

ORIGINS OF US INFLATION: APPENDIX

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The data underlying the charts and reported in the text of the paper are from the BEA NIPA tables and the Dallas Fed series on total Marketable Federal Debt. The price level is the GDP deflator from NIPA. The primary surpluses are constructed from the BEA:

Table 3.2 Federal Government Current Receipts and Expenditures [Millions of dollars] Seasonally adjusted at annual rates Bureau of Economic Analysis Last Revised on: December 21, 2023

<https://www.bea.gov>

Finding Table 3.2 (as opposed to 3.1) is not easy under the above url. One method is to click on “Keyword search” of tables, using “Federal” as the keyword, then click on “Federal Government Receipts”, which offers Table 3.2 as one choice.

The primary surplus is calculated from this table as line 43, Net lending or borrowing(-), + line 27, Interest payments). Before 1960, Line 47, Net purchases of nonproduced assets, is not available, which propagates to make lines 43, Total expenditures, and line 49, Net lending or borrowing(-), also unavailable. Line 47 is usually small, however, so for this paper’s plots before 1959, I have reconstructed the missing data as if Net purchases of nonproduced assets were zero. That is, the primary surplus becomes line 40 - sum(lines 44-46) + line 48 + line 33.

The data on debt underlying the graphs is the market value of marketable government debt, as constructed by the Federal Reserve Bank of Dallas.

<https://www.dallasfed.org/research/econdata/govdebt>

This includes marketable debt held by the Federal Reserve system. In recent years, when reserve deposits at the Fed have paid interest, this is more sensible than the alternative of counting only “debt in the hands of the public”, which excludes Fed holdings. However, in earlier years, this amounts to treating all government money as part of the debt, even though it is not interest-bearing. It also excludes savings bonds, which are non-marketable and were non-negligible in early postwar years. Being more careful about components of debt, implicit taxes on banks through reserve requirements, and non-marketable debt, could be useful.

The debt data were downloaded from the url above on December 16, 2022.

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