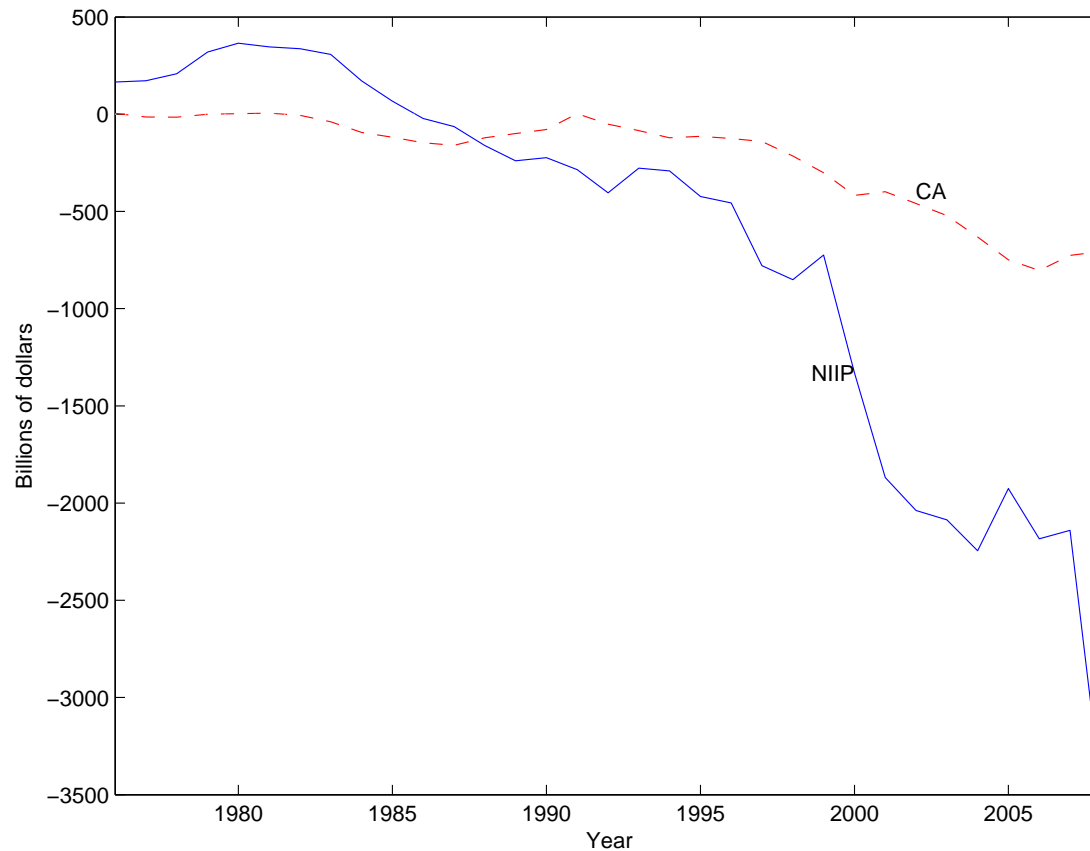


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Economics W4505
International Macroeconomics
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Handout 4

The U.S. Current Account (CA) and Net International Investment Position (NIIP)



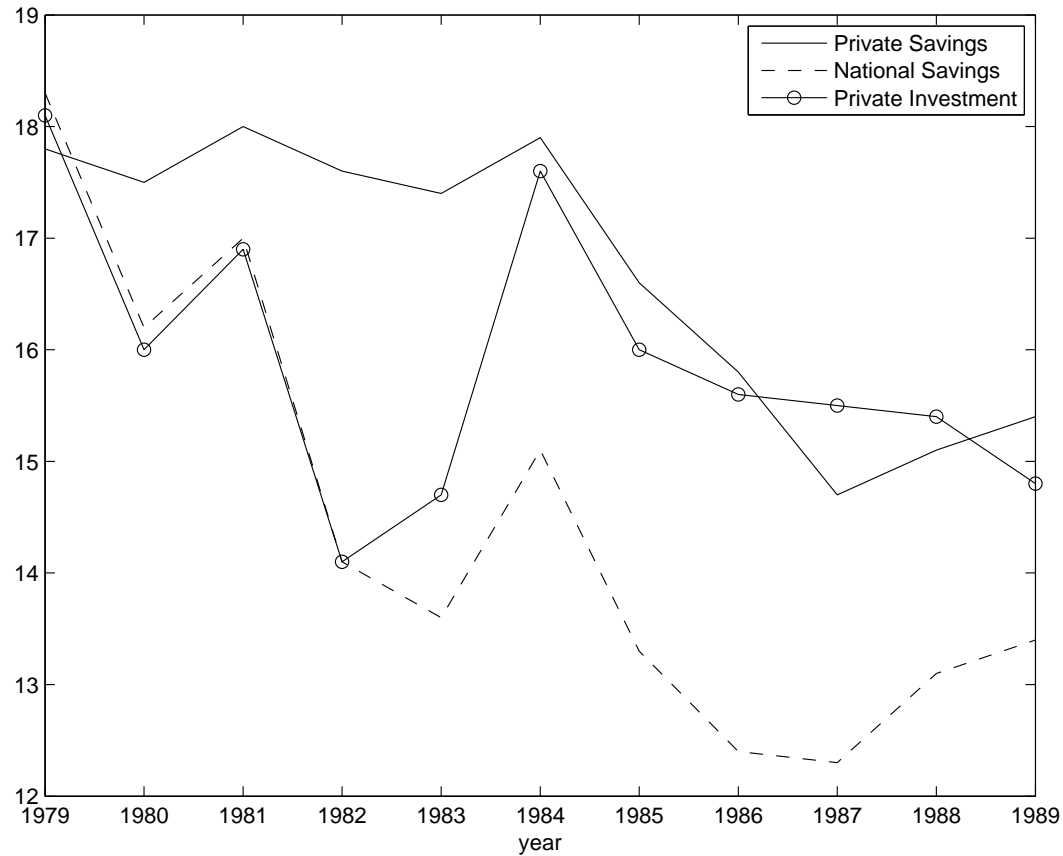
Source: Economic Report of the President, 1992 and 1998; and Survey of Current Business, July 1999.

Real interest rates in the United States 1970-1999



Source: Economic Report of the President, 2000. Note: The real interest rate is measured as the difference between the 3-month Treasury bill rate and consumer price inflation.

U.S. Saving and Investment in Percent of GDP



Source: N. Fieleke, "The USA in Debt," in Dilip Das, *International Finance*,

**U.S. military spending as a percentage of GNP:
1978-1987**

Year	Military Spending (% of GNP)
1978-79	5.1-5.2
1980-81	5.4-5.5
1982-84	6.1-6.3
1985-87	6.7-6.9