all persons in the nonfarm business sector (less housing)<sup>1</sup></b> .....	<b>3.5</b>	<b>4.2</b>	<b>3.8</b>	<b>4.9</b>	<b>4.7</b>	<b>4.1</b>	<b>3.9</b>	<b>4.1</b>
<i>Less:</i> Contribution of supplements to wages and salaries per hour .....	-.6	-.3	-.6	-.7	-.2	-.3	-.2	-.5
<i>Plus:</i> Contribution of wages and salaries per hour of persons in housing and in nonprofit institutions .....	-.2	-.2	-.6	-.8	-.2	.1	.1	-.2
<i>Less:</i> Contribution of wages and salaries per hour of persons in government enterprises, unpaid family workers, and self-employed .....	-.1	-.1	-.3	-.1	.1	-.3	.1	-.3
<b>Equals: BEA-derived wages and salaries per hour of all employees in the private nonfarm sector</b> .....	<b>4.0</b>	<b>4.4</b>	<b>4.0</b>	<b>4.9</b>	<b>4.6</b>	<b>4.8</b>	<b>4.1</b>	<b>4.7</b>
<i>Less:</i> Contribution of wages and salaries per hour of nonproduction workers in manufacturing .....	.2	-.2	.9	1.3	.4	.4	.2	.2
<i>Less:</i> Other differences <sup>2</sup> .....	-.1	.6	-.9	-1.1	.3	-.3	.5	1.2
<b>Equals: BLS average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls</b> .....	<b>3.9</b>	<b>4.1</b>	<b>4.0</b>	<b>4.6</b>	<b>3.9</b>	<b>4.6</b>	<b>3.4</b>	<b>3.3</b>
<b>Addendum:</b> BLS estimates of compensation per hour in the nonfarm business sector <sup>3</sup> .....	3.5	4.2	3.8	4.9	4.7	4.1	3.9	3.5

1. Includes BLS data on compensation and hours 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.  
BLS Bureau of Labor Statistics

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	1997	1998	Seasonally adjusted at annual rates					
				1997		1998			
				III	IV	I	II	III	IV
<b>Exports of goods, services, and income, BPA's</b> .....	<b>1</b>	<b>1,179.4</b>	<b>1,174.1</b>	<b>1,201.9</b>	<b>1,199.4</b>	<b>1,195.0</b>	<b>1,168.7</b>	<b>1,143.3</b>	<b>1,189.2</b>
<i>Less:</i> Gold, BPA's .....	2	5.7	5.4	3.4	3.4	5.3	4.2	5.2	6.9
Statistical differences <sup>1</sup> .....	3	0	0	0	0	3.5	2.6	-3.9	-2.2
Other items .....	4	.8	.8	.6	.9	.8	.7	.8	.9
<i>Plus:</i> Adjustment for grossing of parent/affiliate interest payments .....	5	3.9	4.6	4.2	4.6	3.9	4.3	4.7	5.4
Adjustment for U.S. territories and Puerto Rico .....	6	37.0	38.0	36.8	37.9	37.0	37.2	37.4	40.5
Services furnished without payment by financial intermediaries except life insurance carriers and private noninsured pension plans .....	7	17.1	17.6	17.1	17.3	17.3	17.6	17.8	17.9
<b>Equals: Exports of goods and services and receipts of factor income, NIPA's</b> .....	<b>8</b>	<b>1,230.9</b>	<b>1,228.1</b>	<b>1,256.0</b>	<b>1,254.9</b>	<b>1,243.6</b>	<b>1,220.2</b>	<b>1,201.2</b>	<b>1,247.5</b>
<b>Imports of goods, services, and income, BPA's</b> .....	<b>9</b>	<b>1,294.9</b>	<b>1,365.7</b>	<b>1,316.5</b>	<b>1,330.2</b>	<b>1,345.3</b>	<b>1,359.0</b>	<b>1,366.0</b>	<b>1,392.3</b>
<i>Less:</i> Gold, BPA's .....	10	6.6	6.5	3.0	3.8	6.7	5.5	7.3	6.6
Statistical differences <sup>1</sup> .....	11	0	7.3	0	0	1.8	2.7	11.8	12.8
Other items .....	12	0	0	0	0	0	0	0	0
<i>Plus:</i> Gold, NIPA's .....	13	-3.5	-2.9	-3.4	-3.3	-3.2	-3.0	-2.8	-2.9
Adjustment for grossing of parent/affiliate interest payments .....	14	3.9	4.6	4.2	4.6	3.9	4.3	4.7	5.4
Adjustment for U.S. territories and Puerto Rico .....	15	26.5	28.6	28.0	28.3	27.4	28.5	27.1	31.6
Imputed interest paid to rest of world .....	16	17.1	17.6	17.1	17.3	17.3	17.6	17.8	17.9
<b>Equals: Imports of goods and services and payments of factor income, NIPA's</b> .....	<b>17</b>	<b>1,332.3</b>	<b>1,399.8</b>	<b>1,359.4</b>	<b>1,373.3</b>	<b>1,382.2</b>	<b>1,398.2</b>	<b>1,393.7</b>	<b>1,424.9</b>
<b>Balance on goods, services, and income, BPA's (1-9)</b> .....	<b>18</b>	<b>-115.5</b>	<b>-191.6</b>	<b>-114.6</b>	<b>-130.8</b>	<b>-150.3</b>	<b>-190.3</b>	<b>-222.7</b>	<b>-203.1</b>
<i>Less:</i> Gold (2-10+13) .....	19	-4.4	-4.0	-3.0	-3.7	-4.6	-4.3	-4.9	-2.6
Statistical differences (3-11) <sup>1</sup> .....	20	0	-7.3	0	0	1.7	-1	-15.7	-15.0
Other items (4-12) .....	21	.8	.8	.6	.9	.8	.7	.8	.9
<i>Plus:</i> Adjustment for U.S. territories and Puerto Rico (6-15) .....	22	10.5	9.4	8.8	9.6	9.6	8.7	10.3	8.9
<b>Equals: Net exports of goods and services and net receipts of factor income, NIPA's (8-17)</b> .....	<b>23</b>	<b>-101.4</b>	<b>-171.7</b>	<b>-103.4</b>	<b>-118.4</b>	<b>-138.6</b>	<b>-178.0</b>	<b>-192.5</b>	<b>-177.4</b>

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

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](http://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

*International Direct Investment: Studies by the Bureau of Economic Analysis* (1999) presents a collection of previously published studies on U.S. direct investment abroad and foreign direct investment in the United States. In addition, it includes the following guides to BEA’s statistics and methodologies used to prepare the estimates.

“Methodology for U.S. Direct Investment Abroad” (*U.S. Direct Investment Abroad: 1994 Benchmark Survey, Final Results* (1998))

“A Guide to BEA Statistics on U.S. Multinational Companies” (March 1995 SURVEY)

“Methodology for Foreign Direct Investment in the United States” (*Foreign Direct Investment in the United States: 1992 Benchmark Survey, Final Results* (1995))

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

### 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. 