

RECENT EXPERIENCES IN THE USE OF SOCIAL ACCOUNTING IN THE NETHERLANDS

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I. INTRODUCTION

SOCIAL accounting got started in the Netherlands during the war. This was mainly due to Ed. van Cleeff and Professor Derksen. It fell to the latter, as a member of the staff of the Netherlands Central Bureau of Statistics (NCBS), to construct a provisional set of national accounts and to prepare preliminary estimates for the 1938 accounts.¹ After the war the NCBS resumed its work on social accounting, and as a first result we have now available the 1946 accounts and some preliminary estimates for 1947.²

The NCBS, however, is not the only institute in the Netherlands which applies the social accounting approach in its work. The same is done by the Netherlands Central Planning Bureau (NCPB), a government office, set up immediately after the war under the directorship of Professor Tinbergen. Thanks to its director, central economic planning in the Netherlands has been subjected right from the start to the discipline of social accounting.³ So most probably Holland has been not only the first country in the world to have a set of national accounts with real figures in it, but also the first country where the central economic plan was presented in the form of a national budget.

The use of the social accounting approach in university teaching should also be mentioned here. In this connection it is worth noting that last year Professor Koopmans, of the Rotterdam School of Economics, gave a year's course of lectures on the national budget, the national accounts and related subjects.

My own experience with social accounting springs mainly from its use for planning purposes. I shall therefore concentrate in this paper on this special use. Even so, I shall have to confine myself here to a treatment in broad terms of the main issues

¹ Professor J. B. D. Derksen, *A System of National Book-keeping, illustrated by the experience of the Netherlands economy* (National Institute of Economic and Social Research, Occasional Papers X, Cambridge University Press, 1946).

² National Accounts of the Netherlands, 1946 and 1947 (NCBS Special Statistical Communications, April 1949, No. 4,001; mimeographed).

³ Cf. First Memorandum on the Central Economic Plan 1946 and National Budget 1947 (NCPB, The Hague, September 1946).

only, in order to keep the scope of this paper within reasonable limits.

II. THE SOCIAL ACCOUNTING FRAMEWORK

Recently it has been suggested that the National Budget, as published in the Minister of Finance's Budget Statement,¹ may be simplified considerably by substituting so-called income accounts and product accounts for the operating accounts of different sectors.² The meaning of this suggestion will become clear as the argument proceeds.

The basic structure of the proposed set of accounts consists of *four types of account*, namely:

- (1) an income account;
- (2) a product account;
- (3) a foreign account;
- (4) a savings-investment account or capital account.

The nature of these accounts corresponds to what econometricians call the *balance equations* of a system of equations describing the national economy.

These accounts can be set up

- (a) for the economy as a whole;
- (b) for each of the main sectors of the economy, namely:
 - (1) personal sector (family households, etc.),
 - (2) collective income recipients' sector (life insurance companies, pension funds, etc.),
 - (3) business sector (enterprises),
 - (4) public authority sector (State, municipalities, etc.);
- (c) for each of the sub-sectors of the economy; the personal sector, for instance, may be split into two sectors, the labour class and the non-labourers or, if the problem tackled requires such, into family households, single persons and collective households (e.g. asylums, prisons); most important in this field, however, is the subdivision of the business sector into separate branches of industry.³

¹ Budget of the Netherlands Economy for 1949 and comparable figures for 1948 (NCPB, The Hague, June 1949).

² G. Stuvcl, 'Analyse van een Nationaal Budget', in *De Economist*, 97 (1949), pp. 225-56, and G. Stuvcl, 'Structuur van het Nationaal Budget', in *Economisch-Statistische Berichten*, February 1949, pp. 132-35.

³ For a detailed statement on the accounts for separate branches of industry see J. Lips, 'The Business Sector in the National Budget of the Netherlands' (*Cahiers du Congrès International de Comptabilité, Paris, 1948, Première section: Comptabilité du Revenu National, Supplement I*).

The criterion for grouping is, broadly speaking, the similarity in the reactions of the individual constituents of the group. How far one should go with the grouping procedure depends largely on the amount of detailed information required for the problem studied and the kind of reactions which play their part in the problem concerned.

Now let us have a look at the *purely national accounts* of the Dutch National Budget for 1949 to see what items appear in each of the accounts mentioned above.

TABLE I
Concise National Budget of the Netherlands for 1949
(in billions of guilders)¹

NATIONAL INCOME ACCOUNT			
<i>Charges</i>		<i>Proceeds</i>	
National consumption (C)	. 11.92	National income at market prices (Y)	. 13.08
Net national savings (S ⁿ)	. 1.16		
	<u>13.08</u>		<u>13.08</u>
NATIONAL PRODUCT ACCOUNT			
<i>Charges</i>		<i>Proceeds</i>	
Net national product at market prices (Y)	. 13.08	National consumption (C)	. 11.92
Imports of goods and services (U _i)	. 5.71	Net capital formation (I)	. 2.02
	<u>18.79</u>	Exports of goods and services (U _e)	. 4.85
			<u>18.79</u>
OUTSIDE WORLD ACCOUNT			
<i>Debit</i>		<i>Credit</i>	
Netherlands exports of goods and services (U _e)	. 4.85	Netherlands imports of goods and services (U _i)	. 5.71
Netherlands net capital imports (S ^f)	. 0.86		
	<u>5.71</u>		<u>5.71</u>
CHANGES IN THE NATIONAL BALANCE SHEET			
<i>Debit</i>		<i>Credit</i>	
Net capital formation (I)	. 2.02	Net national savings (S ⁿ)	. 1.16
		Net capital imports = foreign savings (S ^f)	. 0.86
	<u>2.02</u>		<u>2.02</u>

¹ Premiums from Indonesia going to collective income recipients (f0.02 mld.) in the published National Budget for 1949 are here considered as a capital transfer and therefore left out of account.

This set of accounts proves to fit in nicely with the Keynesian static *system of equations* from the *General Theory of Employment, Interest and Money*:

- (1) income account: $C + S^n = Y$
- (2) product account: $Y + U^i = C + I + U^e$
- (3) foreign account: $U^e + S^f = U^i$
- (4) capital account: $I = S^n + S^f = S$

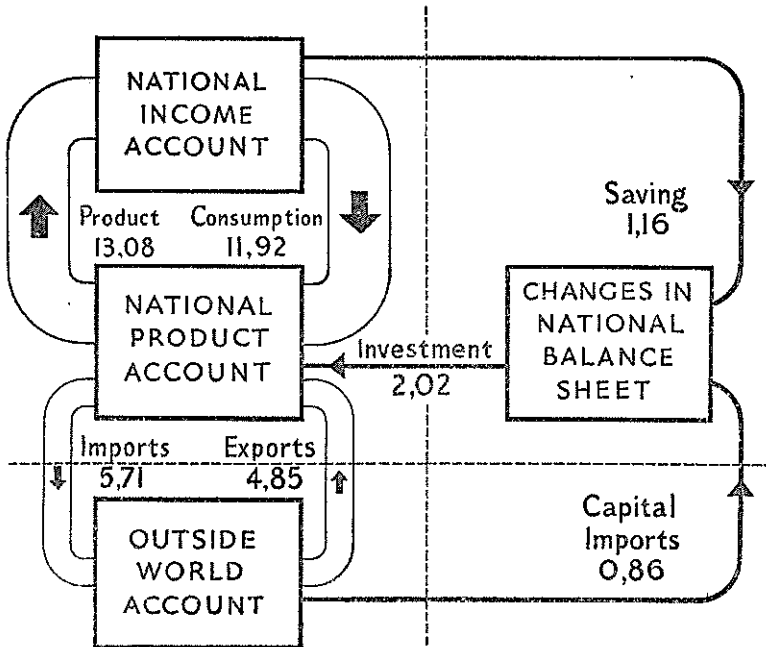
One of these equations is dependent on the other three. In most systems of equations it is the second equation that is left out. Its dependence on the other three may be shown as follows:

$$Y + U^i = C + S^n + S^f + U^e = C + I + U^e$$

The above set of purely national accounts may be put together in a neat little graph which looks as follows:

The Netherlands Economy, 1949

Concise National Budget
(in billions of guilders)



Still another way of presenting the above set of accounts is the following:

TABLE 2
Concise Netherlands National Budget, 1949
 'Reduced Form'
 (in billions of guilders)

From:	To:				
	Income account	Product account	Foreign account	Capital account	Total
Income account . . .	X	11.92	—	1.16	13.08
Product account . . .	13.08	X	5.71	—	18.79
Foreign account . . .	—	4.85	X	0.86	5.71
Capital account . . .	—	2.02	—	X	2.02
Total	13.08	18.79	5.71	2.02	39.60

TABLE 3
Concise Netherlands National Budget, 1949
 Combined Accounts
 (in billions of guilders)

From:	To:				
	Income account	Product account	Foreign account	Capital account	Total
Income account . . .	4.01	11.92	—	1.82	17.75
Product account . . .	13.08	1.38	5.71	1.92	22.09
Foreign account . . .	—	4.85	X	0.86	5.71
Capital account . . .	0.66	3.94	—	?	4.60
Total	17.75	22.09	5.71	4.60	50.15

The meaning of the items in the respective squares is indicated in Table 4 on the next page.

TABLE 4

Scheme of the Items in the National Accounts

From:	To:			
	Income account	Product account	Foreign account	Capital account
Income account	Income transfer	Consumption		Saving
Product account	Remuneration of factors of production	Product transfer	Imports	Depreciation allowances
Foreign account		Exports		Capital imports
Capital account	Dissaving	Gross capital formation	Capital exports	Capital transfer

Table 2, which corresponds to Table 1, may be derived from Table 3: (1) by dropping the transfer items which appear on both sides of the national accounts with the same value, and (2) by balancing gross capital formation and depreciation allowances and also saving and dissaving. As a matter of fact, the capital imports item is equally the result of balancing capital imports and capital exports, but unfortunately the published Dutch National Budget only supplies information on the balance of the two in its consolidated¹ foreign or outside world account. Likewise, the capital transfer figure had to be omitted, as only the consolidated capital account, also called 'Changes in the national balance sheet', has been published. Furthermore, the system does not allow for any connections between the foreign account and the income account(s) (cf. blanks in Table 4); gifts to and from abroad are included in the net capital imports figure; income from abroad is considered as payment for services to the outside world and, as such, included under exports; and consumption abroad is considered as imports of goods and services.

The tables shown here only refer to the national economy as

¹ See for this concept Richard Stone, 'Definition and Measurement of the National Income and Related Totals' (League of Nations, Studies and Reports on Statistical Methods No. 7, United Nations, Geneva, 1947), p. 27, note 1.

a whole. As soon, however, as we study the picture of the economy in more detail, by distinguishing separate sectors, as indicated above, the tables will have to be extended so as to include the income accounts, etc., for each of the sectors.

The combined¹ accounts in Table 3 are obtained by summation of such separate accounts for the main sectors of the economy. The items in the combined national product account, for instance, consist of the totals of the corresponding items in the product accounts for the business sector and the public authority sector (product accounts are only needed for the production sectors of the economy!). In the process of consolidation the transfer items drop out as soon as we reach the stage of purely national accounts, because for the nation as a whole the total incoming and outgoing transfers of individual households must *ex definitione* be equal. For separate sectors (groups of individual households), however, they will show a balance, generally speaking.

It would carry me too far to discuss all the implications of the more detailed system of social accounts of which the basic structure has been explained herewith. However, one further remark should be made to enable the reader to link the published Dutch National Budget with the system that has been dealt with in the previous paragraphs of this section. It is just as easy to consolidate different types of accounts for one sector as it is to consolidate accounts of the same type for different sectors of the economy. If we thus combine the income and product accounts per sector, we shall find the operating accounts as shown in the published Dutch National Budget, in which the transactions between the two accounts of the one sector (notably remunerations of factors of production which are retained by the business sector, and the consumption of the public authority sector in so far as this consumption is derived from services produced in this sector itself) drop out. Furthermore, it should be added that at present the NCPB is considering whether or not such capital transfers, which imply an increase or decrease of the sector's wealth, should be separated from the capital transfers which only alter the composition of the sector's wealth without changing it. If this distinction is introduced, and the first category of capital transfers is combined with the operating

¹ See note 8 on p. 6.

account items, then the nature of this account, too, will be changed. It will then become an account of charges against proceeds.

III. THE USE OF THE SOCIAL ACCOUNTS FOR CENTRAL ECONOMIC PLANNING: THE COMMODITY PLAN

It is the central economic planner's task to co-ordinate the plans of the various economic Ministries. This *co-ordination* usually implies a certain amount of alteration in the Ministries' plans, for the whole of the economic plan should not only fit in with the broad aims of the Government's policy, but should also be such that it can stand the tests of consistency and harmony.

In so far as consistency is concerned, the social accounting system provides the central economic planner with a useful instrument, which can at least help him to ensure *formal consistency* between the various items in the plan. A few words about the planning procedure may further elucidate this point.

The first step in planning is usually to *confront the prospective means and needs* of the economy for the period to which the plan refers. The means are the net national product and the net capital imports, whereas the needs are consumption and net capital formation. *Ex post* means and needs will always be equal to each other. And as the plan figures are supposed to indicate what is going to happen in reality, they should in their capacity of 'anticipated *ex post* figures'¹ comply with the same condition of equality as real *ex post* figures do. The uncoordinated plans of the various Ministries, however, are more of an *ex ante* character and so the means and needs implied in them are not necessarily equal to each other. To give just one example, the Ministry of Economic Affairs may plan for an increase in the standard of living which from the point of view of the Ministry of Finance goes too far as it would require too much borrowing from abroad. Where this is the case, the central economic planner has to propose policy measures which seek a compromise between the conflicting views of the two Ministries.

To balance prospective means and needs at the planned levels is, of course, not the sole aim of central economic planning. The

¹ This expression has been coined by Professor J. G. Koopmans.

various items of the plan should also be in harmony with each other. This, however, is more a matter of the specific aims of the economic policy of the government concerned and can therefore conveniently be left out of consideration in a paper like this, which deals merely with social accounting.

What, in my view, makes the confronting of means and needs so attractive from a planning point of view is its *flexibility*. Subject to certain limitations set by the rigidities and structure of our present economic system one is free to choose the ratio between consumption and net capital formation and the level of net capital imports. Neither is there any *a priori* fixed relationship between consumption or net capital formation on the one hand and the net national product on the other. The only condition that should be fulfilled in any case is that the various items should be formally consistent with each other, that is to say that the sum total of the prospective means should equal the sum total of the needs (cf., however, section 5).

In setting up the *global commodity plan* the confronting of means and needs (in constant prices) carries us only half way. To complete the picture, the *outside world account* must be added. Here we do not have the same degree of freedom as when we make up our mind about the level of the various items in the confronting of means and needs. Once the levels of consumption and capital formation are fixed, the level of imports is also determined within narrow limits, given the structure of the economy, for this structure can only change gradually. The country's production pattern, for instance, cannot be changed overnight. Furthermore, the consumption pattern will be fixed within narrow limits once the level of consumption is fixed. And so on. It is true that rationing and price policy may influence the composition of the production pattern and of the consumption pattern, but their influence on imports is limited. However, in fixing the import level their influence, whatever it may be, should be taken into account. So given the levels of production, consumption and capital formation, and the scope of the rationing and price policy, the level of imports may be said to be fixed. Once the level of imports and the net capital imports are given the level of exports is also fixed, provided the goods available for export can be sold in the foreign markets. If they cannot be sold at planned prices, then further policy measures have to be considered so as to bring export prices down to a sufficiently com-

petitive level one way or another, or to increase home consumption, or to decrease production.

Needless to say, the procedure above described for drawing up the global commodity plan is a very much simplified picture of the actual procedure, which is based on many more considerations of an often rather complicated nature. Furthermore, the global commodity plan is only a first approach which supplies a framework for detailed planning. In the light of further considerations, which come to the surface only when the detailed plan is worked out, the general outline of the central economic plan will have to be revised to a certain extent in order to take account of all the separate factors which play their part in the whole of the economic plan.

Once the confronting of means and needs and the outside world account are fixed the whole of the concise National Budget is fixed, net national saving being the difference between the net national product and the national consumption (see income account).

In passing, it may be remarked that the confronting of means and needs is merely the result of consolidation of the national product account and the outside world account of the concise National Budget (cf. Table 1).

As regards consistency, attention should also be drawn to the fact that the social accounting approach does ensure consistency not only in the various items of the plan but also in the definitions of the concepts used, such as national product, consumption, capital formation, and so on.

IV. INDEX NUMBERS

Social accounting also gives us some useful guidance as to the correct manner for calculating *volume and price indices* for the various items of the system. Like the value figures, the underlying volume figures should be consistent with each other. That is to say, the *four balance equations* mentioned in section II should also apply to the volume indices if these are given their proper weights. Now if the volume indices are taken to be Laspeyres indices, the most convenient way of combining them with their proper weights (i.e. the values of the items concerned in the base year) is to express them as value figures at constant prices (i.e. prices in the base period). If one also bears in mind

that by definition $\text{value} = \text{volume} \times \text{price}$, which for convenience' sake can also be written as:

$$(4.1) \text{ value in plan year at planned prices} = \\ \text{value in plan year at constant prices} \times \text{price index,}$$

where

$$(4.2) \text{ value in plan year at constant prices} = \\ \text{value in base year} \times \text{volume index;}$$

then it turns out to be quite simple to calculate, for instance, the volume and the price index for net national product within the framework of the national product account, once the value figures for the base year and the volume targets and the price assumptions for all of the items in this account but one, namely the net national product, are known. The balance equation of the national product account renders us, firstly, the value of the net national product in the base year at base year prices; secondly, the value of the net national product in the plan year at constant, i.e. base year prices, after formula (4.2) has been applied to each of the separate items of the account for which the volume indices are known; and lastly, the value of the net national product in the plan year at planned prices, after formula (4.1) has been applied to all the items for which the price index is known. From these value figures the volume and the price index of the net national product can be calculated by means of formulae (4.2) and (4.1) respectively. This certainly is an improvement on the way in which the real national income was calculated in the past, namely through deflation of income in money terms by the cost of living index, which even if it is based on the consumption pattern of the lower income groups is not to be considered as a perfectly suitable price index for consumption.

It is perhaps interesting to point out that where the volume indices are calculated à la Laspeyres, the price indices in this system should be index numbers à la Paasche, for only then will the condition

$$\text{volume index} \times \text{price index} = \text{value index}$$

be fulfilled. This is easily proved by the following formula, which needs no further comment:

$$\text{value index} = \frac{\sum p_1 q_1}{\sum p_0 q_0}$$

$$\text{volume index à la Laspeyres} = \frac{\sum p_0 q_1}{\sum p_0 q_0}$$

$$\text{price index à la Paasche} = \frac{\sum p_1 q_1}{\sum p_1 q_0}$$

$$\text{so } \frac{\sum p_0 q_1}{\sum p_0 q_0} \cdot \frac{\sum p_1 q_1}{\sum p_1 q_0} = \frac{\sum p_1 q_1}{\sum p_0 q_0}$$

This procedure of breaking down the value figure into a price and a value component can in principle be applied to the whole of the national budget or the national accounts, no matter how detailed they are. Only for certain transfer items such a procedure is rather artificial.

With regard to the indices for the national product a few further remarks may perhaps be made. Firstly, the price index obtained in the manner described above is apparently the 'market price' index. In order to calculate the index for the factor costs, 'cost-raising taxes minus subsidies' have to be subtracted from the value figures for the base year and the plan year, as a consequence of which they will also be excluded from the value figure for the plan year at constant prices. This subtraction changes both the volume index and the price index. Secondly, if one wants to know the price and volume index for the gross national product, then depreciation allowances have to be added to the net national product. The price index of these depreciation allowances ought to be the same as the price index for the net capital formation, for depreciation allowances are calculated on the basis of replacement costs. It should be noticed, furthermore, that the volume index for the gross national product is not identical with the weighted average of the production indices for all the various branches of economic activity (not even if the weights are based on the value added in each branch). The difference arises from the fact that the separate production indices do not refer to the sum of value added and depreciation allowances only, but to production inclusive of raw materials (imported as well as home produced; double counting is caused by commodity transfers between different branches of industry). Lastly, if one is interested in the national product of enterprises only, then the calculation of the index numbers for

volume and price should be based on the product account of enterprises only, and so on.

V. STRUCTURAL RELATIONSHIPS BETWEEN THE ITEMS OF THE NATIONAL BUDGET; THE MONETARY PLAN

As was shown in sections III and IV the social accounting system may be considered to be a very useful instrument for ensuring formal consistency between the various items of the central economic plan. No doubt should be left, however, that in order to be realistic the plan should not only be consistent formally but also *materially*. To make this clear a few words should be said here about the part played by the structural relationships which connect the various items of the national accounts with each other.

Already in section III, while dealing with the commodity plan, it has been pointed out that the imports are more or less determined by certain other items of the plan, such as the levels of production, consumption and capital formation. Similarly there is a certain relation between the increase in stocks (for work in progress) and the increase in production. Such more or less *technical relationships* should not be overlooked by the central economic planner, otherwise his plan might easily become unrealistic.

Furthermore – and this is very important and at the same time very difficult – the planner should take due account of the expected *behaviour of the economic subjects* in their capacity of producers, consumers and investors. The importance of this point emerges from the fact that once the government's policy is set, the realization of the plan largely depends upon the reactions of the individuals who together form the community for which the plan is designed. However, the difficulty which confronts the planner constantly is that we are not very well informed about these reactions, notwithstanding the vast amount of work done by econometricians in the last two decades. To a certain extent the planner has therefore to rely upon his common sense while dealing with these problems.

One of the main problems for the planner in this field is to see to it that *the purchasing power comes into the right hands*. The consumers' income should be sufficient to realize the consumption plan, profits should be high enough to make producers

realize the production plan and to induce them to bring about the amount of capital formation required under the investment programme, and so on. Tax policy, wage and price policy, public works policy, and so forth, are forceful means to bring about this *material consistency* between the various items of the plan, and so we find that many of the central economic planner's policy recommendations are in this field.

Another important problem in the same field is the problem of export *prices*, which has been mentioned already in section III. Export prices should be sufficiently competitive to ensure that the quantities of goods available for export can be disposed of in the foreign markets to which they are to be sold. Here, again, the planner has to make certain policy recommendations should his analysis show that difficulties are to be expected if no measures are taken.

At present the NCPB is engaged in designing a simple system of equations containing the most fundamental structural relationships. As soon as this system of equations is ready it will be possible to take due account of these relationships in a more straightforward manner than we have been able to do so far.

To conclude, I should like to introduce a set of accounts, which has already been in use at the NCPB for a long time and which is especially designed as an *instrument for analysing the monetary situation* (cf. Table 5).

These accounts confront for each of the main sectors the financing charges and financing proceeds. If consolidated for the whole of the economy they render the national capital account, also called 'Changes in the national balance sheet' (cf. Table 1), in which all the transfer items drop out.

From each of these accounts it can be seen to what extent each of the main sectors of the economy will have to accumulate or to draw on its liquid reserves if the economic plan is going to be realized in practice, whereas from the account for the 'Banking sector' it can be seen to what extent money creation may be expected to take place.

The importance of this type of account is that once estimates have been made for all the items they may disclose certain inconsistencies, such as impossible dishoarding in the personal sector or accumulation of liquid reserves in the hands of collective income recipients to such an extent that the financing of

the investment programme will be endangered if no specific measures are taken to counter these difficulties.

The accounts, which speak for themselves, are reproduced at the end of this paper.

VI. CONCLUDING REMARKS

In the foregoing I have only been able to deal briefly and in broad terms with some of the recent experiences in the use of social accounting for planning purposes in the Netherlands. I have stressed particularly the limitations of the social accounting approach, for, as I see it, the use of social accounting can only guarantee that a plan is formally consistent. This, however, does not mean that I underrate the great value of social accounting for economic planning. Far from it. But I should like to emphasize the point that to get more fruitful results from our work we should now concentrate on establishing the link between the balance (and definitional) equations of the system of social accounts and the structural relationships as we know them from the econometric systems of equations for describing the working of the mechanism of the national economy. A necessary condition for establishing this link is that we are no longer satisfied with national accounts giving value figures only. The first step must be to break down these value figures into their respective volume and price components.

TABLE 5

Scheme of Capital Accounts for Separate Sectors of the Economy

Financing charges

Financing proceeds

1. PERSONAL SECTOR

Item	Counter item	Description	Amount	Item	Counter item	Description	Amount
C 151	C 272	Capital payments to collective income recipients		C 171		Saving	
C 152	C 373	Net credits to business sector		C 172	C 251	Capital receipts from collective income recipients	
C 153	C 472	Credits to public authorities		C 173	C 452	Debt amortization from public authorities	
C 154	C 473	Payments to public authorities:		C 174	C 453	War damage receipts from public authorities	
		(a) Capital levies		C 175	C 551	Proceeds of liquidation of assets from outside world	
C 155	C 474	(b) Tax arrears		C 176	C 361	Decrease of liquid reserves	
C 156	C 475	(c) Death duties					
C 157	C 381	Increase in cash balances for transaction motive					
		Total				Total	

2. COLLECTIVE INCOME RECIPIENTS SECTOR

Item	Counter item	Description	Amount	Item	Counter item	Description	Amount
C 251	C 172	Capital payments to personal sector		C 271		Saving	
C 252	C 374	Credits to business sector		C 272	C 151	Capital receipts from personal sector	
C 253	C 476	Credits to public authorities		C 273	C 454	Debt amortization from public authorities	
		Total				Total	

3a. BUSINESS SECTOR

Item	Counter item	Description	Amount	Item	Counter item	Description	Amount
C 351		Gross capital formation		C 371		Saving	
C 352	C 477	Payments to public authorities:		C 372		Depreciation allowances	
C 353	C 478	(a) Capital levies		C 373	C 152	Credits from personal sector	
C 354	C 382	(b) Tax arrears		C 374	C 252	Credits from collective income recipients	
		Increase in cash balances for transactive motive		C 375	C 455	Credits from public authorities	
				C 376	C 456	War damage receipts from public authorities	
				C 377	C 552	Net credits from outside world	
				C 378	C 363	Bank credits	
				C 379	C 362	Decrease of liquid reserves	
		Total				Total	

3b. BANKING SECTOR

Item	Counter item	Description	Amount	Item	Counter item	Description	Amount
C 361	C 176	Decrease of liquid reserves of personal sector		C 381	C 157	Increase in cash balances for transaction motive of personal sector	
C 362	C 379	Decrease of liquid reserves of business sector		C 382	C 354	Increase in cash balances for transaction motive of business sector	
C 363	C 378	Credits to business sector					
C 364	C 480	Credits to public authorities					
		Total				Total	

4. PUBLIC AUTHORITIES SECTOR

Item	Counter item	Description	Amount	Item	Counter item	Description	Amount
C 451		Gross capital formation		C 471		Depreciation allowances	
C 452	C 173	Debt amortization to personal sector		C 472	C 153	Credits from person sector	
C 453	C 174	War damage payments to personal sector		C 473	C 154	Receipts from personal sector:	
C 454	C 273	Debt amortization to collective income recipients		C 474	C 155	(a) Capital levies	
C 455	C 375	Credits to business sector		C 475	C 156	(b) Tax arrears	
C 456	C 376	War damage payments to business sector		C 476	C 253	(c) Death duties	
C 457	C 571	Debt amortization to outside world		C 477	C 352	Credits from collective income recipients	
				C 478	C 353	Receipts from business sector:	
				C 479	C 553	(a) Capital levies	
				C 480	C 364	(b) Tax arrears	
						Net credits from outside world	
						Bank credits	
		Total				Total	

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5. OUTSIDE WORLD

Item	Counter item	Description	Amount	Item	Counter item	Description	Amount
C 551	C 175	Purchases of assets: proceeds to personal sector		C 571	C 457	Debt amortization from public authorities	
C 552	C 377	Net credits to business sector		C 572		Deficit on current account in Netherlands balance of payments	
C 553	C 479	Net credits to public authorities					
		Total				Total	

177