Informal Trade Meeting
July 15, 1985
3:00 p.m.

Bruce Smart:	Summary of his paper - main theme is "Administration has no trade policy" - result is 152 protectionist bills - risk of doing nothing is we lose the initiative.
Dr. Sprinkel:	Summary of his paper's conclusions - that U.S. is <u>not</u> being deindustrialized. Nonetheless, many industries undergoing painful adjustments, yet trade deficit keeps growing. Congress putting on pressure; Secretary Baker feels we must respond. We need a trade initiative to quiet the pressures.
Bob Cornell:	Re: deindustrialization paper - problem is not total U.S. industry, but the growth experience at the margin of U.S. exporting and import-competing companies. Paper should look at that, and also examine if dollar comes down, what effect it will have.
Tom Moore:	No studies we do can solve Congressional situation.
Michael Smith:	We should enunciate a trade policy.
Daniel Amstutz:	Main problem is the budget deficit.
Bruce Smart:	Doesn't sell in Peoria. Need a menu of actions we can take.
Dr. Sprinkel:	Don't want actions which hurt us more than them.
Michael Smith:	Have to deal with access question. Don't want to tell the Congress that the tools they gave us are insufficient.
Dr. Sprinkel:	Nothing we do will eliminate trade deficit right away. We want to change perception we're not acting.
David Mulford:	Dollar at it's lowest level in a long time - but pressure doesn't ease up.
Doug McMinn:	Problem is perception that we're indifferent.

Roger Porter: Congressmen want list of items Administration is doing and list of items they are doing to solve the problem. They want to be seen as acting - in the sense of passing Congressional Resolutions.

Robert Morris: Budget deficit is one place they can act.

Michael Smith: We can't blame them. Safer to use something Congress can accept, like the "motherhood bill" - on international crime - inserted into Trade Act of 1984 - but died.

Robert Morris: Liked the description of Senator Roth's bill.

David Mulford: Re: list of complaints - a lot of them hit the mark. If we don't address the concerns, it could become dangerous - therefore, should be a priority of Administration.

Bruce Smart: Congress tells us to improve access - but most of their complaints come from U.S. industries being hurt by imports - solving access problems won't solve trade problem.

Daniel Amstutz: Some progress - not debating philosophy of farm bill with Senate any more - now discussing restructuring.

Tom Moore: What about list of carrots and sticks?

Michael Smith: Must be very careful when go to Hill and ask for legislation.

David Mulford: Try to match specific criticisms with the sticks currently in Administration's arsenal.

Michael Smith: No Administration has ever self-initiated a trade action - despite unfair activity elsewhere.

David Mulford: We should choose some of the outrageous international practices and act. Try to work on 3 issues per month - then we'd be able to go to Hill and say we're using the tools you gave us. We should re-juggle steel quotas,

cut off the Japanese and redistribute their quota to the LDCs until they open their market to us. Use the tools we have more ambitiously, rather than ask the Hill for new tools.

*Michael Smith: Propose that we distill the "complaints" list - find which ones we can/should deal with.

Dr. Sprinkel: Break out the potential responses into degrees to which our response will hurt us.

David Mulford: Our responses don't have to be economic - can be irritating; loss of face, etc. - e.g., eliminate their primary dealers, stop their briefings, refuse to participate in Joint Economic Commissions, etc.

Agreed that STR and Commerce will prepare a revised paper listing those specific complaints on which the Administration should act, and possible retaliatory measures we can take which will hurt them more than us. The group will then meet again to discuss.

Attendees

Daniel Amstutz, Department of Agricultura
Bruce Smart, Department of Commerce
Clyde Prestowitz, Department of Commerce
Michael Smith, STR
David C. Mulford, Department of the Treasury
Robert Cornell, Department of the Treasury
Douglas McMinn, Department of State
Robert Morris, Department of State
Roger Porter, OPD
Edward Stucky, Cabinet Affairs
Beryl W. Sprinkel, CEA
Tom Moore, CEA
Joe Stone, CEA
Margot Machol, CEA

Informal interagency trade meeting @ CEA - Monday, July 15 @ 3:00 pm

**Alfred H. Kingon,
Assistant to the President for Cabinet Affairs
456-2823 (Nancy)

*Allen W. Wallis,
Under Secretary for Economic Affairs, State Dept.
632-3256 (Marianne)

Daniel G. Amstutz,
Under Secretary for International Affairs and Commodity Programs,
Agriculture Dept.
447-3111 (Esther)

Thomas Kay,
Deputy Under Secretary for International Affairs and Commodity
Programs
447-2593 (Rene)

Bruce W. Smart,
Under Secretary for International Trade, Commerce Dept.
377-2867 (Pat)

David C. Mulford,
Assistant Secretary for International Affairs, Treasury Dept.
566-5363 (Judy)

Robert Cornell,
Deputy Assistant Secretary for Trade and Investment Policy
566-2748 (Judith)

Michael B. Smith,
Deputy Trade Representative
395-5114 (Karen)

Douglas W. McMinn,
Director, International Economic Affairs, National Security
Council
Assistant Secretary - Designate, State Dept. (for Economic and Business Affairs)
(653-7240 Mary)

Roger B. Porter,
Director, Office of Policy Development, White House
456-6405 (Donna)

*Allen Wallis is out of the country -- Bob Morris will attend

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**Al Kingon has a schedule conflict and is sending Ed Stucky to represent the Office of Cabinet Affairs

Dr Thomas D. Moore, CEA

Silo: Trade

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

July 11, 1985

MEMORANDUM FOR: Roger Porter
Office of Policy Development

FROM: Beryl W. Sprinkel
Chairman

SUBJECT: Paper on "Deindustrialization"

Attached is the CEA paper promised on "Is the U.S. Economy Undergoing 'Deindustrialization'." The other two papers on pending bills and trade complaints were sent to this office, but I understand that these have been forwarded to you for circulation.

July 11, 1985
CEA

Is the United States Undergoing "Deindustrialization"?

The public perception that the U.S. economy is undergoing "deindustrialization" is widespread and has grown substantially in recent years. Many apparently believe that the tradable goods sector, especially manufacturing, is in decline due both to inappropriate policies here at home (the tight money-large budget deficit-strong dollar argument) and to unfair trading practices among our trading partners. Thus, it is claimed, industry is expanding abroad at the expense of industry in the United States. This paper examines whether such arguments are valid.

Deindustrialization presumably refers to a persistent decline in the productive capacity of the manufacturing sector. However, the term is also sometimes used to refer to the goods-producing sector in general, which includes agriculture and mining as well as manufacturing. Productive capacity itself is not directly observed, but is the result of investments in capital stock, employment and other inputs, and the technology of production. Over long periods of time, where one can abstract from demand conditions, actual output is the best measure of trends in productive capacity. Over shorter periods, trends in the capital stock can also be used if the rate of technological change is low. Trends in employment are generally a poor measure of trends in productive capacity -- in the short run because of cyclical variations in demand, and in the longer run because of changes in technology.

In subsequent sections we describe and evaluate trends in major sectors of the economy, compare U.S. economic performance overall and in manufacturing to the performance of other countries, and summarize and evaluate exceptional trends in detailed industries.

Trends in Major Sectors

Analysis of recent and longer-term trends in the total, goods-producing, and manufacturing sectors of the U.S. economy suggests the following conclusions:

1) The average annual rate of growth for manufacturing output from 1947-84 is exactly the same as for total real gross domestic product (GDP) -- 3.4 percent (see Table 1). For the more recent period from 1980-84, manufacturing output has continued to grow at about the same rate as total real GDP (2.7 versus 2.8 percent).

2) The average annual rate of growth for the goods-producing sector as a whole (manufacturing plus agriculture and mining) from 1947 to 1984 is somewhat less than for real GDP (3.0 percent versus 3.4 percent), but this reflects lower growth in agriculture and mining rather than in manufacturing (see Table 1). For the more recent period from 1980-84, however, the goods-producing sector grew almost as rapidly as real GDP (2.7 versus 2.8 percent), due primarily to an increase in the rate of growth of agriculture to more than double the rate in the prior three decades.

3) Productivity growth in manufacturing (average labor productivity) substantially exceeds that of the economy as a whole (2.7 percent versus 1.2 percent for 1980-84), and this has been increasingly true in recent decades (see Table 2).

   - The explanation lies both in greater rates of technological change and in shifts to more capital-intensive industries and techniques. Part of the explanation for the shift to more sophisticated, capital-intensive techniques and industries lies in the dynamic adjustment of the U.S. economy to increased competition from abroad in more labor-intensive areas.

   - The result of greater productivity growth in manufacturing (together with the similarity of manufacturing output growth and total output growth) is that manufacturing employment has expanded less rapidly than total employment in each of the last four decades (see Table 3).

4) Cyclical fluctuations in the goods-producing and manufacturing sectors are exaggerated relative to the economy as a whole. This well-known attribute of these sectors is easily demonstrated for the 1980-84 period and largely explains their performance during this period.

- With respect to output, Figure 1(a) illustrates that the most recent recession was substantially more severe than the average and Figure 1(b) that the subsequent recovery was exceptionally strong. The result was an even lower trough for the goods-producing sector (see Figure 2(a)) and an even stronger recovery (see Figure 2(b)). Similar effects are seen for manufacturing in Figures 3(a) and 3(b). Another few quarters are required before the full extent of the current recovery can be assessed.

- With respect to employment, a similar phenomenon is observed. Figure 4(a) illustrates that total employment declined more than in the average recovery and Figure 4(b) that total employment growth was more rapid than average during the recovery. The even more exaggerated decline in goods-producing employment is presented in Figure 5(a), and Figure 5(b) depicts the exceptionally rapid increase in employment during the recovery. A similar pattern is observed for manufacturing employment in Figures 6(a) and 6(b). The slight downturn of employment in the first-quarter of 1985 is most likely the result of virtually zero growth overall in the first quarter.

International Comparisons

Comparisons of U.S. economic performance overall and in manufacturing to the performance by other countries provide an even more optimistic assessment of the deindustrialization issue and lead to the following major conclusions:

1) The U.S. economy would be in an even stronger position (especially manufacturing) if the rest of the economies of the rest of the world were performing better. In the 1980-84 period, rest of world economic growth was strongly negative, an average annual rate of -6.5 percent (see Table 1). Despite the relative poor performances by many of our trading partners, U.S. economic growth during the period was 2.8 percent overall and 2.7 percent in manufacturing.

2) It is not true that most of our major international competitors have expanded manufacturing output at a faster rate than the United States. Table 4 indicates that U.S. manufacturing production, as measured by industrial production, grew at an annual rate of 2.9 percent from 1980-84, almost twice the average of all OECD countries. Only Japan (with an annual rate of 3.9 percent) stands out as having a distinctly stronger performance by manufacturing. Reflecting the cyclical volatility of manufacturing, growth in manufacturing production in OECD countries was significantly below growth in total production. This is not the case for the United States.

3) Growth in the U.S. manufacturing capital stock for recent years (1979-82) is substantially above the growth rates for most of our industrialized trading partners (see Table 5). The average annual rate is 4.1 for the United States, well above the rates for France, Germany, the United Kingdom, Sweden, Austria, and others. Less precise data based on capacity output (real output divided by average capacity utilization rate) show an even more marked divergence for the period from 1979 through last year (see Table 6). U.S. capacity output in manufacturing grew at an annual rate of 2.5 percent, more than twice the rate for most of our industrialized trading partners.

Trends in Detailed Industries

Sector aggregates clearly conceal varying industry detail within each sector. Appendix A lists GNP by industry at the 2 digit level (65 industries). Appendix B shows real GNP in 1972$ over the postwar period in each of the 65 industries. A brief scan of these charts lead to the following general conclusions.

1) As suggested above, manufacturing industry output is subject to greater cyclical variation than the rest of the economy.

2) Among service industries, only the railroad transportation (0.5% of GNP) and local and interurban transit industries (0.1% of GNP) are in major secular declines.

3) Among mining industries only metal mining (0.06% of GNP) is in a major secular decline.

4) Among manufacturing industries only primary metal industries (1.1% of GNP), tobacco manufactures (0.2% of GNP) and leather (0.1% of GNP) are in major secular declines.

5) Water transportation (0.2% of GNP), the stone, clay, and glass industry (0.5% of GNP), the motor vehicle and equipment industry (1.5% of GNP), the other transportation equipment industries (0.8% of GNP), the petroleum and coal products industry (0.4% of GNP) and construction (2.7% of GNP) have experienced no trend growth over the last 10 years.[1]

If the definition of deindustrialization is limited to industries exhibiting absolute secular declines in production, then the industries listed in 2), 3), and 4) provide one measure of deindustrialization. The U.S. has six industries that comprise approximately 2.0% of GNP that have been in decline.

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[1] Flat value added in the construction industry primarily reflects a shift in fabrication to other industries (i.e., use of dry wall instead of plaster) and the slowdown in Federal highway construction in the 1960s. Real investment in private structures has grown at a 2-1/2 percent average annual rate over the last 15 years.

If the definition also includes industries showing little or no growth in production over the last 10 years then another six industries, enumerated in 5), that comprise 7.0% of GNP should be added to the list.[2]

Across all sectors of the economy -- 65 industries -- 12 industries (less than 10% of GNP) are showing flat or declining output over the last 10 years. Seven of the 12 are in manufacturing, three are service industries, one is mining and construction. All other industries exhibit growth in production that equals or exceeds growth in total real GNP.

In the context of deindustrialization, should the U.S. Government be concerned about the trend in production in the 12 industries listed above? For several, the answer is clearly no. Price supports for tobacco and shifts in demand have driven down tobacco manufactures. Shifts in demand are also responsible for the decline in local and interurban transit. Production has declined in the leather and leather products industry due to shifts in demand and foreign competition. The role of foreign competition, however, appears consistent with dynamic trends in comparative advantage.

For several other industries flat or declining production has resulted from technical innovation and substitution of inputs. As mentioned above, the construction industry has experienced roughly flat value added production over the last 15 years. This does not mean that residential and nonresidential building has been flat. A shift in the source of value added has occurred. Prefabricated components (produced in other industries) now provide a larger proportion of the final product -- a building -- and less production occurs within the construction industry. The decline in the railroad transportation industry, and to a certain extent in the water transportation industry, represents pure substitution from high-cost, relatively inefficient providers of transportation services to lower cost providers such as pipelines. For the petroleum and coal products industry flat production primarily reflects the decline in U.S. oil consumption over the last 12 years. Since 1973 U.S. consumption of petroleum products has fallen at an average annual rate of 1 percent per year. Increases in the relative price of energy and the resulting substitution of other inputs for energy more than account for the decline. In fact, flat to declining output in the refining industry may be viewed as the primary result of a successful adaptation of the U.S. economy to the increase in energy prices in the 1970s. Energy efficiency has increased rapidly in almost all industrial applications.

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[2] This list excludes certain service industries, such as personal services and private households, that do not fit the normal definition of an industry.

If the seven industries discussed above are viewed as irrelevant in this context or declining due to technical innovation and/or substitution to more efficient production processes, then the definition of deindustrialization may be applied to five industries that constitute about 4% of GNP.

These five industries (metal mining; motor vehicles and transportation equipment; stone, clay, and glass; other transportation equipment, and primary metals) share several common characteristics that have played major roles in their decline. These characteristics are:

1) Very high unit labor costs relative to the average of manufacturing (see Figures 7(a)-(e)). For example, real compensation as a share of real output has exceeded 100% in the metal mining industry since 1975 peaking at above 140% in 1980 and 1982 (see Figure 7(a)).

2) Slow growth in demand for the product.

3) Relatively high expenditures to meet government regulations for pollution abatement, safety standards, and energy efficiency standards.

4) Intense international competition except where the U.S. Government has intervened to limit imports. Based on the available evidence, U.S. Government intervention to alleviate characteristic 4) only exacerbated characteristics 1) and 2).

Conclusions

Four specific conclusions are suggested by the evidence reviewed above.

1) The U.S. economy is not undergoing deindustrialization.

   - o Long-term and recent trends in manufacturing output are strongly positive and roughly proportional to total growth of the economy, even for 1980-84.
   - o Productivity growth in manufacturing continues at a pace more than twice that in the rest of the economy.
   - o Employment in manufacturing remains below peak levels. The slow recovery in employment is a consequence of average output growth and above average productivity growth in manufacturing.

2) U.S. economic performance overall and even in manufacturing is significantly better than the performances of the vast majority of our trading partners.

   - o Growth in U.S. manufacturing production from 1980-84 is about twice the average of other OECD countries.
   - o Recent growth (1979-84) in the U.S. manufacturing capital stock is well in excess of the growth rates for most of our industrialized trading partners.

3) The consequences of variations in economic growth are especially pronounced for manufacturing and the goods-producing sector, helping to explain the deep trough in the last recession for these sectors and their exceptionally strong recovery (which is not yet complete, however).

4) Only a handful of U.S. industries exhibit a persistent decline in real output. For some, import competition has played a major role, but one consistent with underlying trends in comparative advantage.

TABLES

Table 1

Real Growth in Gross Domestic Product by Industry
(Percent Average Rate of Growth over Period)

	1950s(1)	1960s	1970s	1980s(2)	1947 to 1984
Gross Domestic Product(3)	3.2	3.9	3.0	2.8	3.4
Private	3.3	4.0	3.3	3.1	3.5
Goods	2.4	3.8	2.8	2.7	3.0
Agriculture	0.9	0.7	1.5	3.1	1.5
Mining	2.0	3.4	1.3	0.9	2.0
Manufacturing	2.7	4.3	3.0	2.7	3.4
Durable	2.6	4.4	3.1	3.2	3.4
Non-Durable	2.9	4.1	2.9	2.1	3.3
Construction	4.7	1.5	-0.2	1.2	2.4
Services					
Capital Intensive(4)	3.4	5.1	3.9	2.0	3.5
Trade	3.0	4.2	3.4	4.6	3.7
Wholesale	3.9	5.3	3.8	5.6	4.4
Retail	2.5	3.4	3.1	3.8	3.3
FIRE(5)	4.9	4.3	4.2	3.0	4.4
Other Services	3.4	4.3	4.1	3.7	3.8
Government	3.6	3.6	1.5	0.3	2.6
Rest of the World	5.7	4.4	12.4	-6.5	5.7

(1) Decade Averages
(2) 1980-1984
(3) Also includes statistical discrepancy and the residual between income and product measures.
(4) Transportation and Public Utilities (including Communications)
(5) Finance, Insurance and Real Estate

Table 2

Productivity Growth by Industry
(Growth in Ratio of Real Value Added vs
Number of Full Time Equivalent Employees)

	.....Annual Rate of Change.....			
	1950s	1960s	1970s	1980s
Gross Domestic Product	2.2	1.6	1.1	1.2
Private	2.6	1.9	1.2	1.2
Goods	2.8	2.7	2.0	2.4
Agriculture	2.2	4.2	-0.1	0.2
Mining	5.7	4.8	-2.8	0.5
Manufacturing	2.9	2.8	2.5	2.7
Construction	3.0	-0.2	-1.6	0.3
Services				
Capital Intens.	3.7	4.2	2.8	1.2
Trade				
Wholesale	2.8	3.2	1.3	1.7
Retail	1.5	0.6	0.4	0.8
FIRE	1.2	1.1	0.6	-0.1
Other	1.2	0.6	0.3	0.2
Government	0.0	0.3	0.4	0.4

Note: See previous Table forFootnotes

Table 3

Growth in Full-Time Equivalent Employment

(Average Annual Rate in Percent

	1950s	1960s	1970s	1980s	1947 to 1984
Total, wage and salary workers in nonagricultural establishments	1.5	2.3	2.0	1.0	1.7
Manufacturing	.8	1.5	.4	-.2	.6

Source: Department of Labor, Bureau of Labor Statistics.

Table 4

Output Growth in Major Industrial Economies 1960 to 1984

(Average annual rates of change in percent)

	USA		GERMANY		FRANCE		JAPAN		UNITED KINGDOM		OECD	
	GDP	Manufacturing production	GDP	Manufacturing production	GDP	Manufacturing production	GDP	Manufacturing production	GDP	Manufacturing production	GDP	Manufacturing production
1960-1973	4.0	5.4	4.5	5.2	5.6	5.0	10.5	12.5	3.1	3.0	5.0	6.0
1973-1980	2.3	1.8	2.3	1.1	2.7	1.3	3.6	2.9	0.9	-2.2	2.5	1.7
1980-1984	2.5	2.9	.6	-.1	1.2	-1.0	4.0	3.9	1.5	.7	2.0	1.5

Notes.-- Due to various adjustments figures may differ from those from national sources. Manufacturing production is measured by industrial output.

Source: OECD.

Table 5

Changes in capital stock of total manufacturing
(Average annual rates of growth)

	1969-1973	1973-1979	1979-1982
Austria	6.0	3.4	2.7
Finland	6.2	4.0	3.1
France	6.5	4.1	2.8
Germany, Fed. Rep. of	6.0	2.3	1.8
Norway	4.1	4.8	3.3
Sweden	4.4	3.7	2.1
United Kingdom	3.2	2.1	0.6
Canada	4.7	3.9	4.1
United States	2.7	3.8	4.1

Source: OECD

Table 6

Changes in capacity output[a] in manufacturing
(Average annual rates of growth)

Country	Annual average rates of growth 1969-1973	1973-1979	1979-1984
Austria	3.3	3.1	3.7
Belgium	8.1	3.9	0.6
France	6.3	3.7	1.3
Germany, Fed.Rep. of	4.6	2.4	0.9
Italy	7.1	3.0	1.2
Netherlands	..	2.4	-1.0
Sweden	..	..	1.7
United Kingdom	2.7	-	-1.7
Canada	4.8	3.7	3.3
United States	3.6	3.1	2.5

Source: OECD

a. Capacity output is actual real output divided by average capacity utilization rate. Actual real output is the real value added of total manufacturing.

FIGURES

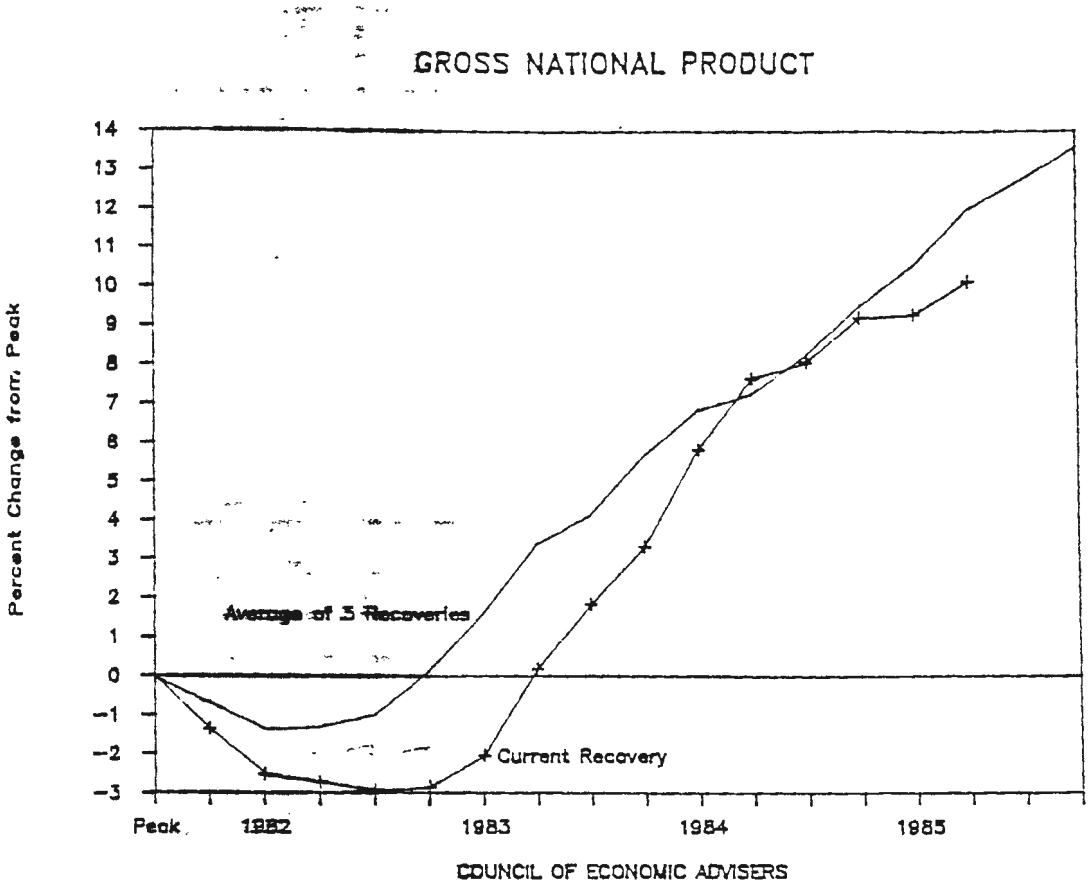
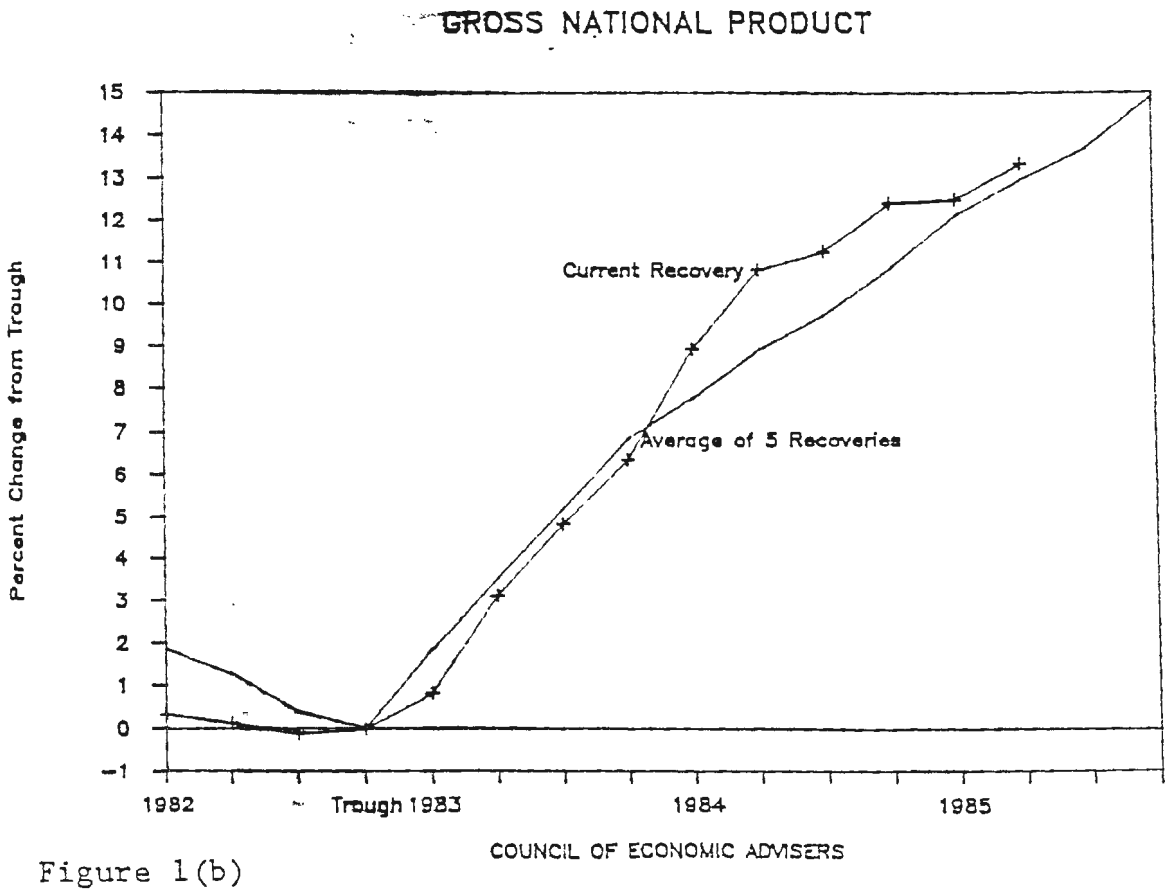


Figure 1(a)



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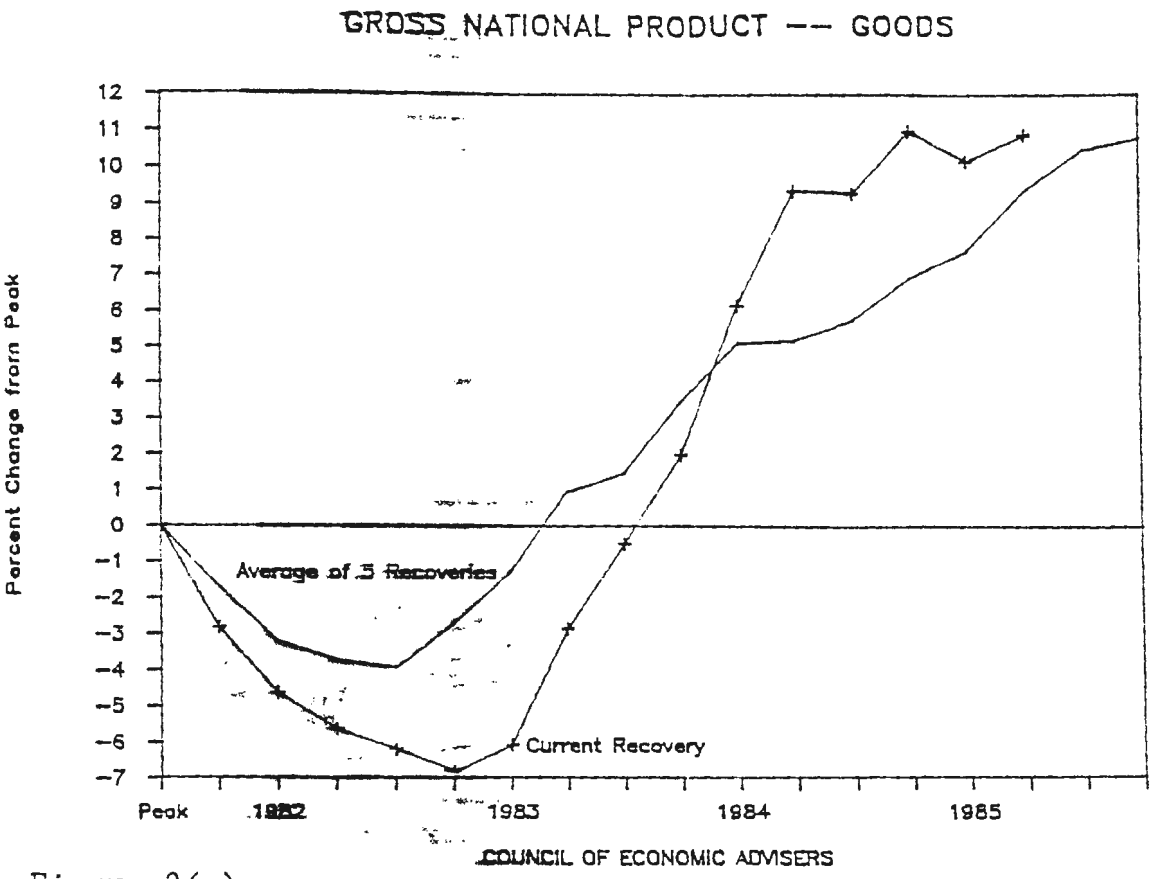

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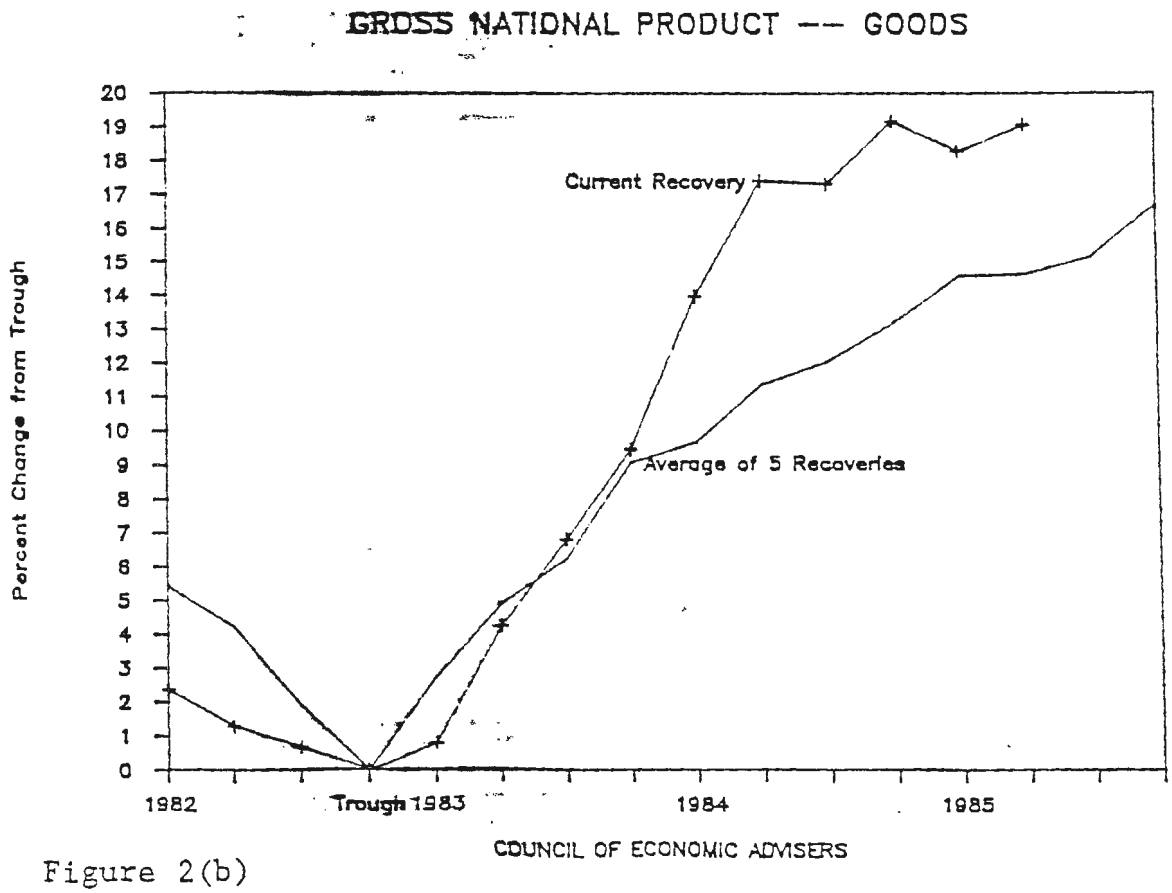

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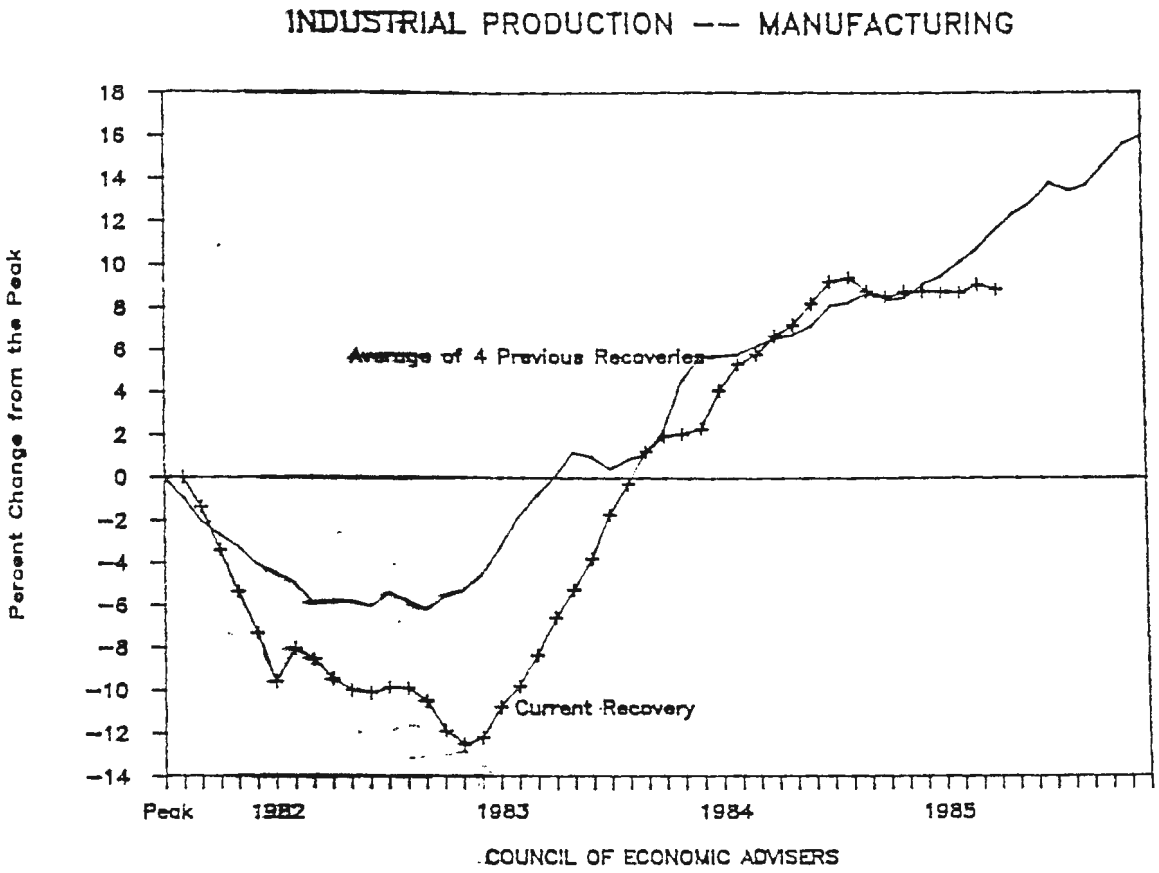
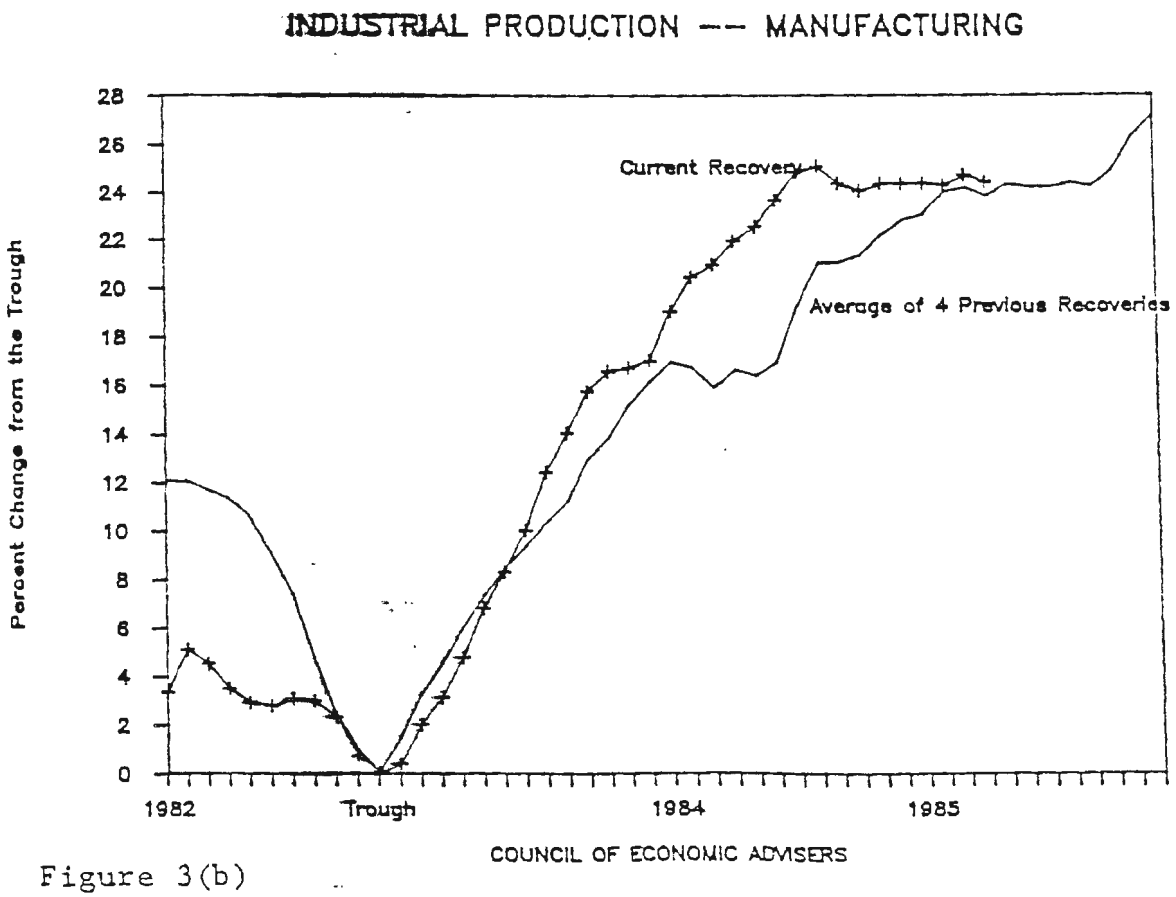


Figure 3(a)



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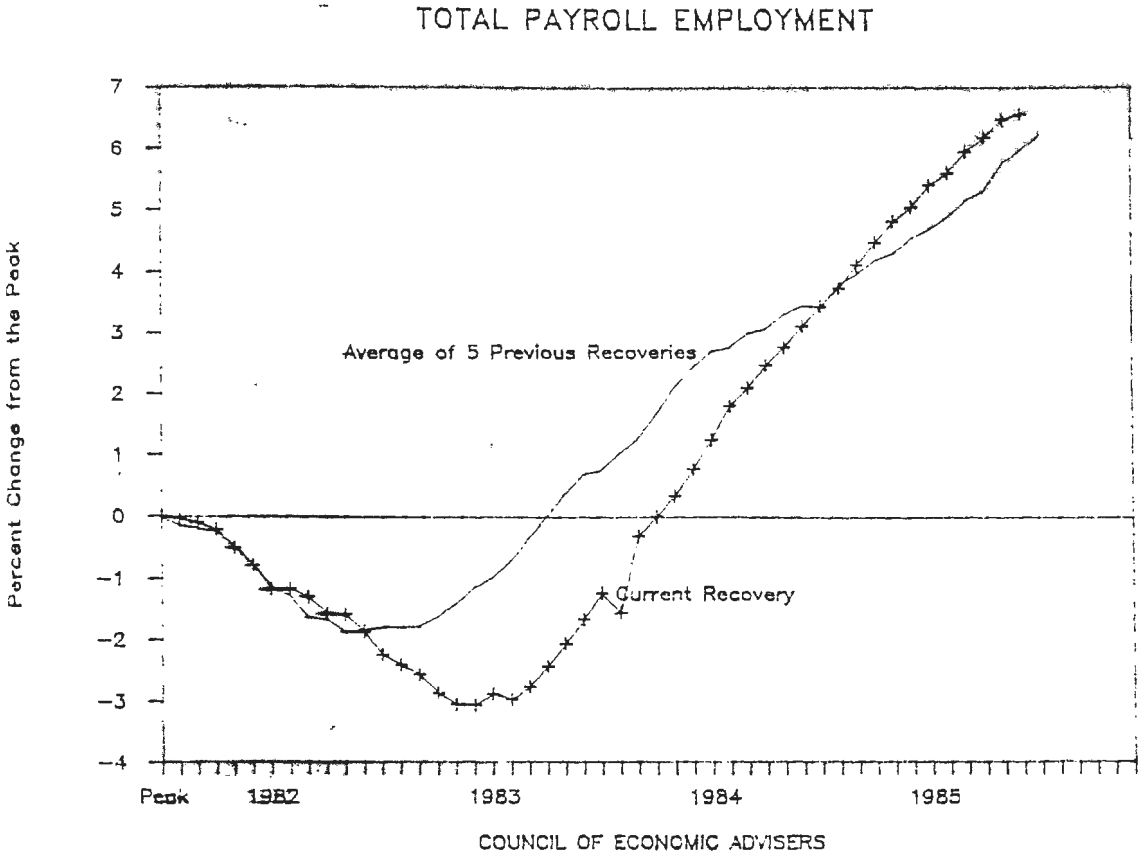
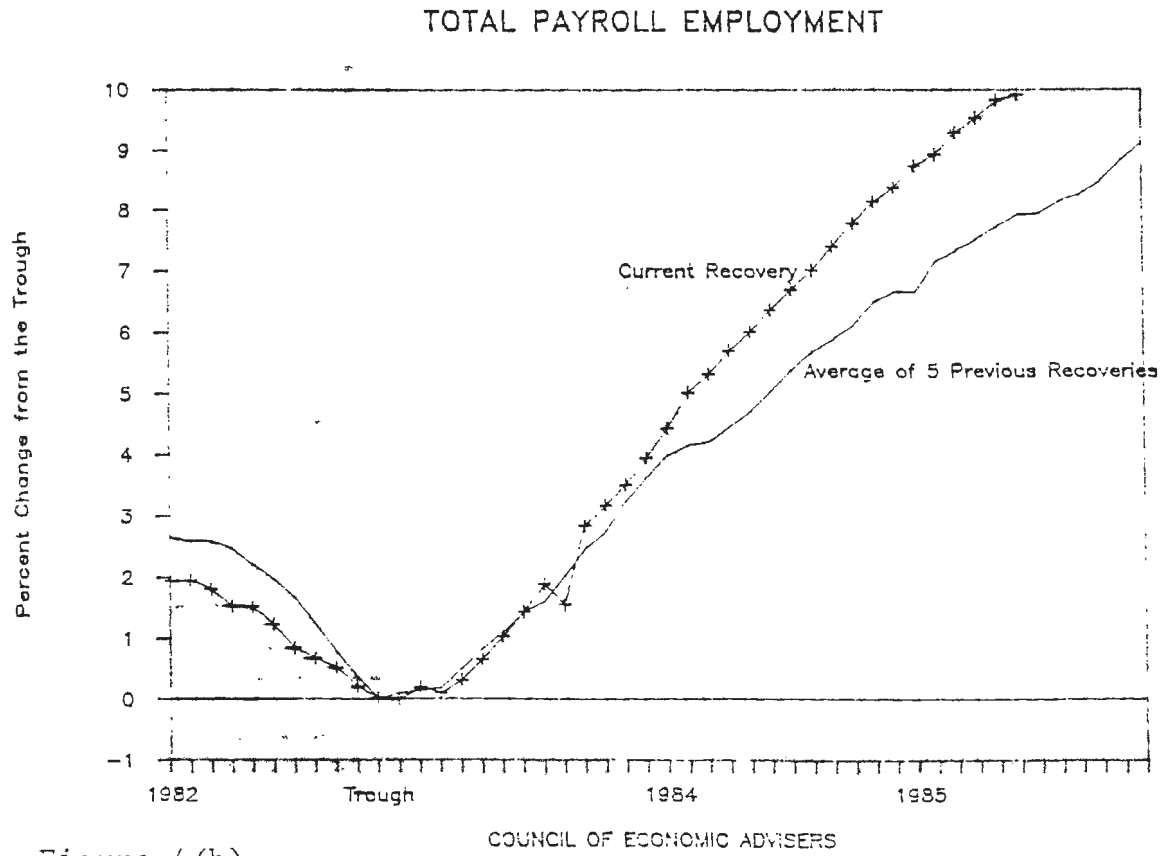


Figure 4(a)



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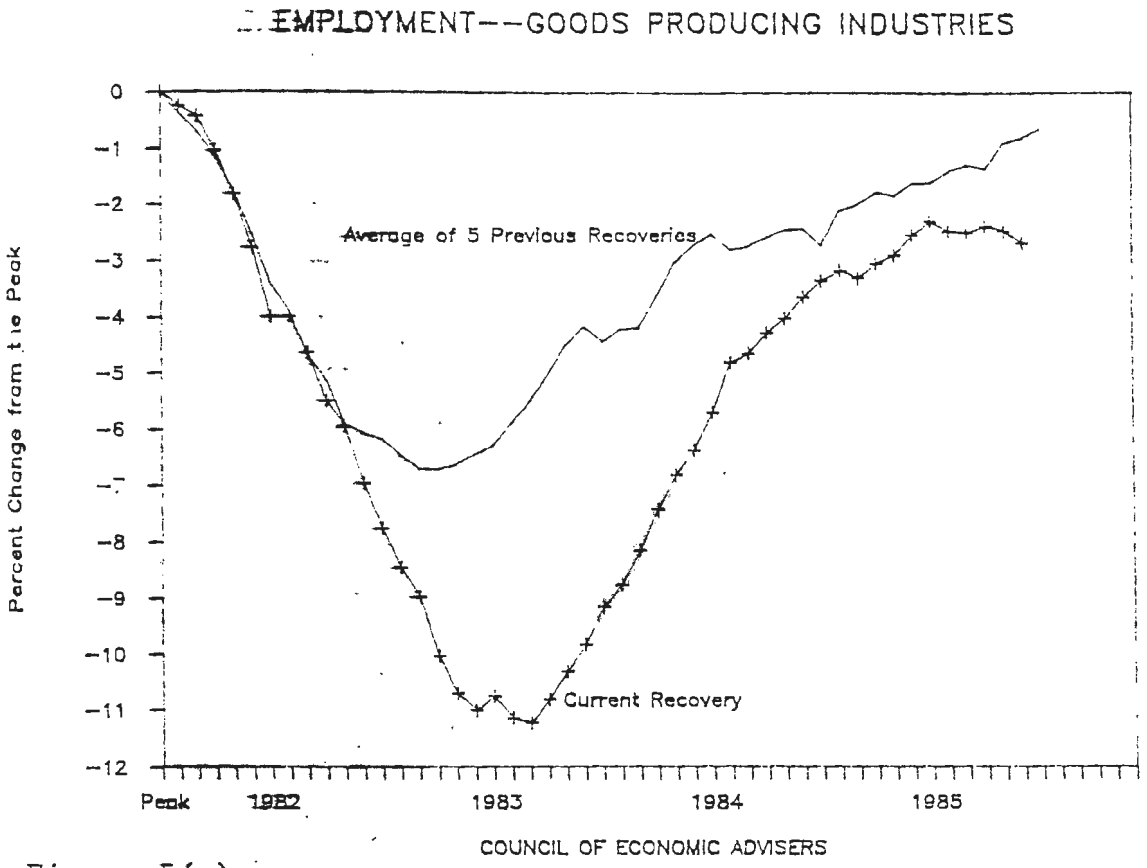
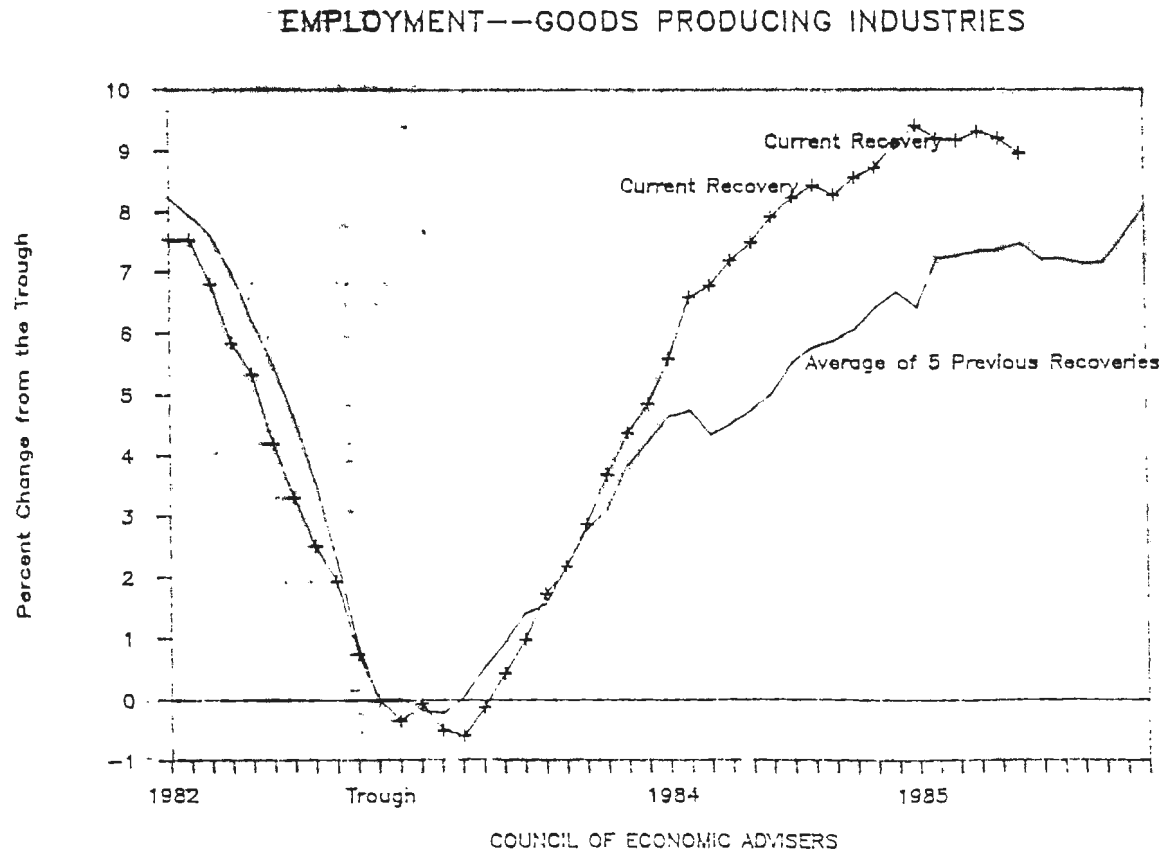


Figure 5(a)



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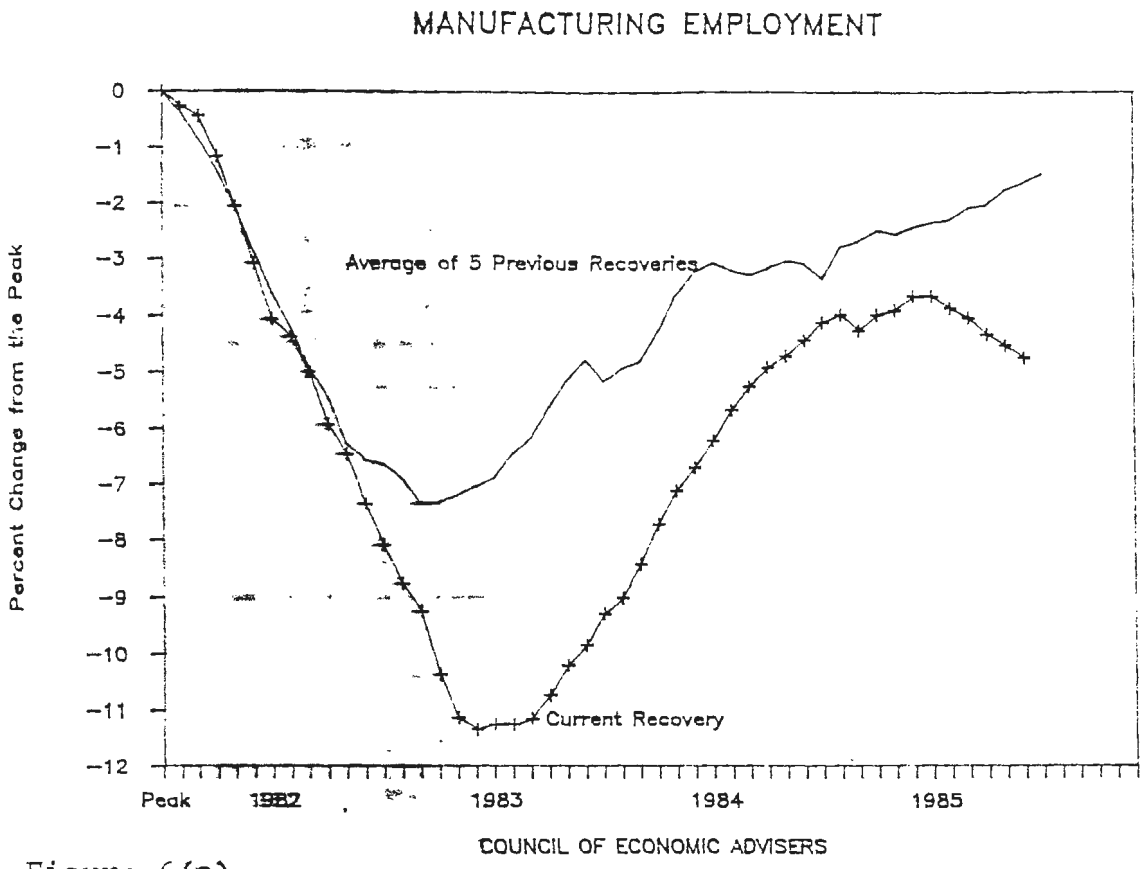
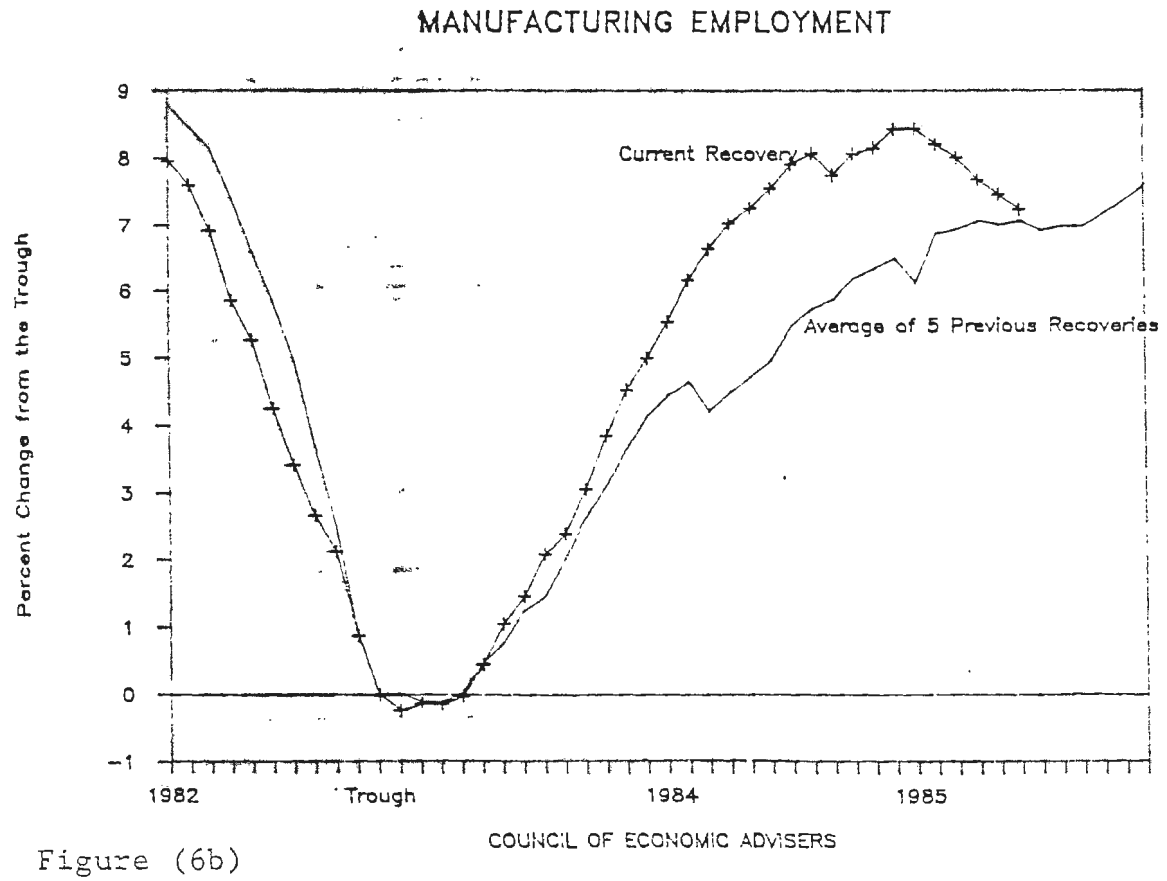


Figure 6(a)



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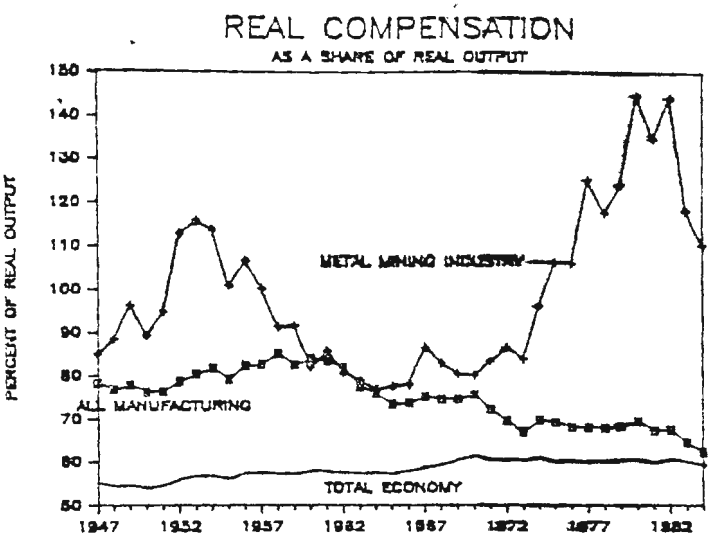


Figure 7(a)

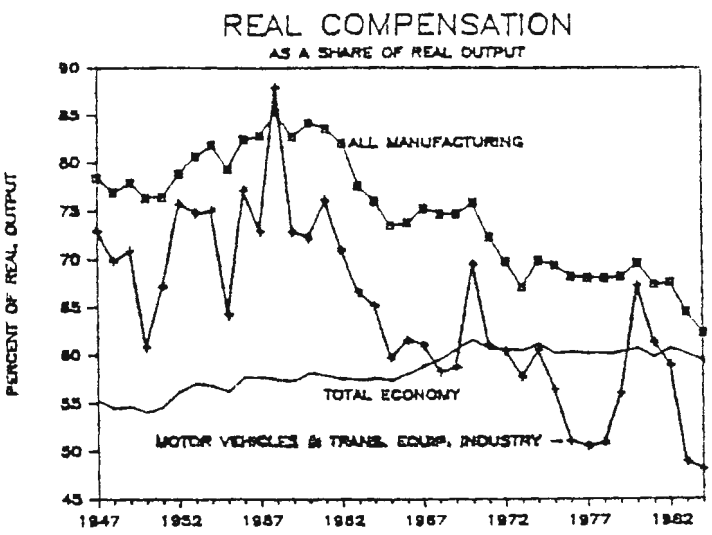


Figure 7(b)

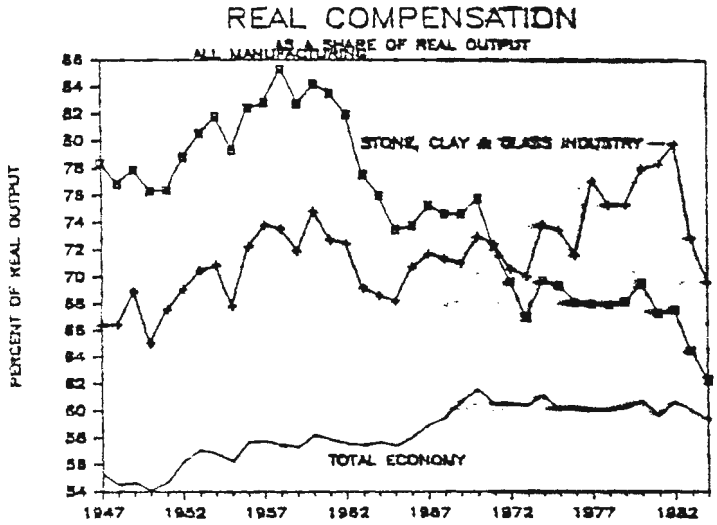


Figure 7(c)

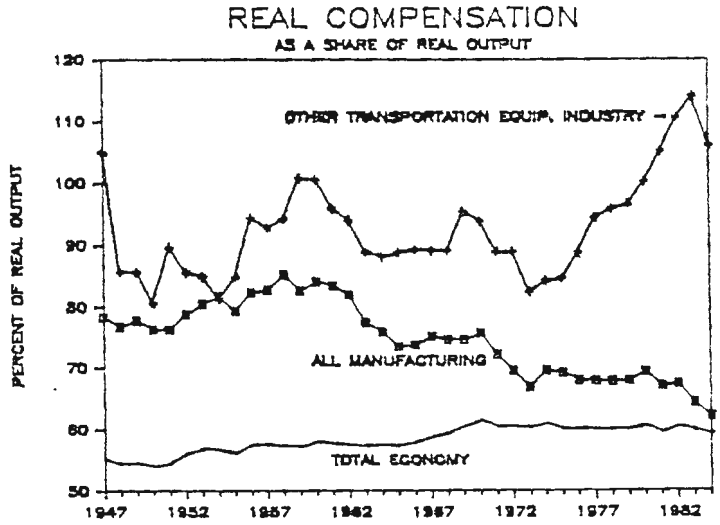


Figure 7(d)

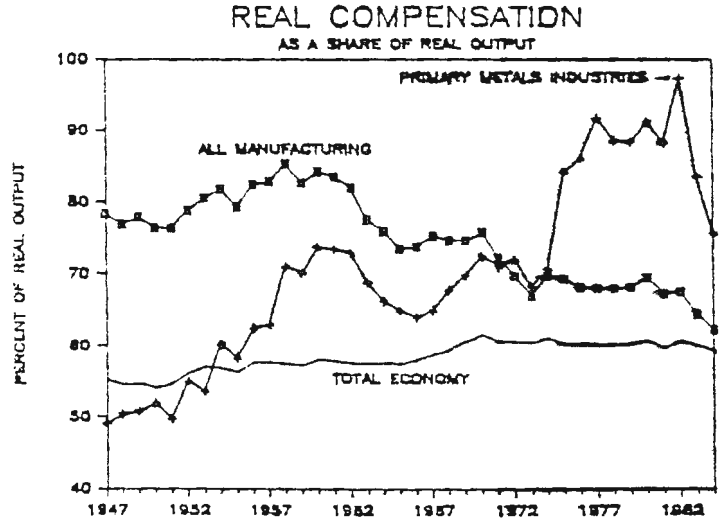


Figure 7(e)

APPENDIXES

1 GROSS NATIONAL PRODUCT

2 - DOMESTIC INDUSTRIES (GROSS DOMESTIC PRODUCT)

3 PRIVATE INDUSTRIES

4 AGRICULTURE, FORESTRY, & FISHERIES

5 FARMS (01-02)
6 AGRICULTURAL SERVICES, FORESTRY, & FISHERIES (07-09)

7 MINING

8 METAL MINING (10)
9 COAL MINING (11-12)
10 OIL & GAS EXTRACTION (13)
11 NONMETALLIC MINERALS, EXCEPT FUELS (14)

12 CONSTRUCTION (15-17)

13 MANUFACTURING

14 DURABLE GOODS

15 LUMBER & WOOD PRODUCTS (24)
16 FURNITURE & FIXTURES (25)
17 STONE, CLAY, & GLASS PRODUCTS (32)
18 PRIMARY METAL INDUSTRIES (33)
19 FABRICATED METAL PRODUCTS (34)
20 MACHINERY, EXCEPT ELECTRICAL (35)
21 ELECTRIC & ELECTRONIC EQUIPMENT (36)
22 MOTOR VEHICLES & EQUIPMENT (371)
23 OTHER TRANSPORTATION EQUIPMENT (372-379)
24 INSTRUMENTS & RELATED PRODUCTS (38)
25 MISCELLANEOUS MANUFACTURING INDUSTRIES (39)

26 NONDURABLE GOODS

27 FOOD & KINDRED PRODUCTS (20)
28 TOBACCO MANUFACTURES (21)
29 TEXTILE MILL PRODUCTS (22)
30 APPAREL & OTHER TEXTILE PRODUCTS (23)
31 PAPER & ALLIED PRODUCTS (26)
32 PRINTING & PUBLISHING (27)
33 CHEMICALS & ALLIED PRODUCTS (28)
34 PETROLEUM & COAL PRODUCTS (29)
35 RUBBER & MISCELLANEOUS PLASTIC PRODUCTS (30)
36 LEATHER & LEATHER PRODUCTS (31)

37 TRANSPORTATION AND PUBLIC UTILITIES

38 TRANSPORTATION

39 RAILROAD TRANSPORTATION (40)
40 LOCAL & INTERURBAN PASSENGER TRANSIT (41)
41 TRUCKING & WAREHOUSING (42)
42 WATER TRANSPORTATION (44)
43 TRANSPORTATION BY AIR (45)
44 PIPELINES, EXCEPT NATURAL GAS (46)
45 TRANSPORTATION SERVICES (47)

46 COMMUNICATION

47 TELEPHONE & TELEGRAPH (481,2,9)
48 RADIO & TELEVISION BROADCASTING (483)

49 ELECTRIC, GAS, & SANITARY SERVICES (49)

50 WHOLESALE TRADE (50-51)

51 RETAIL TRADE (52-59)

52 FINANCE, INSURANCE, & REAL ESTATE

53 BANKING (60)
54 CREDIT AGENCIES OTHER THAN BANKS (61)
55 SECURITY, COMMODITY BROKERS & SERVICES (62)
56 INSURANCE CARRIERS (63)
57 INSURANCE AGENTS, BROKERS, & SERVICES (64)
58 REAL ESTATE (65-66)
59 HOLDING & OTHER INVESTMENT COMPANIES (67)

61 HOTELS & OTHER LODGING PLACES (70)
62 PERSONAL SERVICES (72)
63 BUSINESS SERVICES (73)
64 AUTO REPAIR, SERVICES, & GARAGES (75)
65 MISCELLANEOUS REPAIR SERVICES (76)
66 MOTION PICTURES (78)
67 AMUSEMENT & RECREATION SERVICES (79)
68 HEALTH SERVICES (80)
69 LEGAL SERVICES (81)
70 EDUCATIONAL SERVICES (82)
71 SOCIAL SERVICES & MEMBERSHIP ORGANIZATIONS (83,86)
72 MISCELLANEOUS PROFESSIONAL SERVICES (84,89)
73 PRIVATE HOUSEHOLDS (88)

74 GOVERNMENT & GOVERNMENT ENTERPRISES

12 75 GOVERNMENT

76 FEDERAL GOVERNMENT (91-97)
77 STATE & LOCAL GOVERNMENT (91-96)

78 GOVERNMENT ENTERPRISES

79 FEDERAL GOVERNMENT ENTERPRISES (01-89)
80 STATE AND LOCAL ENTERPRISES (01-89)

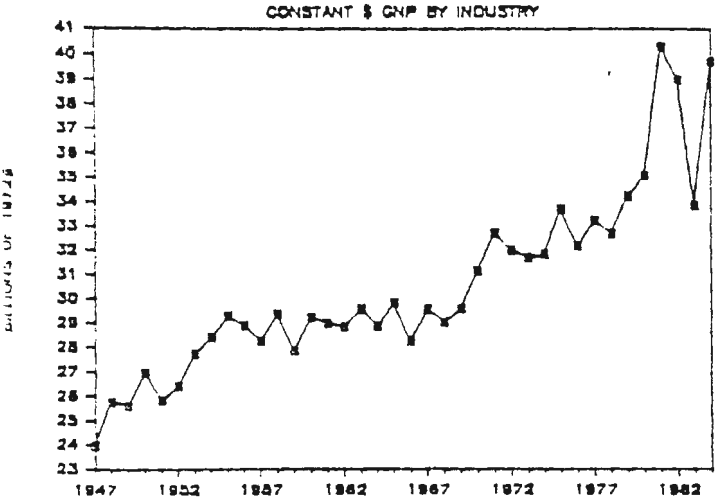
81 STATISTICAL DISCREPANCY

82 RESIDUAL

13 83 REST OF THE WORLD

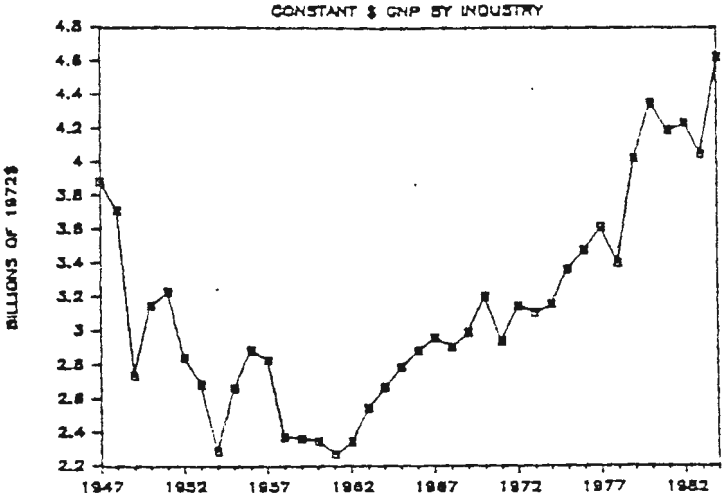
FARMS

CONSTANT $ GNP BY INDUSTRY



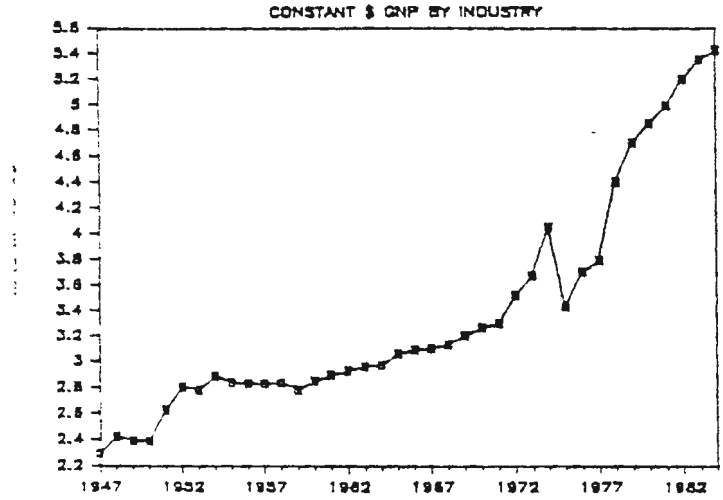
COAL MINING

CONSTANT $ GNP BY INDUSTRY



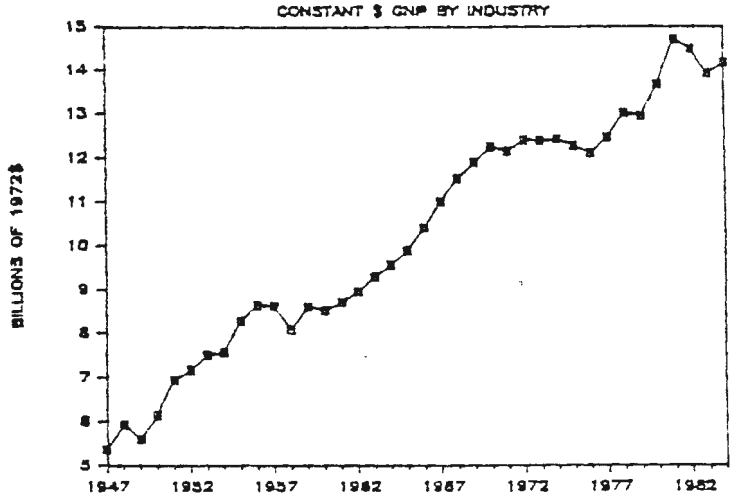
AGRI SERV., FORESTRY & FISHERIES

CONSTANT $ GNP BY INDUSTRY



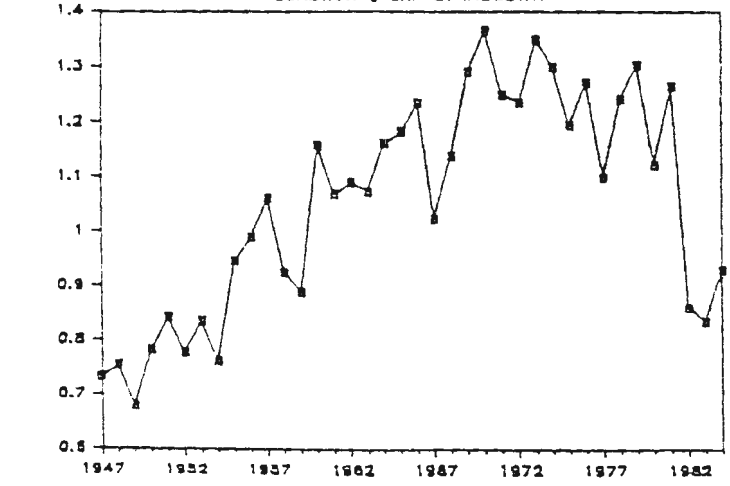
OIL & GAS EXTRACTION

CONSTANT $ GNP BY INDUSTRY



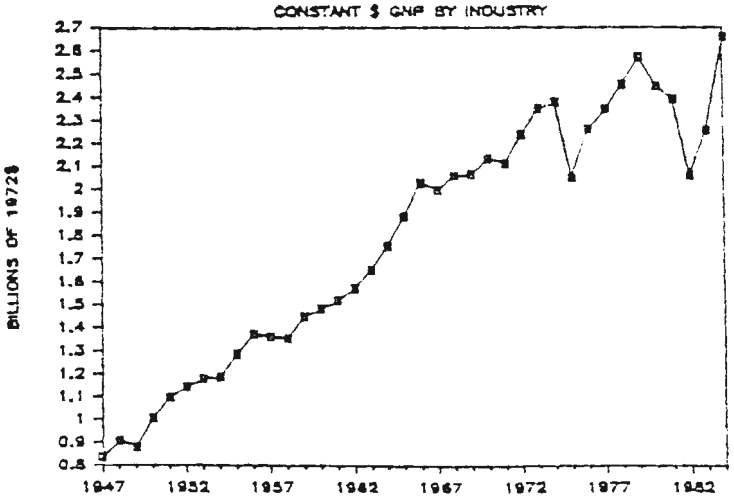
METAL MINING

CONSTANT $ GNP BY INDUSTRY



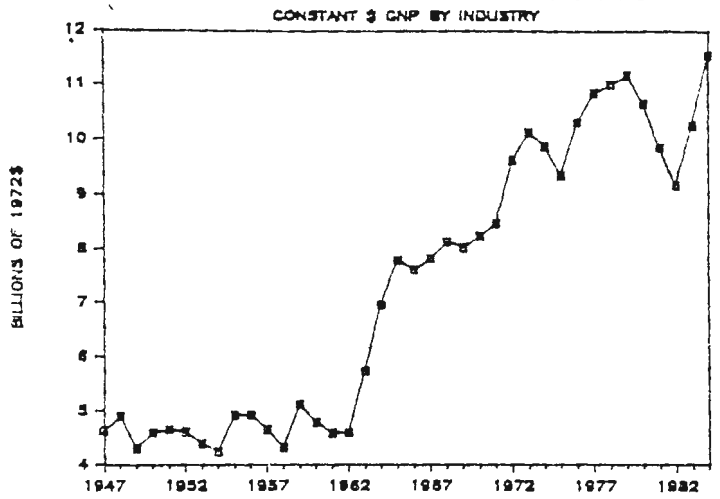
NONMETALLIC MINERALS X FUELS

CONSTANT $ GNP BY INDUSTRY



LUMBER & WOOD PRODUCTS

CONSTANT $ GNP BY INDUSTRY



PRIMARY METAL INDUSTRIES

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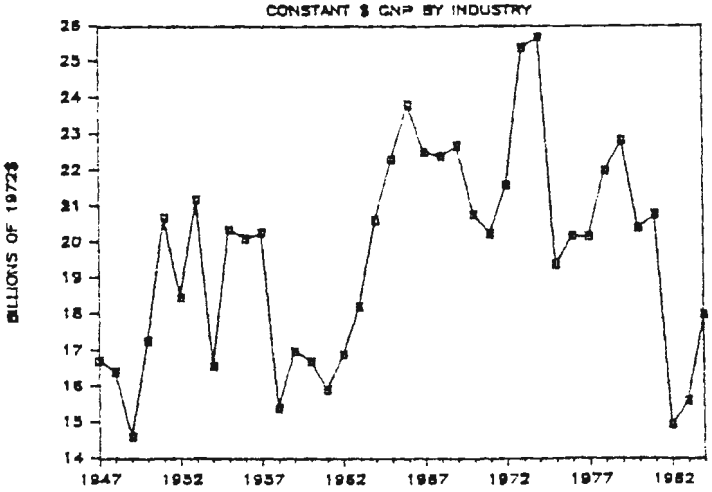
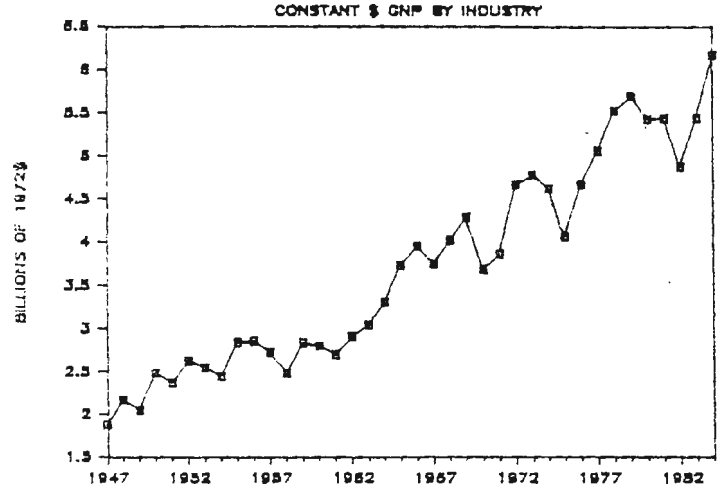


FURNITURE & FIXTURES

CONSTANT $ GNP BY INDUSTRY



FABRICATED METAL PRODUCTS

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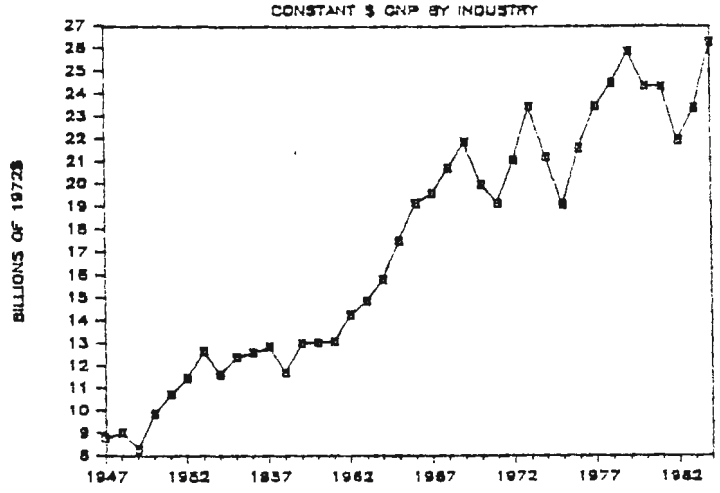

STONE, CLAY & GLASS PRODUCTS

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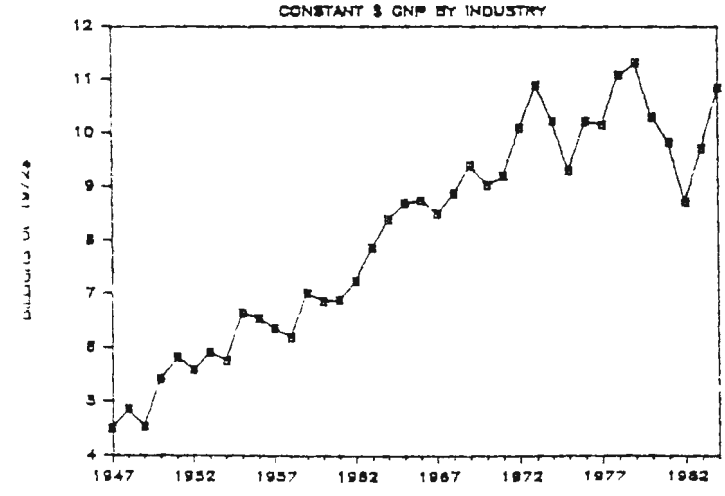
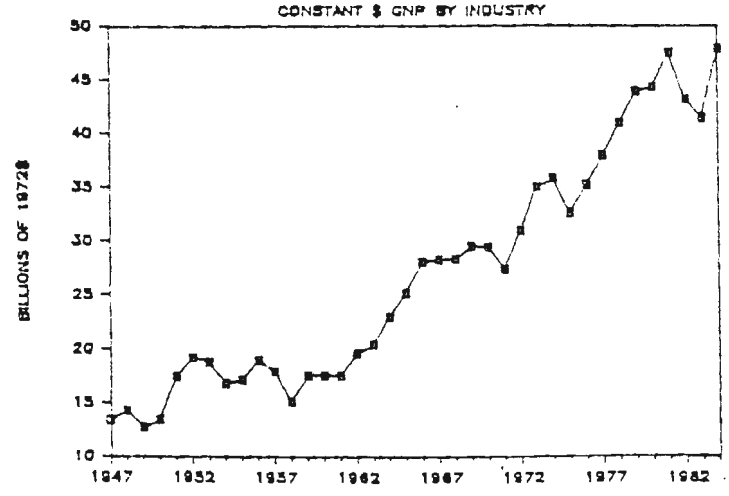
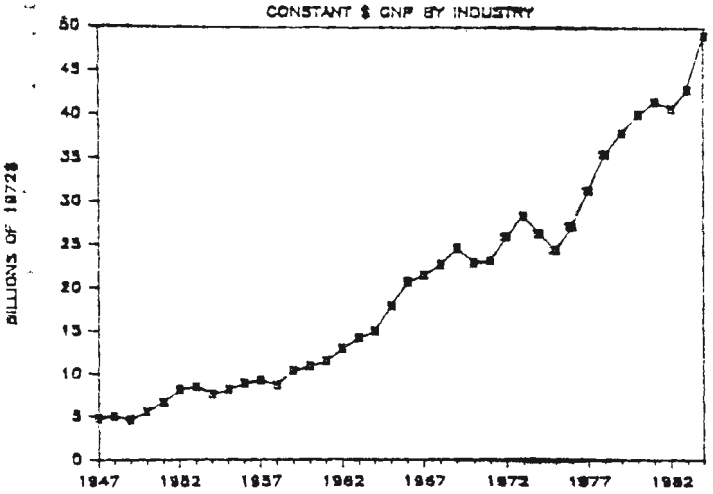


MACHINERY, EXCEPT ELECTRICAL

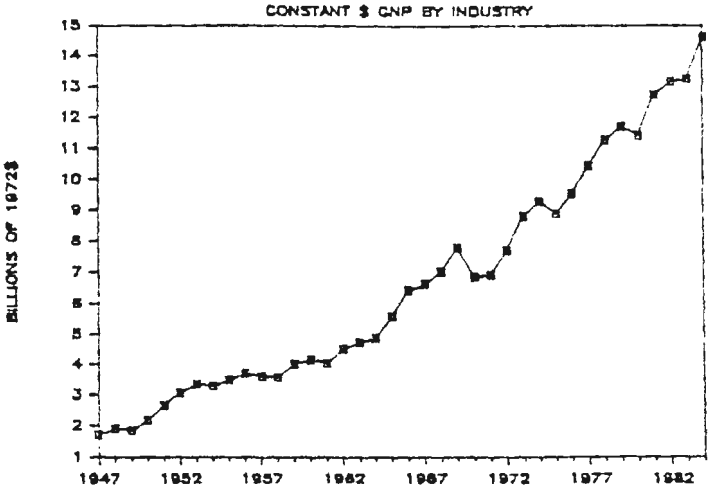
CONSTANT $ GNP BY INDUSTRY



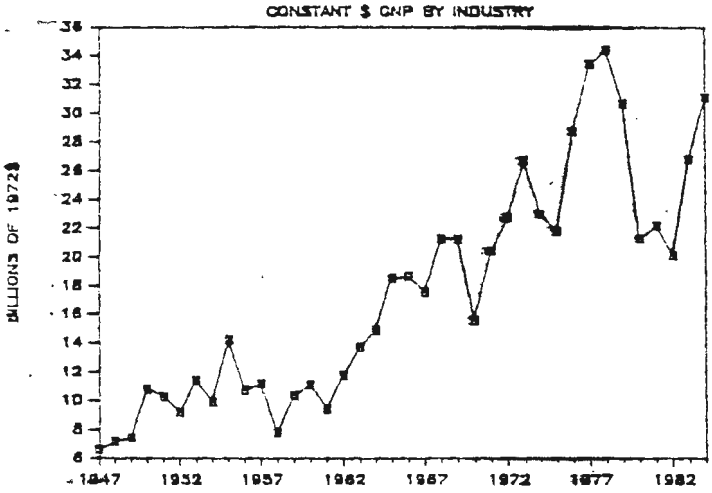
ELECTRIC & ELECTRONIC EQUIP.



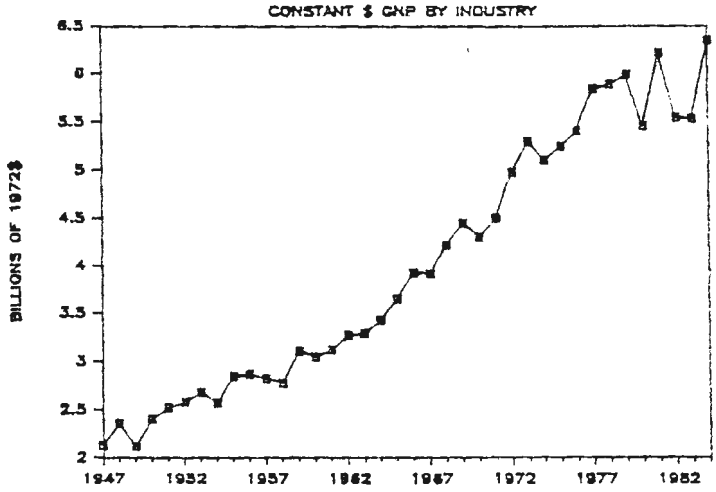
INSTRUMENTS & RELATED PRODUCTS



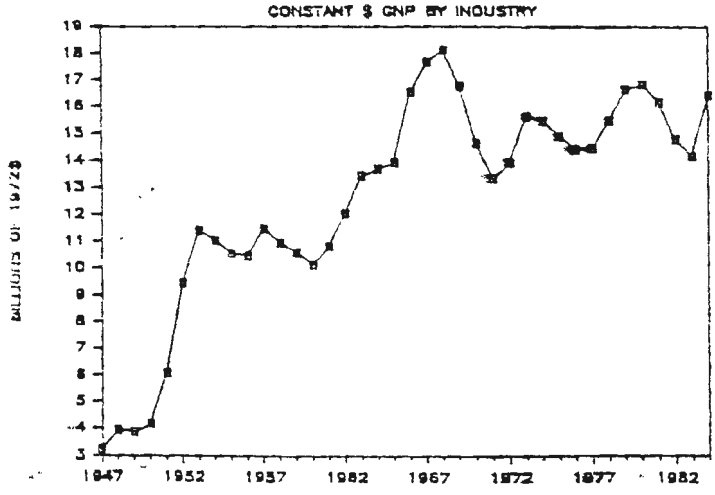
MOTOR VEHICLES & EQUIPMENT



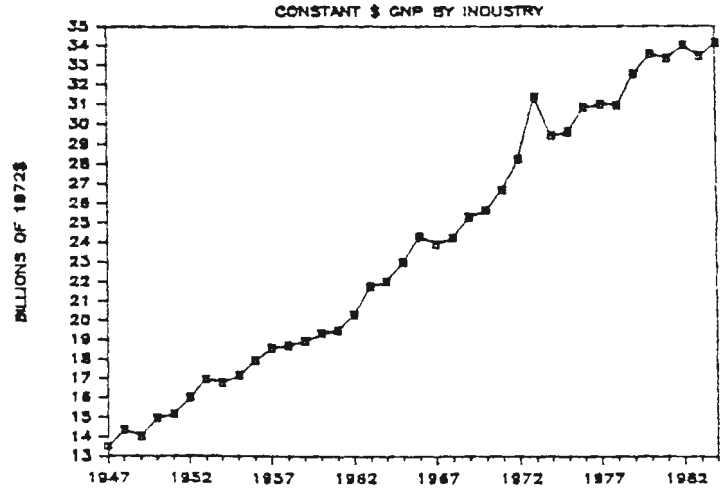
MISC. MANUFACTURING INDUSTRIES



OTHER TRANSPORTATION EQUIPMENT

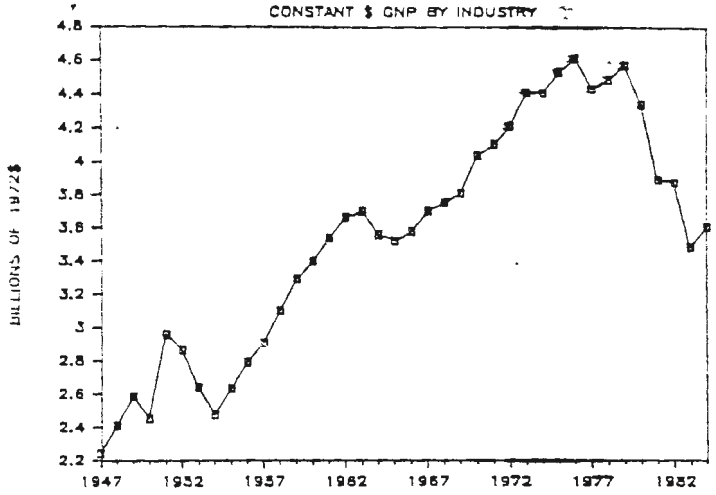


FOOD & KINDRED PRODUCTS



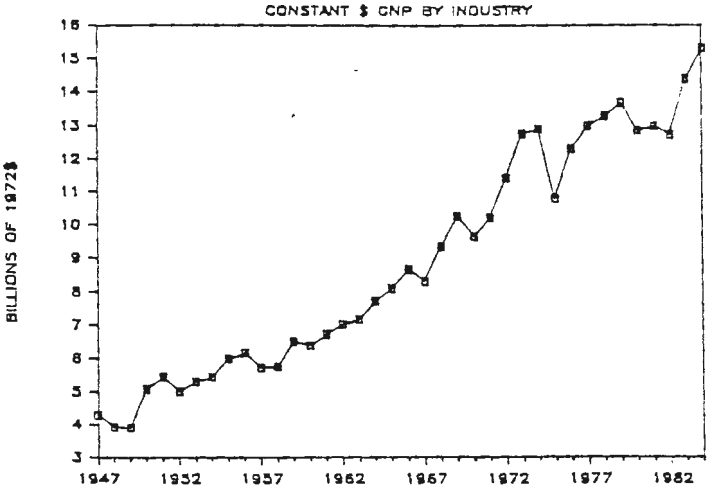
TOBACCO MANUFACTURES

CONSTANT $ GNP BY INDUSTRY



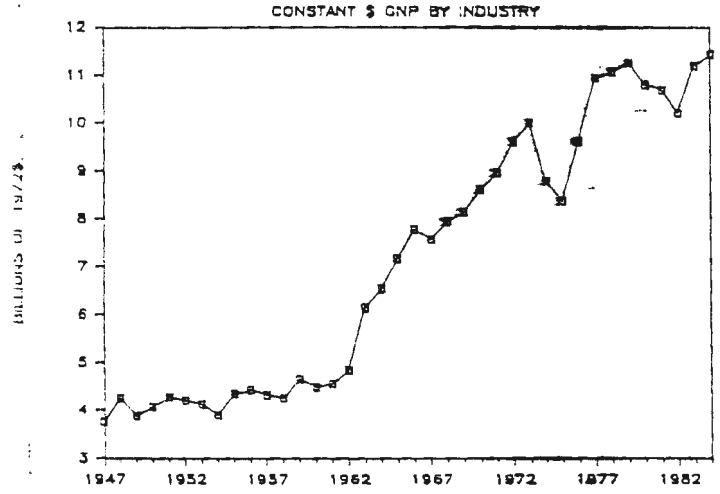
PAPER & ALLIED PRODUCTS

CONSTANT $ GNP BY INDUSTRY



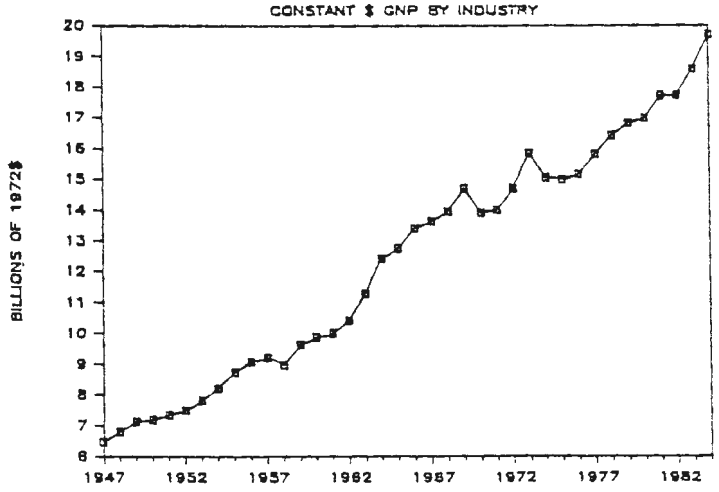
TEXTILE MILL PRODUCTS

CONSTANT $ GNP BY INDUSTRY



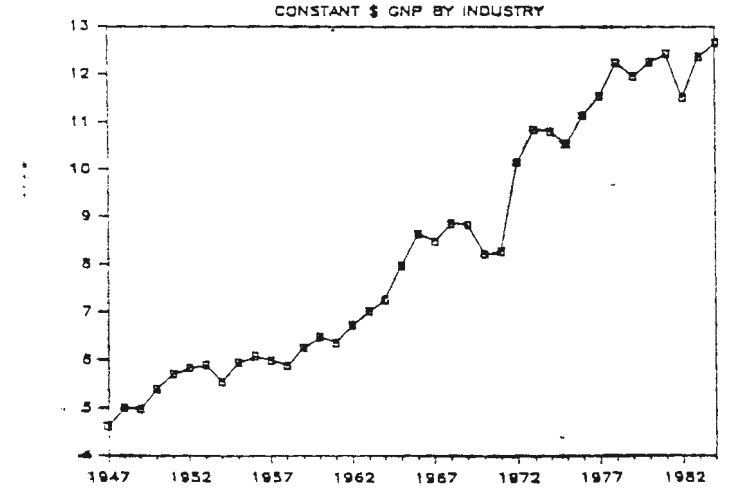
PRINTING & PUBLISHING

CONSTANT $ GNP BY INDUSTRY



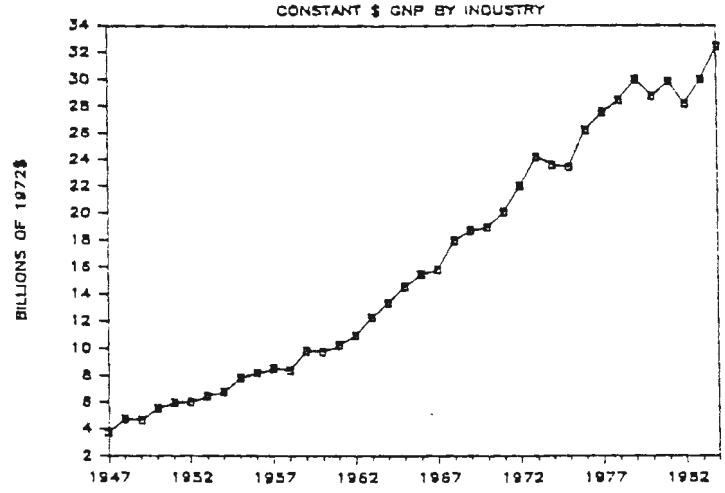
APPAREL & OTHER TEXTILE PRODUCTS

CONSTANT $ GNP BY INDUSTRY



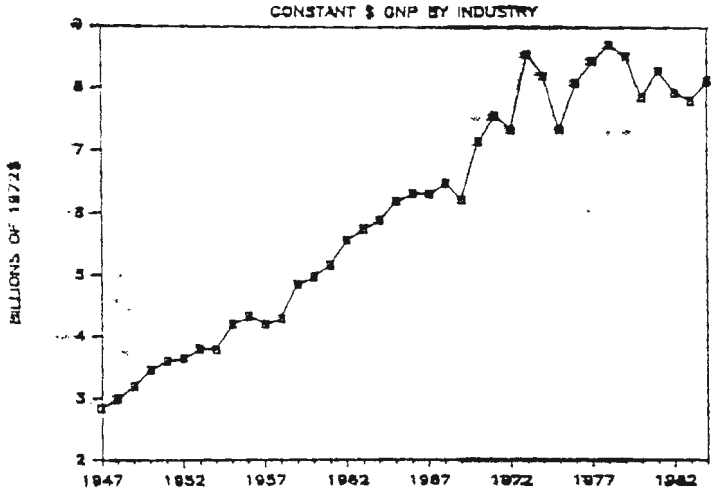
CHEMICALS & ALLIED PRODUCTS

CONSTANT $ GNP BY INDUSTRY



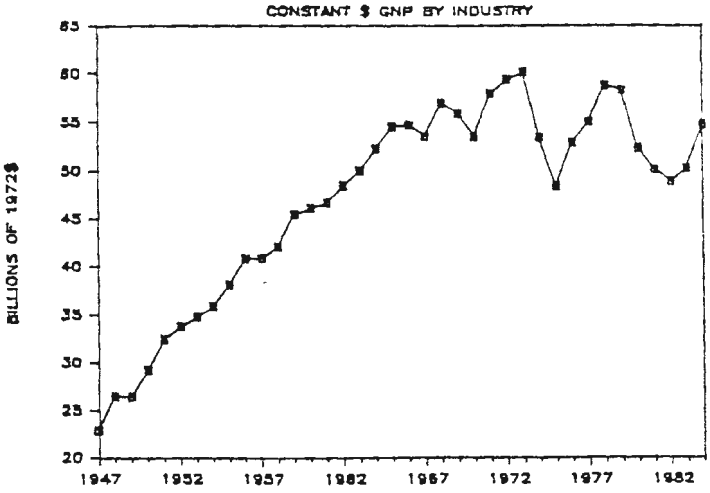
PETROLEUM & COAL PRODUCTS

CONSTANT $ GNP BY INDUSTRY



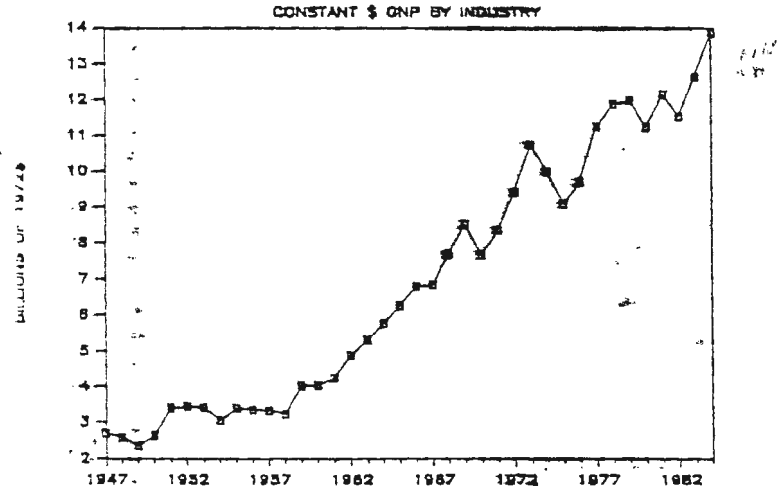
CONSTRUCTION

CONSTANT $ GNP BY INDUSTRY



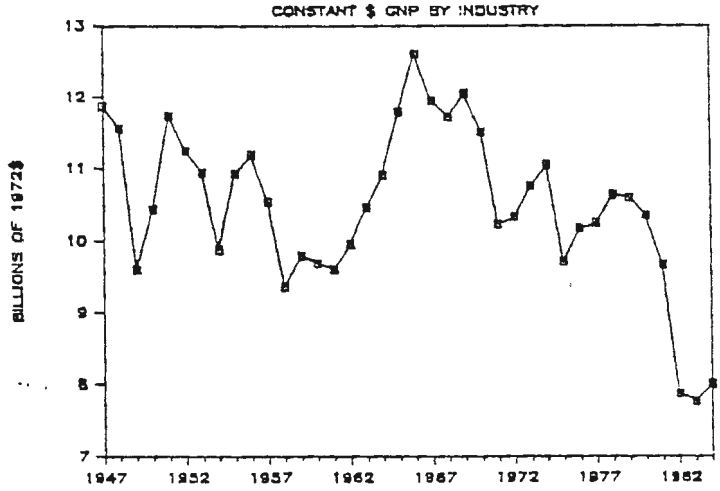
RUBBER & MISC. PLASTIC PRODUCTS

CONSTANT $ GNP BY INDUSTRY



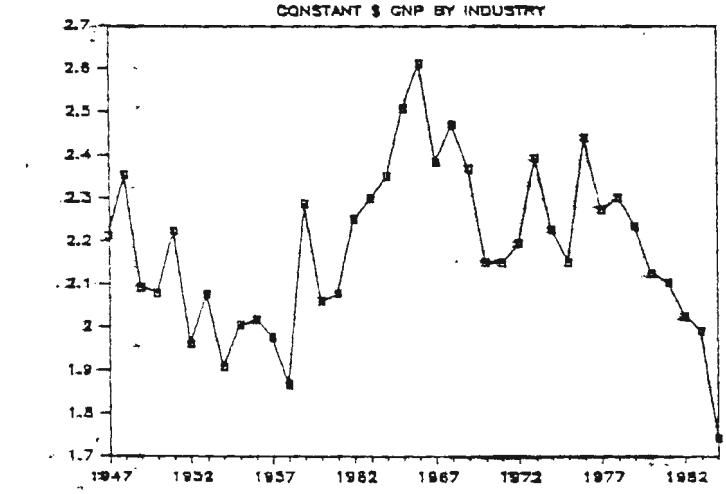
RAILROAD TRANSPORTATION

CONSTANT $ GNP BY INDUSTRY



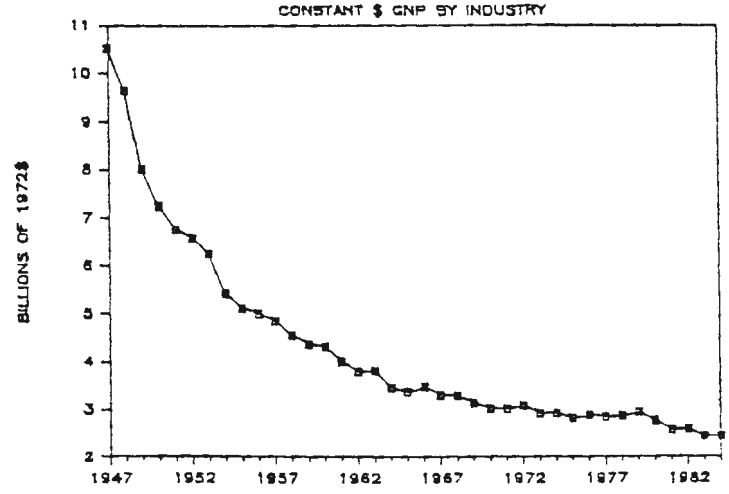
LEATHER & LEATHER PRODUCTS

CONSTANT $ GNP BY INDUSTRY



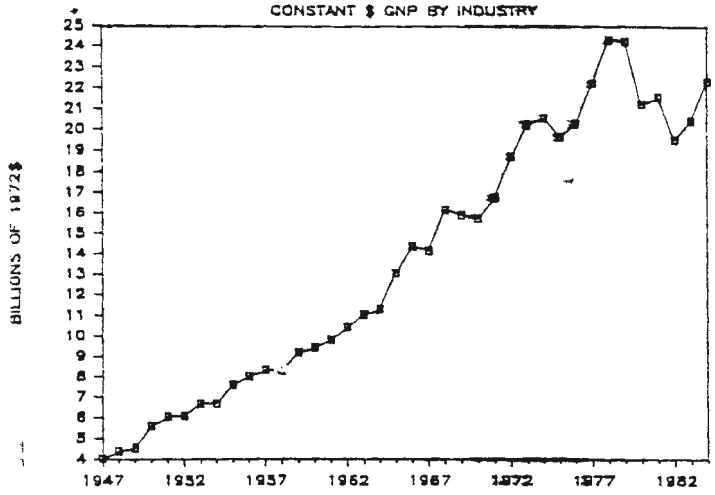
LOCAL & INTERURBAN TRANSIT

CONSTANT $ GNP BY INDUSTRY



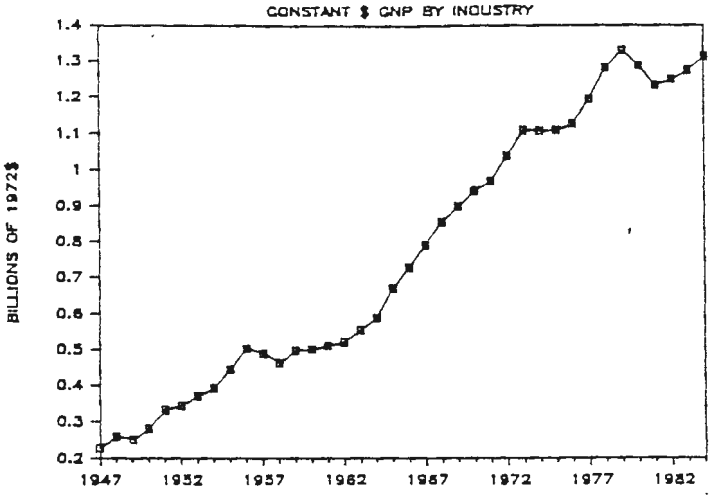
TRUCKING & WAREHOUSING

CONSTANT $ GNP BY INDUSTRY



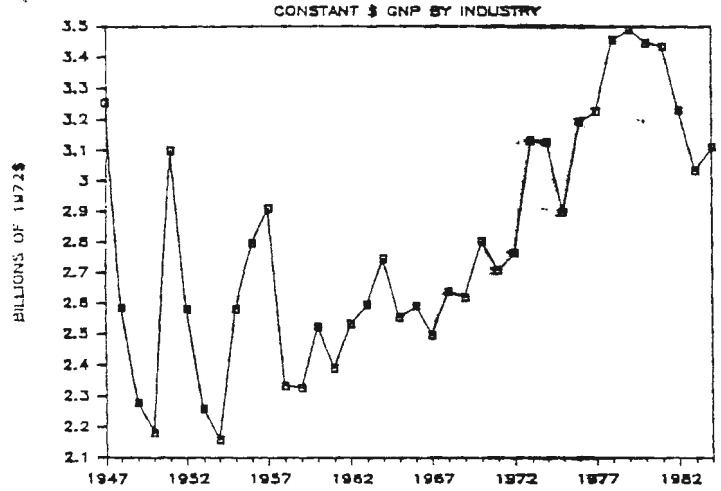
PIPELINES, EXCEPT NATURAL GAS

CONSTANT $ GNP BY INDUSTRY



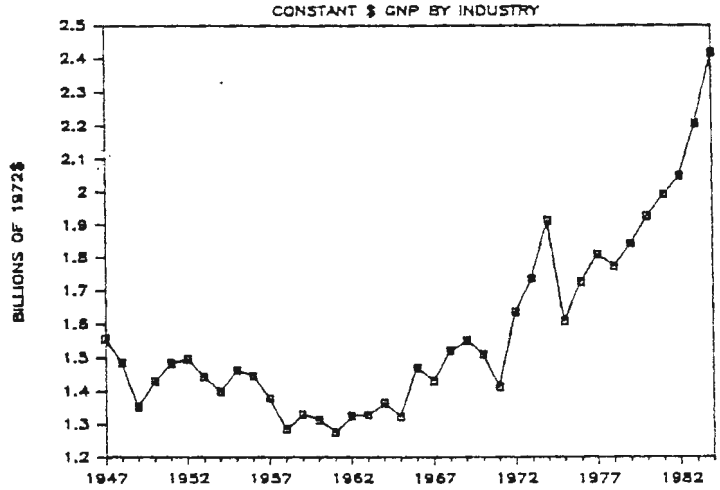
WATER TRANSPORTATION

CONSTANT $ GNP BY INDUSTRY



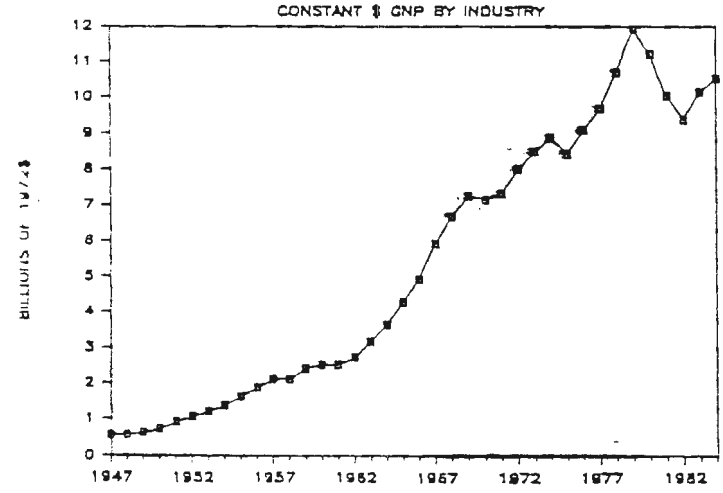
TRANSPORTATION SERVICES

CONSTANT $ GNP BY INDUSTRY



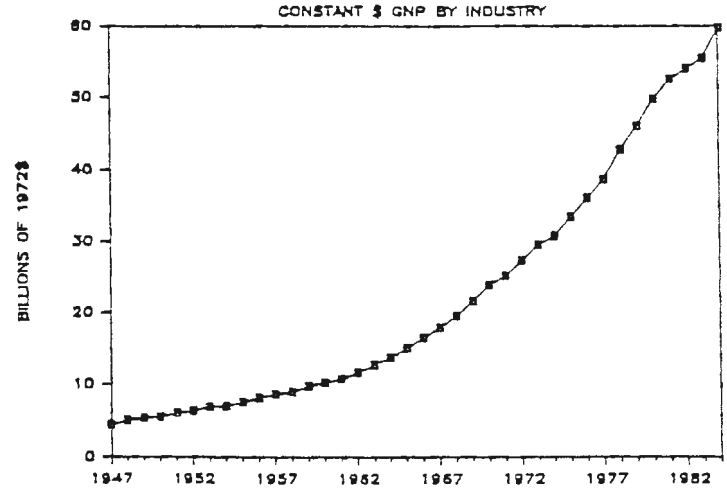
TRANSPORTATION BY AIR

CONSTANT $ GNP BY INDUSTRY



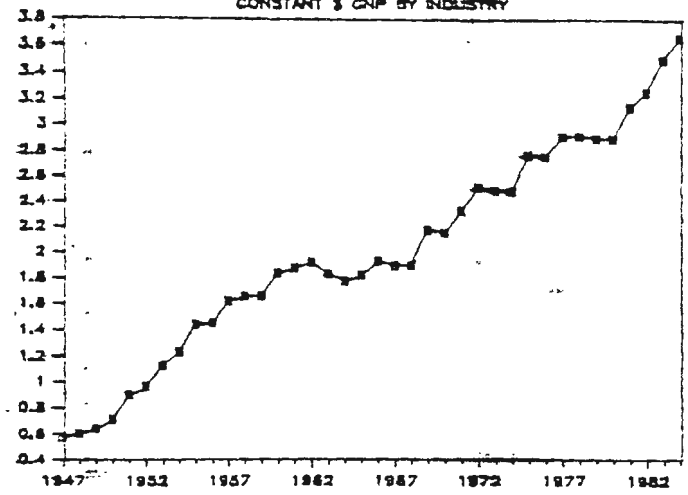
TELEPHONE & TELEGRAPH

CONSTANT $ GNP BY INDUSTRY



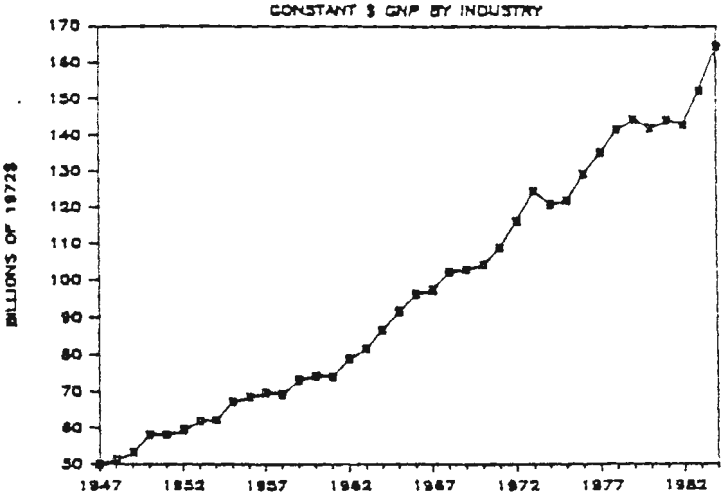
RADIO & TV BROADCASTING

CONSTANT $ GNP BY INDUSTRY



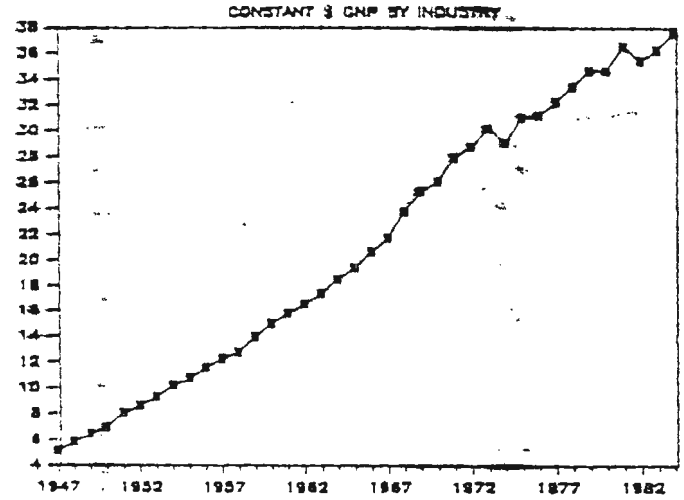
RETAIL TRADE

CONSTANT $ GNP BY INDUSTRY



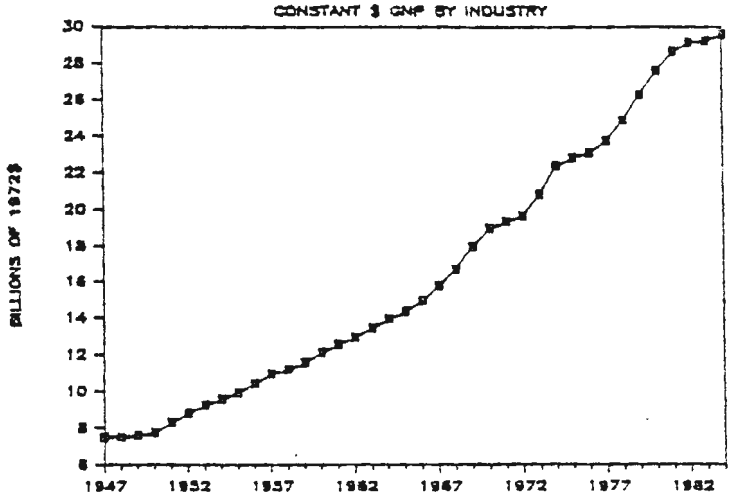
ELEC, GAS & SANITRY SERV

CONSTANT $ GNP BY INDUSTRY



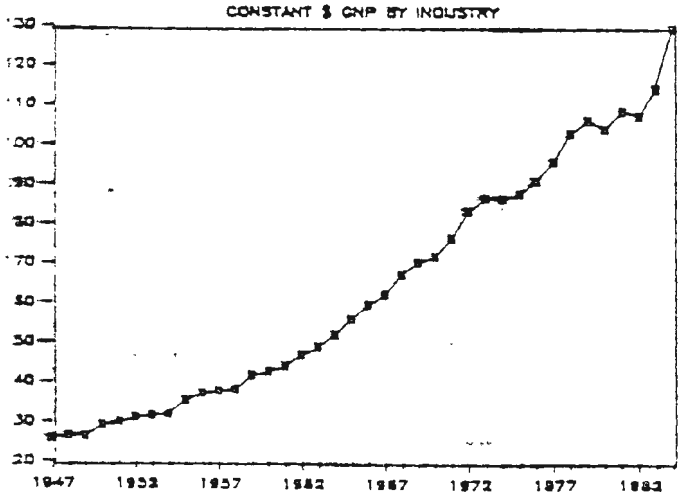
BANKING

CONSTANT $ GNP BY INDUSTRY



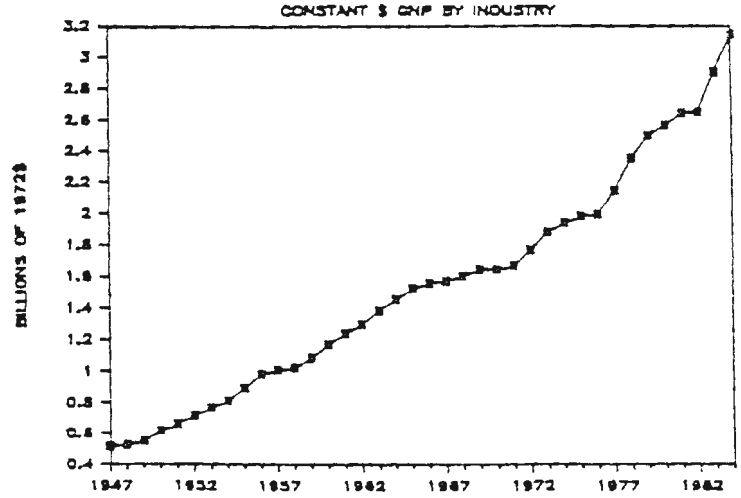
WHOLESALE TRADE

CONSTANT $ GNP BY INDUSTRY



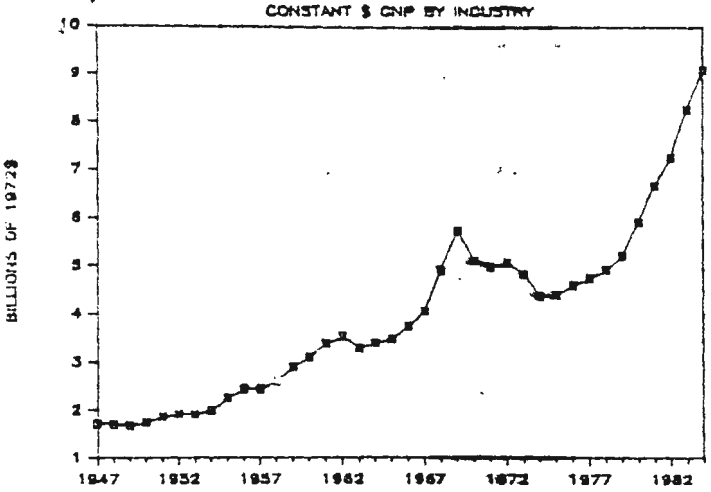
CREDIT AGENCY OTHR THAN BANKS

CONSTANT $ GNP BY INDUSTRY



SECURITY, COMM BROKERS & SERV

CONSTANT $ GNP BY INDUSTRY



REAL ESTATE

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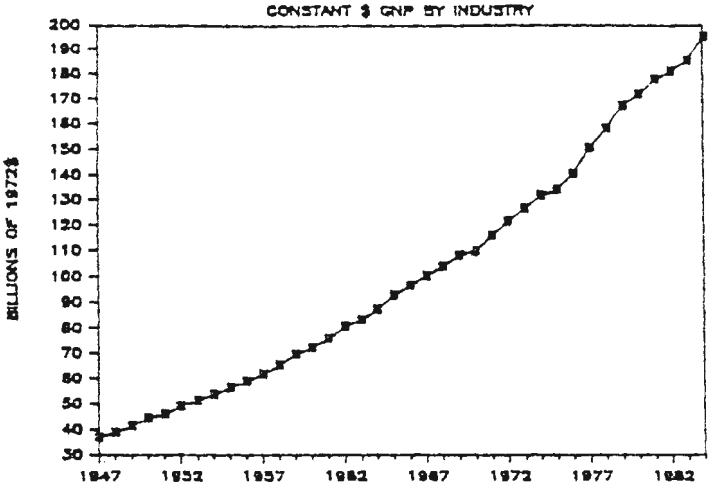

INSURANCE CARRIERS

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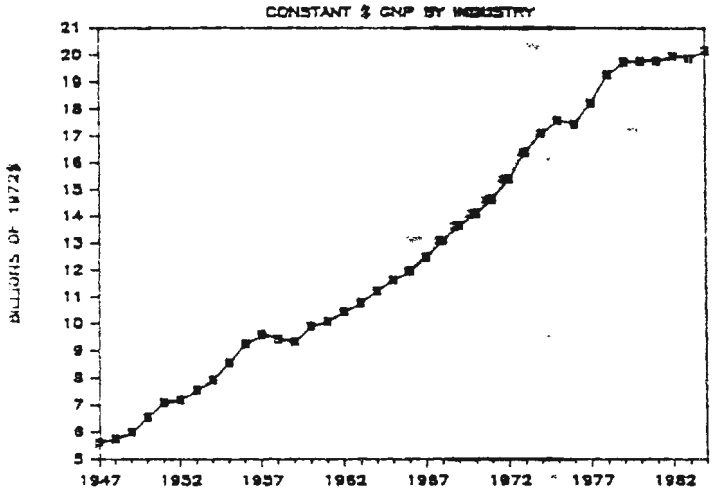

HOLDING & OTHER INV COMP

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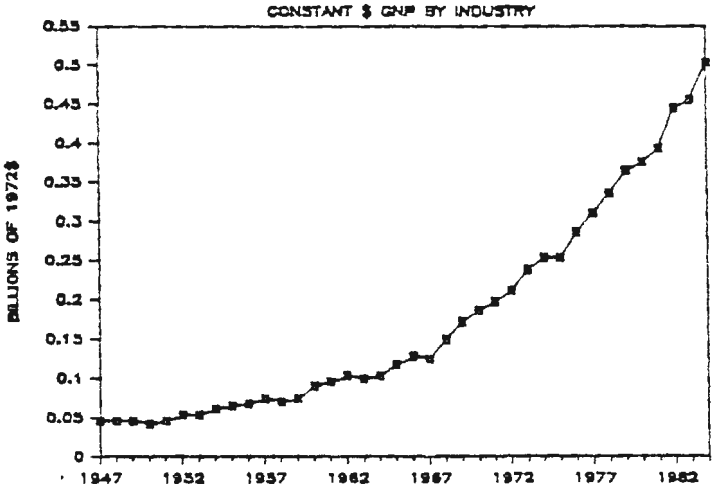

INS AGNTS, BRKRS & SERV

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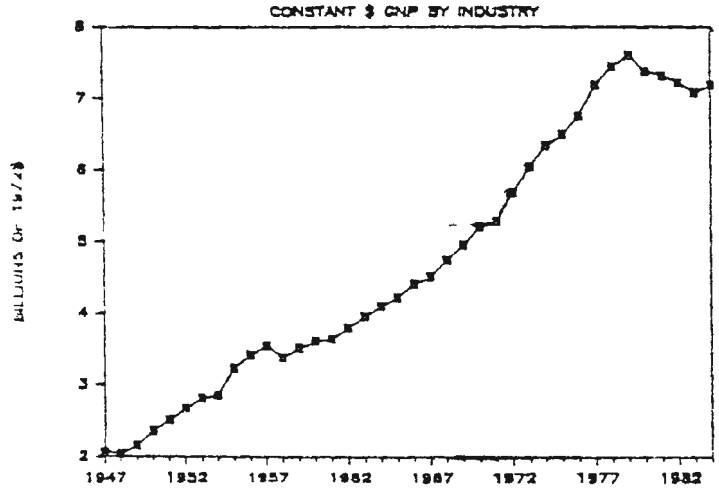

HOTEL & OTHER LODGING PL

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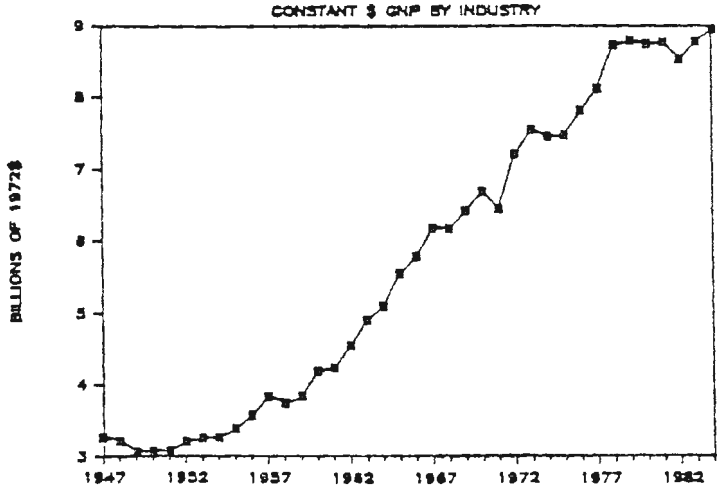

PERSONAL SERVICES

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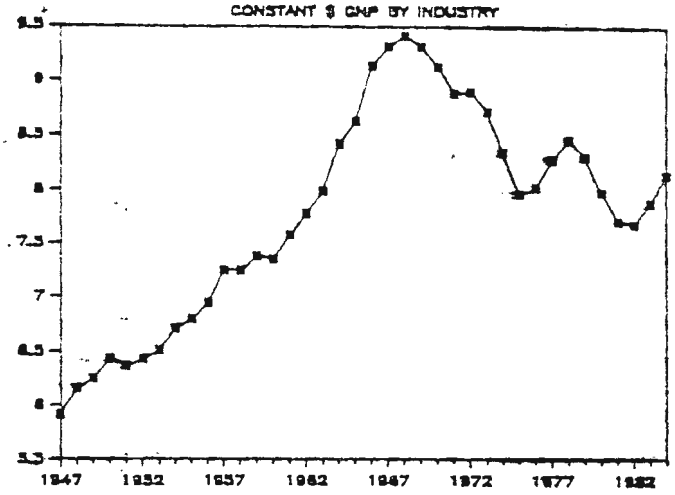

MISC REPAIR SERVICES

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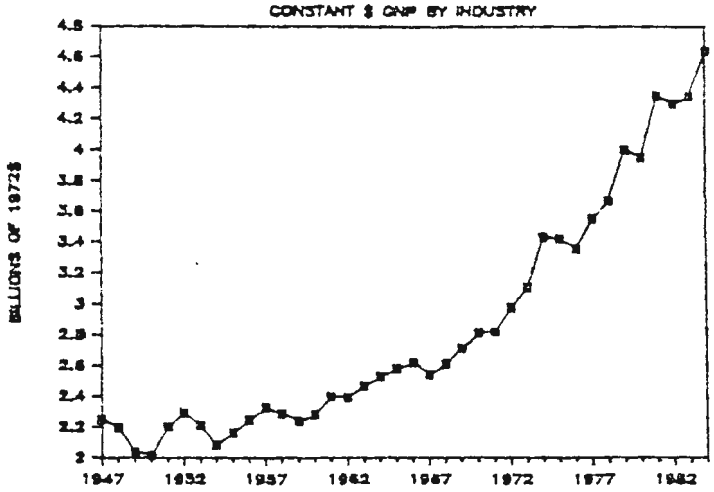

BUSINESS SERVICES

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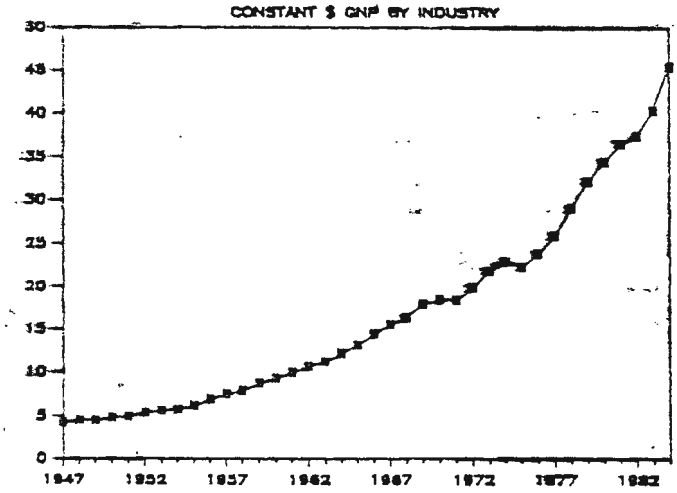

MOTION PICTURES

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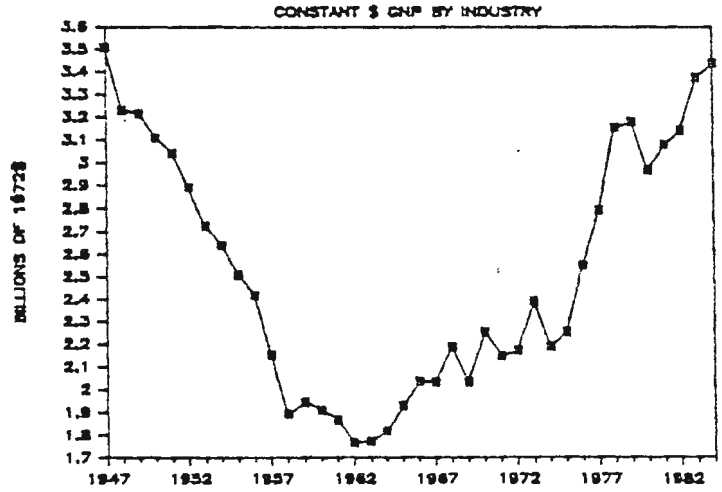

AUTO REPAIR, SERV & GARAG

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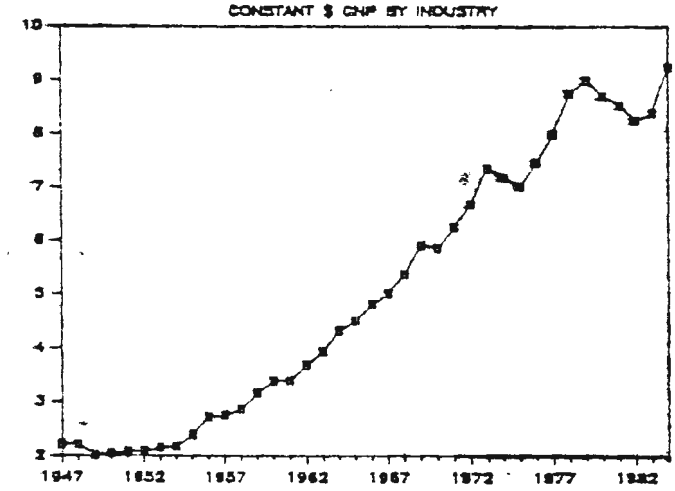

AMUSEMENT & REC SERVICES

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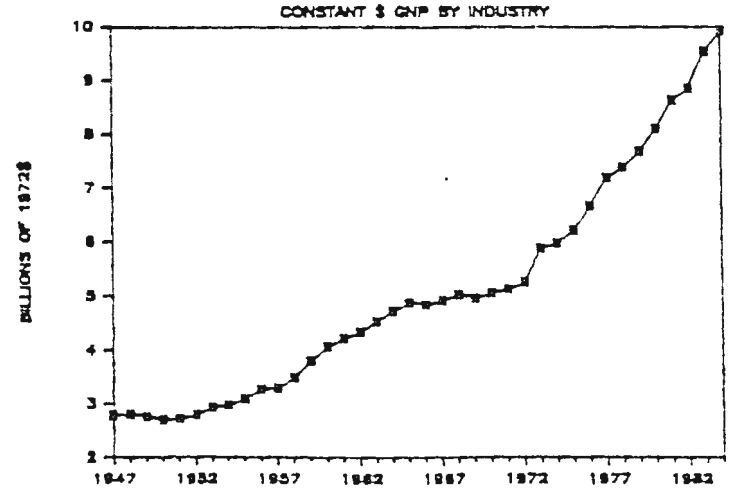

HEALTH SERVICES

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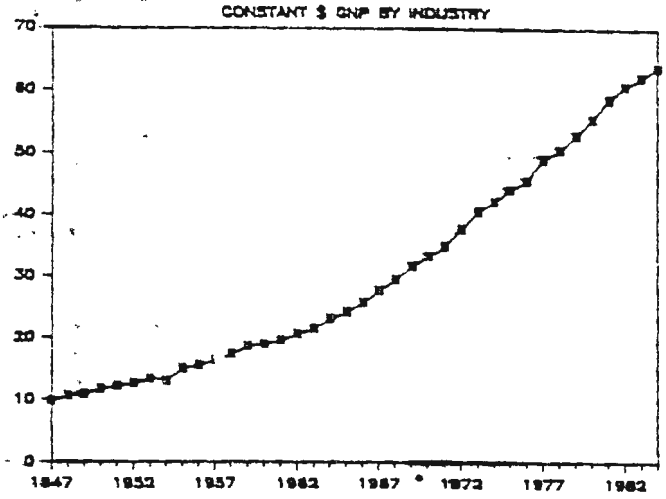

SOCIAL SERV & MEMBERSHIP ORG

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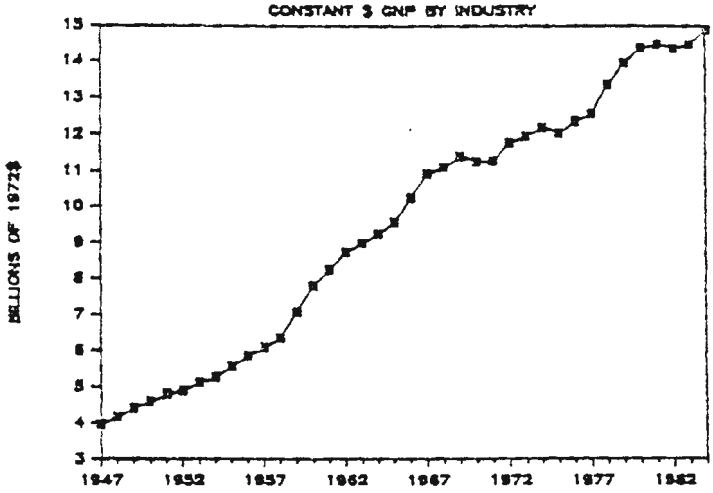

LEGAL SERVICES

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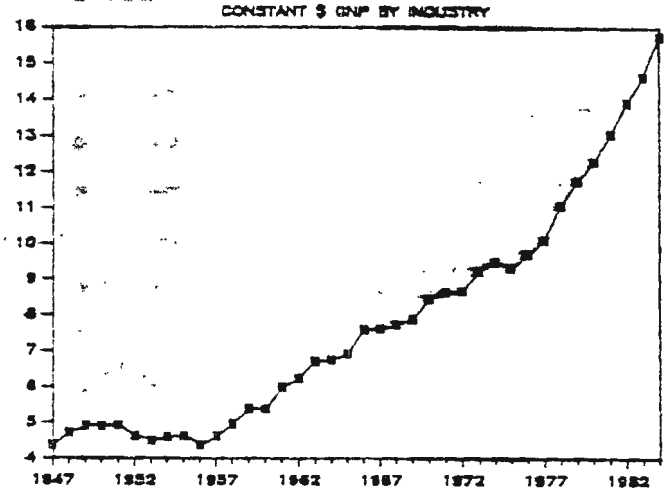

MISC PROF SERVICES

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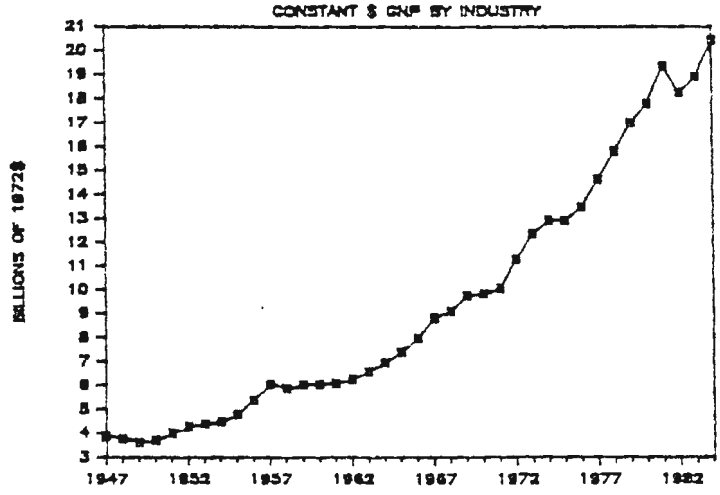
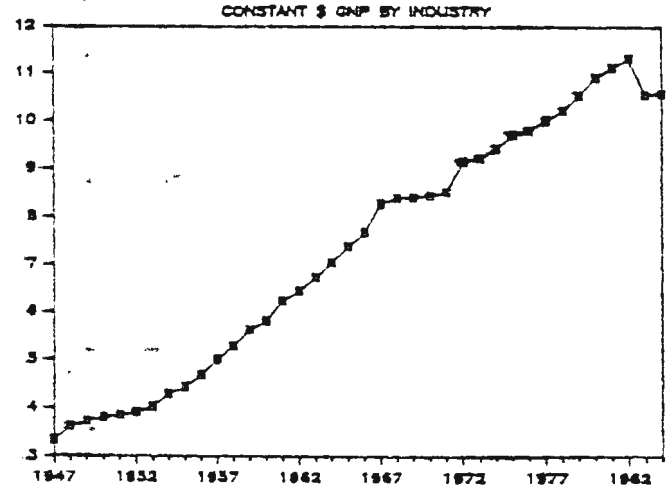


EDUCATIONAL SERVICES

CONSTANT $ GNP BY INDUSTRY



PRIVATE HOUSEHOLDS

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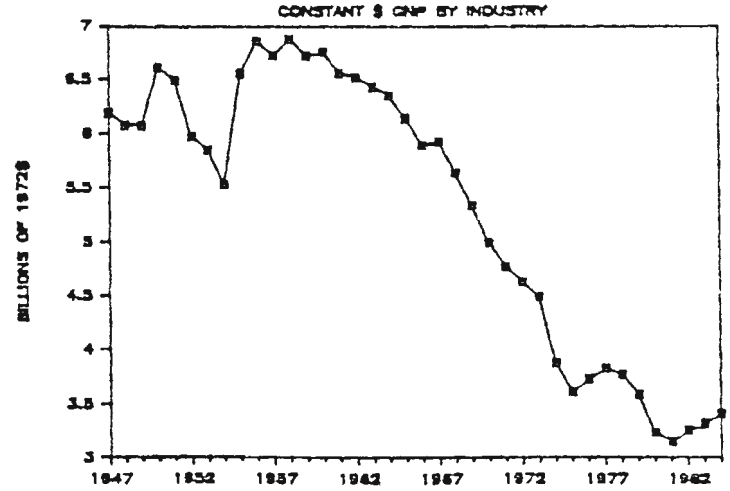

FEDERAL GOVT

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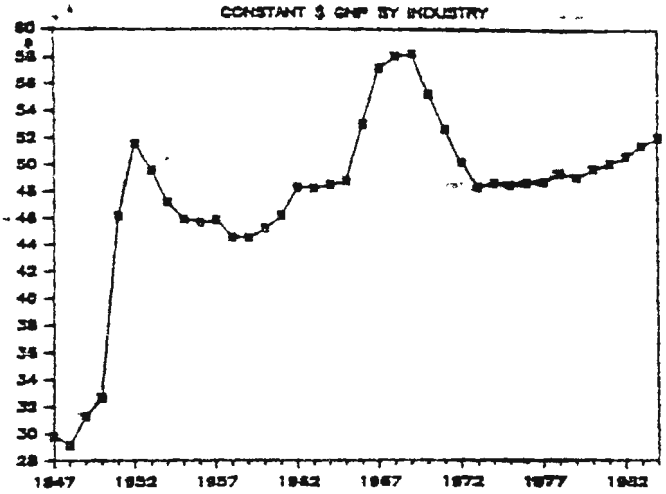

STATE & LOCAL ENTRPRISES

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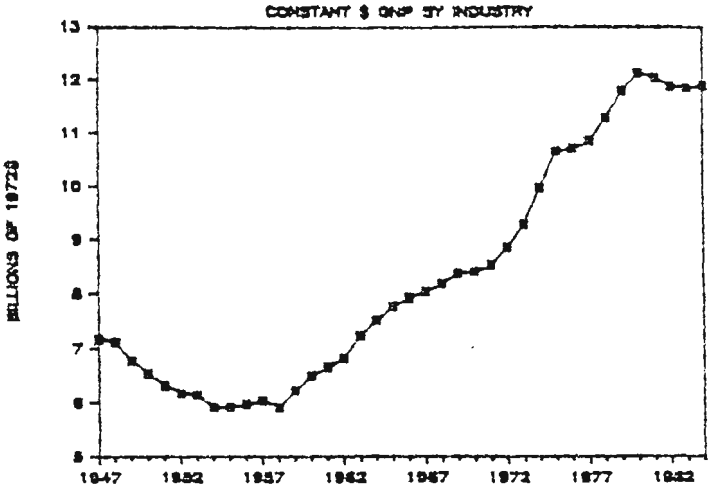
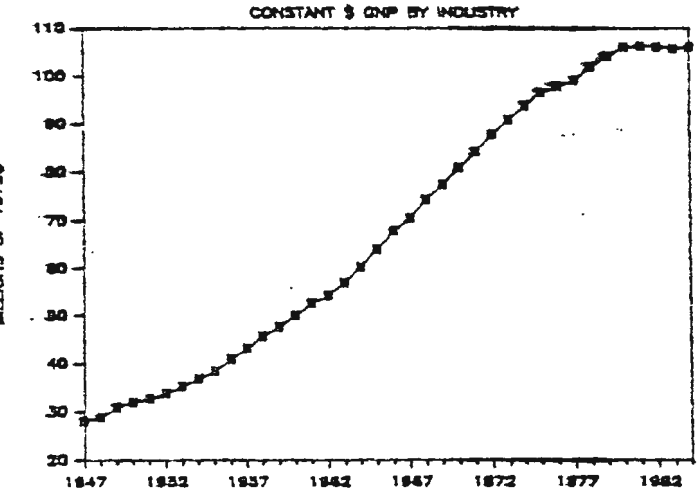


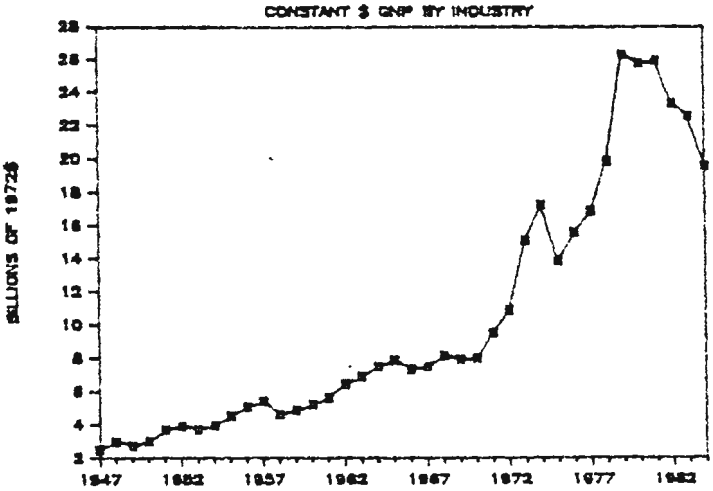
STATE & LOCAL GOVT

CONSTANT $ GNP BY INDUSTRY



REST OF WORLD

CONSTANT $ GNP BY INDUSTRY



FEDERAL GOVT ENTERPRISES

CONSTANT $ GNP BY INDUSTRY