

ACTION

file: +Lebrate DS

given to Mary Lellan
4/21/75

10
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NNNNZCZC SHA025
VZCZCGSA004
PQTUZYUW RUEAMAF0944 1082359-UUUU--RUHCSAA
DE RUEHC #9749 1082359
ZNR UUUUU
ZK

ACTION.....STATUS LNO
INFO.....D/PA
INFO.....LLD
INFO.....SA/LA

P 182220Z APR 75
FM SECSTATE WASHDC
TO HICONTERPACIS PRIORITY
BT
UNCLAS STATE 089749
E.O. 11652:NA
TAGS: PFOR, TO
SUBJECT: DEPARTMENT OF COMMERCE COMPOSITE PRICE INDEX

REF: STATUS LNO 83

FOR STATUS LNO

1. AS EXPLAINED IN THE "REPORT OF THE JOINT DRAFTING COMMITTEE ON THE NEGOTIATING HISTORY", REFERENCE IN COVENANT SUBSECTIONS 704(C) AND 803(B) TO A UNITED STATES DEPARTMENT OF COMMERCE COMPOSITE PRICE INDEX IS INTENDED TO REFER TO THE UNITED STATES GROSS NATIONAL PRODUCT IMPLICIT PRICE DEFLATOR. THERE IS NO OTHER DEFINITION OR MEANING ATTACHED TO THE PHRASE USED IN THE COVENANT. IT WAS CONSIDERED JUDGMENT OF JOINT DRAFTING COMMITTEE THAT USE OF TECHNICAL PHRASE "GNP IMPLICIT PRICE DEFLATOR" WAS NOT AS DESCRIPTIVE AS LAYMAN'S PHRASE "COMPOSITE PRICE INDEX".

2. DEPARTMENT OF COMMERCE BEGAN COLLECTING STATISTICS ON GROSS NATIONAL PRODUCT (GNP) IN 1947. (GNP IS DOLLAR VALUE OF ALL GOODS AND SERVICES PRODUCED BY U.S. CITIZENS. ADJUSTMENT OF DOLLAR VALUE TO ACCOUNT FOR PRICE CHANGES IS PROCESS KNOWN AS DEFLATING). THE INDEX OF INFLATION USED BY THE USG IS CALLED THE "GNP IMPLICIT PRICE DEFLATOR". IT IS PREPARED QUARTERLY BY THE DEPARTMENT OF COMMERCE.

3. DETAILED EXPLANATION OF GNP IMPLICIT PRICE DEFLATOR AIRMAILED THIS DATE.

KISSINGER
BT
#9749