

December 10, 1986

FEDERAL SECTOR ACCOUNTS  
(Billions of dollars)

	Fiscal Year 1985*	Fiscal Year 1986*	FY1987e Admin <sup>1</sup>	FRB Staff	CY 1985*	CY1986e FRB Staff	FRB Staff Estimates							
							1985 IV*	I*	1986		IV	I	1987	
									II*	III*			II	III
Not seasonally adjusted														
Budget receipts <sup>2</sup>	734	769	831	824	745	779	177	180	215	198	187	196	237	204
Budget outlays <sup>2</sup>	946	990	975	1004	961	991	252	241	245	251	253	250	248	252
Surplus/deficit(-) to be financed <sup>2</sup>	-212	-221	-144	-180	-216	-212	-75	-61	-30	-54	-66	-54	-11	-48
Means of financing deficit:														
Borrowing from public	197	236	144	170	224	213	91	37	51	58	67	42	11	50
Cash balance decrease	13	-14	0	6	-13	1	-14	19	-12	-7	2	6	3	-5
Other <sup>3</sup>	1	-1	0	3	5	-2	-2	5	-8	3	-2	6	-3	3
Cash operating balance, end of period	17	31	20	25	31	30	31	12	25	31	30	23	20	25
Memo: Sponsored agency borrowing <sup>4</sup>	20	13	n. a.	15	20	9	5	-2	5	5	0	5	5	5
Seasonally adjusted annual rates														
Receipts	771	810	890	860	787	822	806	800	808	826	852	849	863	877
Expenditures	963	1026	1033	1049	985	1032	1023	1002	1046	1032	1048	1045	1048	1054
Purchases	341	369	375	380	354	368	381	356	368	373	376	380	381	383
Defense	254	275	290	292	259	280	268	266	278	287	288	292	294	295
Nondefense	88	94	84	88	95	88	113	89	89	86	88	88	88	88
All other expend.	621	656	658	668	631	664	643	646	678	659	671	665	667	671
Surplus/deficit(-)	-191	-216	-143	-188	-198	-210	-218	-202	-238	-206	-195	-196	-185	-177
High-employment surplus/ deficit(-) evaluated at 6 percent unemp.	-151	-179	n. a.	-152	-159	-173	-181	-168	-199	-169	-158	-159	-148	-142
*--actual							e--estimated							n. a. --not available

Note: Details may not add to totals due to rounding

1. Mid-Session Review of the 1987 Budget (August 1987). The Congressional Budget Office baseline estimates published in August indicated receipts of \$828 billion and outlays of \$1012 billion in FY1987.
2. Includes outlays formerly classified as off-budget (e.g. Federal Financing Bank and Strategic Petroleum Reserve) and social security receipts and outlays classified as off-budget under current law.
3. Checks issued less checks paid, accrued items, and other transactions.
4. Sponsored agency borrowing includes net debt issuance by Federal Home Loan Banks, Federal Home Loan Mortgage Corporation (excluding participation certificates), Federal National Mortgage Association (excluding mortgage-backed securities), Farm Credit Banks, and Student Loan Marketing Association marketable debt. The Administration's definition of borrowing by these agencies is somewhat broader.

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Outlook for U.S. Net Exports and Related Items  
(Billions of Dollars, Seasonally Adjusted Annual Rates)

	ANNUAL			1985		1986				1987			
	1985-	1986-P	1987-P	Q3-	Q4-	Q1-	Q2-	Q3-	Q4-P	Q1-P	Q2-P	Q3-P	Q4-P
1. <u>GNP Exports and Imports 1/</u>													
Current \$, Net	-78.9	-102.6	-104.8	-83.7	-105.3	-93.7	-104.5	-108.2	-104.0	-106.2	-107.2	-104.3	-101.4
Exports of G+S	369.7	371.2	411.3	362.3	368.2	374.8	363.0	368.0	379.0	390.5	402.1	417.8	434.9
Imports of G+S	448.6	473.7	516.0	446.0	473.6	468.5	467.5	476.1	482.9	496.6	509.3	522.1	536.2
Constant 82 \$, Net	-108.2	-145.0	-119.9	-113.8	-132.0	-125.9	-153.9	-163.6	-136.6	-130.2	-124.7	-116.4	-108.4
Exports of G+S	362.3	369.1	402.0	355.8	362.9	369.2	359.8	367.9	379.6	387.6	394.8	406.4	418.9
Imports of G+S	470.5	514.1	521.9	469.6	494.8	495.1	513.6	531.5	516.2	517.9	519.6	522.9	527.3
2. <u>U.S. Merchandise Trade Balance 2/</u>	-124.4	-146.8	-148.6	-126.7	-149.4	-145.8	-144.1	-150.0 <sup>P</sup>	-147.2	-150.1	-150.7	-148.2	-145.6
Exports	214.4	219.4	247.7	210.0	210.9	214.6	219.2	220.0 <sup>P</sup>	223.8	232.6	241.8	252.5	264.0
Agricultural	29.6	26.6	27.7	26.7	28.5	28.4	24.6	26.0 <sup>P</sup>	27.5	28.0	27.3	27.6	28.0
Non-Agricultural	184.8	192.8	220.0	183.3	182.4	186.2	194.5	194.0 <sup>P</sup>	196.3	204.6	214.5	224.9	236.0
Imports	338.9	366.2	396.3	336.7	360.3	360.5	363.3	370.0 <sup>P</sup>	371.0	382.7	392.5	400.7	409.6
Petroleum and Products	50.5	33.6	38.6	49.5	56.5	40.1	31.3	32.0 <sup>P</sup>	31.1	35.7	38.7	39.4	40.4
Non-Petroleum	288.3	332.6	357.8	287.2	303.8	320.4	331.9	338.0 <sup>P</sup>	339.9	347.0	353.8	361.3	369.1
3. <u>U.S. Current Account Balance</u>	-117.7	-144.2	-151.0	-113.8	-134.8	-136.2	-138.9	-149.7 <sup>P</sup>	-151.9	-151.5	-153.5	-150.8	-148.3
Of Which: Net Investment Income	25.2	18.0	9.1	33.0	37.0	26.1	21.2	14.3 <sup>P</sup>	10.6	9.1	8.7	9.2	9.2
4. <u>Foreign Outlook 3/</u>													
Real GNP--Ten Industrial 4/	2.8	2.5	2.4	2.9	2.5	-0.2	5.4	2.1	2.4	1.9	2.5	2.1	2.3
Real GNP--NonOPEC LDC 5/	3.6	3.7	3.8	3.4	3.7	3.9	3.9	3.8	3.8	3.8	3.8	3.9	4.0
Consumer Prices--Ten Ind. 4/	4.3	2.1	2.5	1.5	2.7	1.9	1.8	0.1	3.2	2.7	3.1	2.7	3.1

1/ Economic activity and product account data.

2/ International accounts basis.

3/ Percent change, annual rates.

4/ Weighted by multilateral trade-weights of G-10 countries plus Switzerland; prices are not seasonally adjusted.

5/ Weighted by share in NonOPEC LDC GNP.

P/ Projected