ECONOMY OF THE UNITED STATES OF AMERICA

CONTENT

INTRODUCTION

The USA is the economically power full country. A large share of minerals, financial and manpower resources belongs to it. That's why studying this country, its language and history we shouldn't avoid the main economic and industrial branches, their structure, and main tendencies of development.

By the end 20 century the United States of America are the largest state in the world. The country is located in all climatic belts that favours to agriculture and tourism, has more than hundred kinds of minerals. Having five percent of the world population the country extracts the fifth part of world production of copper, coal and oil. The agriculture of the United States delivers on the world market of 50 % of corn, 20 % of beef, pork, mutton, about one third of wheat. The USA - the largest world buyer (13 % of world import) and the seller (18 % of world import). And, that is characteristic for the American economy, the state enterprises can be counted on fingers (post service and the commission on nuclear researches), even airlines and telephone system in the USA are privatized. The American industry is characterized with a priority of the high technologies creating production on the basis of the high technologies.

The aim of the research is to study the main aspects of USA economy and industry, to understand its position in the World economy. And the main objectives of the studying are:

1.to describe the economic situation in the USA in the last century,

2.to describe the economic situation nowadays;

3. to single-out main brunches of industry, paying attention to the service sector and transportation service,

4.to describe agriculture of the USA.

The practical value of the research is to help to study more about the country, the language of witch we learn, with the aim of successful communication and social competence.

CHAPTER 1. GENERAL INFORMATION ABOUT THE UNITED STATES OF AMERICA

The United States is situated in the central part of the North American continent (except for Alaska and Hawaii). It is washed by the Atlantic Ocean in the east and by the Pacific Ocean in the west. In the north it borders Canada and in the south it borders Mexico. The United States is the fourth largest country in the world after Russia, Canada, and China. It has an area of about 10 million square kilometers and its population is over 270 million people. The great majority of the population is English-speaking Americans. There are many ethnic groups in the United States. The largest group is Black Americans (about 12% of the population).

The US consists of 50 states and the District of Columbia. It is a special federal area where the capital of the country, Washington, is situated. The largest state is Alaska. Hawaii is one of the smallest states; it is a group of islands in the Pacific Ocean. California, New-York, Texas, Florida, Pennsylvania, Illinois, Ohio are the most heavily populated states, and Wyoming, Vermont and Alaska are the least populated states. The largest cities are New-York, Los-Angeles, Chicago, San-Francisco and Philadelphia.

The continental part of the USA consists of 4 geographical parts: 2 highland and 2 lowland regions. The highland regions are the Appalachian Mountains in the east and the Cordillera in the west. The Appalachian Mountains are ancient, strongly destroyed mountains of no great height. The valleys between them are rich in coal. It is the oldest mountain system in the US.

Unlike the Appalachian Mountains of the east, the Cordillera is not a continuous chain. It consists of several high ranges, which are the Rocky Mountains on the east and the Sierra Nevada and the Cascade Range on the west. The Rocky Mountains are considered to be young, high, rough, and irregular in shape. Between the Rocky Mountains and the Appalachian Mountains there is the vast Central Plain and the Plateau of Prairies or the Great Plains.

The main rivers of the USA are the Mississippi, the Missouri, the Rio Grande, the Colorado, the Columbia and the Hudson River. The five Great Lakes, between the USA and Canada, include Lake Superior, Lake Michigan, Lake Huron, Lake Erie, and Lake Ontario. They are all joined together by short rivers or canals, and the St. Lawrence River joins them to the Atlantic Ocean. The region around the Great Lakes is known for its changeable weather. In the west of the USA there is another lake called the Great Salt Lake.

The USA has many natural resources, such as coal, petroleum, and natural gas. The economy of the US is based upon free enterprise.

The United States is one of the few countries in the world that has no ’official’ national language. The basic language spoken throughout the country is American English. The second language is Spanish.

CHAPTER 2. CHATACTERISTICS OF THE ECONOMY OF THE USA

2.1 The basis of the us economy

The American economy is described as a free enterprise system, which allows private business the freedom to operate for profit with minimum government regulation. The theoretical foundation of the American economic system was provided by Adam Smith whose economic ideas of free competition influenced the development of capitalism. From his standpoint the more people manufacture and trade the greater the competition. Competition benefits society by allowing the consumer to search for the best available product at the lowest price. Thus market forces, which Smith termed the invisible hands, control the allocation of goods while each participant in the market is seeking for his own self-interest.

Throughout the nineteen century market operated with a minimum government regulations. Since the 1930-s American capitalism has undergone a radical changes. Although a private enterprise flourishes, government regulation now exists in many areas of business ranging from product safety to labor conditions. Political conservatives complain of too much government regulation while the liberals are out for the enhance of government role in business and economy.

The country’s reliance on private initiative and enterprise has produced impressive growth.

The economy of the United States today is the world's largest national economy. Its nominal GDP was estimated to be $14.3 trillion in 2009, approximately a quarter of nominal global GDP. Its GDP at purchasing power parity was also the largest in the world, approximately a fifth of global GDP at purchasing power parity. The U.S. economy also maintains a very high level of output per capita. In 2009, it was estimated to have a per capita GDP of $46,381, the 6th highest in the world. Historically, the U.S. economy has kept a stable overall GDP growth rate, a low unemployment rate, and high levels of research

and capital investment funded by both national and, because of decreasing saving rates, increasingly by foreign investors. It has been the world's largest national economy since 1870 and remains the world's largest manufacturer, representing 19% of the world's manufacturing output. In 2009, consumer spending coupled with government health care spending constituted 70% of the American economy. About 30% of the entire world's millionaire population reside in the United States (in 2009).[14] Furthermore, 40% of the world's billionaires are American. The US is also home to the world's largest stock exchange, the New York Stock Exchange. It also boasts the world's largest gold reserves and the world's largest gold depository, the New York Federal Reserve Bank. The United States is also home to 139 of the world's 500 largest companies, which is almost twice that of any other country. A large contributor to the country's success has also been a very strong and stable currency. The US dollar holds about 60% of world reserves, as compared to its top competitor, the euro, which controls only about 24%.

Since the 1960s, the United States economy absorbed savings from the rest of the world. The phenomenon is subject to discussion among economists. The US is by far the most heavily invested-into country in the world, with foreign investments made in the US measuring almost $2.4 trillion, which is more than twice that of any other country. The US is also by far the largest investor in the world, with US investments in foreign countries totaling over $3.3 trillion, which is almost twice that of any other country. Like other developed countries, the United States faces retiring baby boomers that have already begun withdrawing from their Social Security accounts; however, the American population is young and growing when compared to Europe or Japan. The United States public debt is in excess of $13 trillion and continues to grow at a rate of about $3.83 billion each day. Total public and private debt was $50.2 trillion at the end of the first quarter of 2010, or 3.5 times GDP. Domestic financial assets totaled $131 trillion and domestic financial liabilities totaled $106 trillion

The American labor market has attracted immigrants from all over the world and has one of the world's highest migration rates. The United States is ranked

second, down from first in 2008-2009 due to the economic crisis, in the Global Competitiveness Report. The country is one of the world's largest and most influential financial markets, home to major stock and commodities exchanges like NASDAQ, NYSE, and AMEX.

2.2 United States Exports

Exports in the United States increased to 193910 USD Million in March of 2014 from 189963 USD Million in February of 2014. Exports in the United States averaged 45133.26 USD Million from 1950 until 2014, reaching an all time high of 194644 USD Million in November of 2013 and a record low of 772 USD Million in March of 1950. Exports in the United States is reported by the U.S. Census Bureau.

Pic, 1 – United States Exports

United States is the world's third largest exporter. Main exports are: Industrial Supplies (34 percent of total exports) and Capital Goods (33 percent). Foods, feeds, and beverages account for 9 percent; Automotive vehicles, parts, and engines for another 9 percent and Consumer goods for 12 percent. Main exports partners are: Canada (19 percent of total exports), European Union (17 percent),

Mexico (14 percent), China (7 percent) and Japan (5 percent). This page provides - United States Exports - actual values, historical data, forecast, chart, statistics, economic calendar and news.

In 2013 exports from America amounted to US$1.579 trillion, up 49.4% since 2009. United States top 10 exports accounted for 68.4% of the overall value of its global shipments.

Based on statistics from the International Monetary Fund's World Economic Outlook Database, America's total Gross Domestic Product amounted to $16.724 trillion in 2013.

Therefore, exports accounted for about 9.4% of total US economic output. Given America's population of 316.4 million people, the total $1.579 trillion in 2013 US exports translates to roughly $4,989 for every person in the country. This compares with a benchmark $2,545 in exports per person for the world's total exports (assuming an estimated global population of 7,095,217,980 per the CIA World Factbook).

United States Top 10 Exports

The following export product groups represent the highest dollar value in American global shipments during 2013. Also shown is the percentage share each export category represents in terms of US overall exports.

1. Machinery: $213,108,199,000 (13.5% of total exports)
2. Electronic equipment: $165,604,449,000 (10.5%)
3. Mineral fuels including oil: $148,426,743,000 (9.4%)
4. Vehicles excluding trains and streetcars: $133,640,479,000 (8.5%)
5. Aircraft and spacecraft: $115,380,944,000 (7.3%)
6. Optical, technical and medical apparatus: $84,281,276,000 (5.3%)
7. Pearls, precious stones, precious metals and coins: $72,830,232,000 (4.6%)
8. Plastics: $60,836,970,000 (3.9%)
9. Organic chemicals: $46,510,903,000 (2.9%)
10. Pharmaceutical products: $39,742,717,000 (2.5%)

Many of the industries supporting these exports, such as manufacturing aircraft and medical apparatus, involve highly sophisticated and advance processes. America's unemployment rate improved to an estimated 7.3% as of July 2013 compared to an unemployment rate of 8.1% in the rest of world for 2012. It seems logical that scientists, skilled tradespersons and international trade professionals supporting the above exports will be in demand.

Please note that the results listed above are at the 2-digit Harmonized Tariff System code level. Among the top 10 U.S. exports above, mineral fuels including oil represent the fastest-growing export product posting a 170.2% gain over the five-year period ending in 2013. Pearls, precious stones, precious metals and coins were up 89.6% while vehicles other than trains and streetcars improved 81.6% over the same period.

2.3 United States Imports

Imports in the United States increased to 234288 USD Million in March of 2014 from 231837 USD Million in February of 2014. Imports in the United States averaged 57551 USD Million from 1950 until 2014, reaching an all time high of 234295 USD Million in March of 2012 and a record low of 577 USD Million in March of 1950. Imports in the United States is reported by the U.S. Census Bureau.

Pic. 2 – United States Imports

United States is the world's largest importer. U.S. main imports are Industrial Supplies (32 percent of total imports) with crude oil alone accounting for half of this category. Others include: Capital Goods (24 percent); Automotive vehicles, parts, and engines (13 percent); Consumer Goods (12 percent) and Foods, Feeds, and Beverages (5 percent). Main imports partners are: China (18 percent of total imports), European Union (16 percent), Canada (14 percent), Mexico (12 percent) and Japan (6 percent). This page provides - United States Imports - actual values, historical data, forecast, chart, statistics, economic calendar and news.

The United States of America is nicknamed the Land of the Free. But when it comes to America's top import partners at least in North America, perhaps that should be the "Land of Free Trade" given a third of American exports are delivered to Canada and Mexico. The 3 countries are free trade partners under the North American Free Trade Agreement (NAFTA).

The world's second-largest exporter, the USA shipped US$1.579 trillion worth of products around the globe in 2013. That figure represents 8.7% of worldwide exports estimated at $18.06 trillion for 2012.

America's Top Import Partners

Below is a list of the USA's top 15 trade partners that imported the most American shipments by dollar value during 2013. Also shown is each import country's percentage share of total USA exports.

1. Canada: $300,244,595,000 (19% of total American exports)
2. Mexico: $226,152,927,000 (14.3%)
3. China: $122,016,318,000 (7.7%)
4. Japan: $65,144,805,000 (4.1%)
5. Germany: $47,442,249,000 (3%)
6. United Kingdom: $47,355,408,000 (3%)
7. Brazil: $44,115,969,000 (2.8%)
8. Netherlands: $42,654,340,000 (2.7%)
9. Hong Kong: $42,450,374,000 (2.7%)
10. South Korea: $41,555,044,000 (2.6%)

11. France: $34,091,295,000 (2.2%)

12. Belgium: $31,727,047,000 (2%)

13. Singapore: $30,723,872,000 (1.9%)

14. Switzerland: $27,002,011,000 (1.7%)

15. Australia: $26,047,870,000 (1.6%)

Over two-thirds (71.5%) of American exports in 2013 were delivered to the above 15 trade partners.

Among these import nations, the United Kingdom and Germany decreased imports from America by the smallest percentages from 2009 to 2013 — 3.6% for the UK and 9.8% for Germany. The other countries showed a minimum gain of 26.1% for France up to the 101.1% increase for Hong Kong importers. Hong Kong has been aggressively moving up the list of America's top import partners since 2010.

CHAPTER 3. THE MOST IMPORTANT SECTORS OF THE ECONOMY OF THE USA

3.1 Productive sector

The industry of the USA takes a special place in the international division of labour. The variety of industries, a wealth wih various raw materials and qualified personnel, advanced research base has allowed the American industry to provide mass production of a various batch production and release of unique devices and the equipment both for internal, and for the world market.

The greatest growth is characteristic for the branches defining and closely connected with a military production. For last decades in new branches were allocated:

- The rocket industry,
- Manufacture of space technics,
- The semi-conductor industry,
- Manufacture of the computer,
- Scientific instrument making,
- Manufacture of machine tools with programmed control,
- The laser, vacuum, oxygen industry,
- Manufacture of the equipment for prevention of pollution and clearing of environment,
- The industry of fuel elements and others.

On the average in a manufacturing industry each 4 years it is updated not less than 20 % of let out production.

The USA take a visible place on extraction of some the major minerals - coal, oil, natural gas, iron ore, copper, lead, zinc, phosphorites.

But there was not enough own resources, and after 2 world wars of the USA from the exporter have turned to the largest importer of oil, iron ore, nonferrous metals, bauxites, manganous ore, antimony, diamonds, cobalt etc.

In location of the mining industry on areas USA there are the appreciable shifts connected with change of structure of branch, mainly growth of a share of extracted power resources. The South share- the basic area of an oil recovery, coal and gas increases in cost of production of the mining industry. The North and West share where basically ores colour and ferrous metals ores are extracted accordingly decreases. The mining industry of the USA is closely connected with fuel and energy a complex. In the USA it is developed about 3 bln. in kw-h. the electric power. The power balance structure in comparison with the pre-war period has undergone changes. Oil and gas now prevails. There was a difference between structure of stocks (oil and gas of 7 %, coal of 93 %) and consumption structure (oil and gas approximately 75 %, coal - 25 %) fuel resources of the USA.

The greatest value for a power economy of the country has oil industry . The leading role in an oil recovery is played by southwest states - Texas, Louisiana, Oklahoma, New Mexicos delivering about 70 % of oil extracted in the country. Within this area oil is extracted and in a shelf zone of Gulf of Mexico. Large oil fields are available at Pacific coast in the State of California, in mountain state of Wyoming. Last yearsthere begun wide development of deposits on Alaska.

The USA possesses a powerful petroleum-refining industry. The largest oil refining factories of firms: «Exon corporation» Louisiana and Texas, «Texaco incorporaid» in Texas, «Amoco oil» also in Texas are located in states. Placing of oil refining of the USA considerably differs from an oil recovery. The considerable part of capacities takes places not only in extraction areas, but also in consumption areas, that is in the major industrial knots of the Northeast, in the port centers, on the lines of the main oil pipelines.

The central areas of concentration of oil refining factories are:

- Coast of Gulf of Mexico (a strip in width of 200-300 km on the territory of states Texas, Louisiana, Mississipi),

- Southern and the Central California,

- A strip of the Atlantic coast from New York to Baltimore (mainly a mouth of the rivers Hudsons and Delaware).

Areas of deposits of natural gas basically coincide with petroliferous pools. On a share of 5 states - Texas, Louisiana, Oklahoma, New Mexico and Kansas is necessary over 90 % of extraction.

The considerable part of oil, gas and mineral oil arrives from southwest states of the country in areas of the industrial North of the USA. Total length main petroleum about 300 thousand km, gas pipelines - more than 350 thousand km. Distributive pipelines form especially dense inner network at coast of Gulf of Mexico, connecting gas - and petrocrafts with oil refining and gas & petrol factories, petrochemical factories and ports.

On a coal mining of the USA occupies 1 place in the world (1 billion t. per year). As a result of an energy crisis and sharp increase of the prices for oil, both on external, and internal market in the USA big attention began to be given to working out of profitable ways of production of liquid fuel from coal. It is typical, that the active role in these researches is played by leading oil monopolies of the country.

The electric power industry is among most quickly developing branches of economy of the USA. The largest state electricity supply system of the USA is the system hydraulic and thermal power plants in the pool of the rivers Tennessee and Cumberland, operated river Tennessee Administration. But about 80 % of all electric power are developed in the USA in the private power plants, including 4 % -power plants of the industrial enterprises.

The hydroelectric power station’s share in the electric power manufacture steadily decreases, though hydropower constructions use less than 35 % of potential resources of all rivers. About 60 % of all electric power developed on hydroelectric power stations in the West states including 48 % - on Pacific states. Large hydroelectric power plants are constructed in the USA also on Niagara, Tennessee and in the river Missouri headwaters. Unlike thermal power plant all largest hydroelectric power plants of the USA belong to the state or local authorities. Their number concern: Grand Coulee on the river Colombia, John-Day on the same river, Robert-Mozes on the river Niagara and others. Projects of

expansion of capacities of the largest hydroelectric power plants of the Pacific Northwest are developed.

Over 80 % of the electric power in the USA it is made at thermal plants. The share of the thermal power plant, using as a fuel coal, gives 54 % of capacities, natural gas - 27 %, black oil - 19 %. In connection with crisis in the markets of liquid fuel a number of plants using black oil are changed last years for coal.In the location of electric power industry of the USA the tendency of gradual strengthening of value of southern states, in particular South Atlantic, and the Southwest centre is distinctly observed.

From the middle of 60th years of 20 centuries in the USA development of nuclear power was sharply accelerated. The basic areas of concentration of the atomic power plants - the Northeast centre and the South Atlantic states. But now the atomic power plants locate on country territory already in regular more intervals and basically tend to large industrially-city agglomerations.

The important feature of location of a manufacturing industry of the USA - practically universal strengthening of rates of its suburbanization, that is the shift of industrial production from the central parts of agglomerations in their residential suburbs. Here the factories demanding the big floor spaces and the developed infrastructure (automobile, aviation, cement, chemical, oil refining, heavy mechanical engineering etc.), as a rule, take places.. To the factors which are "pushing out" the industry in suburbs, concern: higher price for the ground areas in the central parts of city agglomerations, necessity of creation of extensive platforms for parking of cars (the area of such parking near new factories come nearer in the sizes to the area of the enterprise), action of laws on preservation of the environment in cities, «crisis of the big cities» where the central parts are overpopulated by rather poor population.

The machine engineering industry enterprises locates on country territory extremely non-uniformly - more than 60 % of them are located in the industrial centers of the North and at Pacific coast, and the share of these areas in cost of the production makes 80 %. The major centers of mechanical engineering and metal

working of the USA: Los Angeles, Chicago, Detroit, New York, Philadelphia, Cleveland, Boston, Saint Louis, Milwaukee, Dallas - Fort Worth on which share it is necessary over 40 % conditionally-net production mechanical engineering and metal working.

The largest branchtransport mechanical engineering of the USA - motor industry. Cars - the basic vehicle for one million Americans, and cargo automobile transportations take the important place in transport to country system. In manufacture of cars, their sale and commercial operation it is occupied about 20 million persons, that is every sixth working American direct or indirect is connected with motor industry. Release of cars is in the USA at high level; however this branch is extremely subjected to tactical fluctuations and recessions which directly affect both motor industry, and allied industries: metallurgical, chemical and a rubber industry, machine-tool construction etc., causing lack of capacities and unemployment. In the American market the competition from foreign cars delivered mainly by Japan and Germany grows. The successful competition of these cars was promoted by an energy crisis and sharp increase of the prices for fuel.

Motor industry - one of the most monopolised branches of mechanical engineering of the USA. The share of "the big three» -of the concerns «General motors», "Ford", and "Crysler" - is about 97 % of national manufacture of automobile and 85 % of lorries. Outside of the USA these monopolies supervise almost 25 % of world production of cars.

For motor industry placing considerable concentration of manufacture in Lake-districts - 60 % of conditionally-net production branch is typical. Only to one State of Michigan belong over 30 % of production of the motor industry which basic part is developed in Detroit and its vicinities, and also in nearby cities Flint, Lansing and Ann Arbor. So considerable concentration of motor industry in the south of Michigan is explained by the wealth of area with qualified personnel, the metallurgical, metal cutting and machine-tool constructing enterprises, a favourable geographical position in centre Lake-districts, a capacious commodity

market, and also historical traditions. However the tendency which has outlined still to 2 world war to expanding car assembly factories and to their approach to peripheral commodity markets amplifies.

The aviation industry of the country – which has grown in days of 2 world wars, with development of military rocket production and expansion of space programs to the USA has turned in essence to new branch of the industry. Aviarocket monopolies "Makdonnel-Duglas", "Boeing", «Rockwell», «Hughes aircraft», for many years take the first places in the sizes of the governmental military orders and represent a basis of a military-industrial complex of the USA. The appreciable place in the country aircraft industries occupies release of the civil aviation vehicles, including liners, easy planes, the helicopters which considerable part is exported.

Leading area this industry – is the Pacific coast with the main centres Los Angeles, Seattle, San Diego, San Jose. Over 60 % of all manufacture of aviation engines, the devices, completing knots and details it is concentrated to the Industrial East of the USA (the basic centres - Cincinnati, Indianapolis, Hartford, New York, Boston, Buffalow). In the West Phoenix, Los Angeles concern number of the large centres engine-building in the aerospace industry Sacramento.

The ship-building industry of the country undergoes the period of long stagnation. Building of the military ships both on private shipyards, and on shipyards of Naval Forces of the country has the considerable sizes only. The basic types of the floated military ships - aircraft carriers, nuclear submarines, patrol ships. The largest shipyards of the private companies at the Atlantic coast the countries are located in Newport-Njuse (state of Virginia, firm «Newport-news ship-building and dry dock») and Gronte (the State of Connecticut, the firm «General dynamics») - the leading centre of designing and building of nuclear submarines; large shipyards are available also in Boston, Baltimore, Philadelphia, New York. At coast of Gulf of Mexico (Mississipi), New Orleans and Mobile (Alabama); at the Pacific coast large shipyards are in San Francisco, Seattle, San Diego, Los Angeles.

One of the basic branches of a machine engineering industry of the USA - the general mechanical engineering - represents in essence the whole conglomerate of various branches. The American statistics includes the machine-tool constructing and tool industry, agricultural mechanical engineering, manufacture in the general mechanical engineering and hoisting-and-transport mechanisms, the process equipment for polygraphic, food, light and other industries, manufacture of turbines and internal combustion engines, the trading and municipal equipment, office equipment, the various common industrial equipment (including bearings, pumps and compressors, power transmissions, industrial furnaces etc.) . The general mechanical engineering - the most traditional branch of a machine engineering industry of the country; the general drawing of its placing throughout many decades is conservative also. On a share of industrial states of the North it is necessary about 80 % of all occupied in branch; including over 40 % Ohio and Michigan concentrates in Lake - districts, mainly in Illinois.

Most quickly growing branch of mechanical engineering of the USA - manufacture of radio-electronic equipment and a communication facility. According to the shipments of the electronic equipment the USA 3-4 times advance the basic competitors - Japan and Germany.

The share of the American firms is 40 % of all manufacture of the computers in the developed countries. Prevalence of the USA in release of the computers industrial and military-oriented is especially sufficient; at the same time in manufacture of household electronics the American companies do not maintain a competition to Japanese and other South Asian countries, in some cases even in home market.

The radio-electronic industry takes places on country territory as a whole a little in regular more intervals, than other large branches mechanical engineering. Chicago, New York, Boston concern the major centres of the radio-electronic industry of the countryThe largest enterprise for release of the computers the firm “International business machines» is located in Pockipsy (New York), the telephone and cable equipment of firm «Western the electrician» - in Chicago.

The chemical industry is along with mechanical engineering is one of leading industries of the USA. On the rates of growth the chemical industry considerably advances a manufacturing industry as a whole, conceding only to radio electronics. Manufacture of chemical production in the USA doubles for each 10-12 years. Technical progress promoted sharp increase in demand at synthetic chemicals with in advance set properties, first of all on polymeric materials (chemical fibres, plastic, synthetic pitches) which mostly are synthesised on the basis of petrochemical raw materials. Value of some technical gases (oxygen, hydrogen, nitrogen and its connections, helium), processes used for an intensification in metallurgy and chemical technology, in the form of components rocket fuel, for space research etc. has sharply amplified for last years

The South enterprises make over half of all technical chemicals developed in the country (that is the chemical semiproducts arriving for the further processing within the same branch or used in other industries, in building and on transport), 60 % of polymeric materials, over 50 % of fertilizers and pesticides etc., that is rather cheap and large-tonnage products.

The north where the overwhelming part of the population of the USA is concentrated and the enterprises of a manufacturing industry of the country, remains the basic area of manufacture and consumption of chemicals in the USA. However about 60 % made in the north of chemical production (in cost expression) make ready to the use low-tonnage and expensive chemicals: medicines, soap and washing-up liquids, perfumery-cosmetic products, dyes. The most part of specified production is consumed within area, however export expensive and low-tonnage chemicals in southern and the West defines North specialisation in a territorial division of labour in the chemical industry of the country. Inorganic in the north inorganic and organic technical chemicals do not satisfy local demand, and their considerable part is imported from southern states. The major centres of the chemical industry of area are New York, Chicago, Philadelphia, Cincinnati, Saint Louis, Indianapolis. About 20 % of all tyres it is developed in the USA in the largest centre of a rubber industry - the city of Akron (Ohio).

The nuclear industry having huge military value is closely connected with the chemical industry. In a complex of the enterprises of this branch the major place is occupied with factories on manufacture nuclear combustible (uranium 235, трития, plutonium), constructed during 2 world wars by the government of the USA, and then transferred in operation to private concerns. The centres of manufacture of split materials are Oak Ridge (Tennessee), Paducah (Kentucky), Savanna (South Carolina), Portsmouth (Ohio), Hanford (Washington).

The important place in a national economy is occupied with light industry branches among which are allocated textile both especially sewing and knitted though rates of growth of these branches are low also their relative role in industrial production decreases. In the textile industry the structure of release of fabrics after 2 world war has considerably changed - the share of the fabrics developed on the basis of artificial and synthetic fibres, and also the combined fabrics has grown, having made almost half of all production of branch. At the same time manufacture of cotton fabrics was reduced to a half , and manufacture woollen - almost in 8 times. It is necessary to underline, that manufacture of synthetic and artificial fibres is carried out at the specialised factories included by the American statistics in structure of the chemical industry, and release of fabrics on their basis is actually textile manufacture.

Placing of the textile industry of the USA from the beginning of 20 centuries has undergone considerable changes. In a current of several decades the branch has in essence moved from traditional textile area - New England - to the South Atlantic states, where a cheap labour and closeness to a cotton belt of the country. After 2 world war in this area and the next Southeast centre the largest enterprises of the USA for release of synthetic fibres have been constructed practically: kapron, nylon,dacron, fibers. To the share of southern states belongs 80 % of release of cotton fabrics and fabrics on the basis of chemical fibres. The largest centres of the South are Greensboro - Winston-Salem - High Point (Northern Carolina), Charlotte (Northern Carolina), Greenville (South Carolina), Columbus (Georgia).

In clothing industry shift on the South also is swept up. To the share of the enterprises of the South (mainly small factories which are letting out inexpensive men's wear) belongs over 40 % conditionally-net production to branch. However value of the old centres of a clothing industry in the Northeast USA, despite absolute and relative decrease in output, is still great enough. One of national legislators of a fashion Los Angeles which promotion is connected with manufacture of a female dress under Hollywood "film standards" became the considerable centre last years.

The big development has received in the USA the flavoring industry. The branch share makes 12 %. The major branches of the food-processing industry of the USA concern meat, dairy, manufacture alcoholic and soft drinks, canning and flour-grinding. In connection with a rise in prices for articles of food in the USA the big attention is given to the manufacture of various sorts of substitutes of natural products, the aromatic substances added in a foodstuff. Manufacture of the frozen foodstuff (including snack, national dishes, dessert products, creams etc.) and various canned food develops. Food-processing industry placing on country territory in a whole differs relative uniformity. Large cities, as a rule, are the leading centres of branch. However areas of concentration of the enterprises of the flour-grinding industry is in the Northwest centre and along coast of Great Lakes (the leading centres are allocated: Minneapolis - Saint Paul, Kansas City, Буффало); the meat industry - is in Chicago, Kansas City and Omaha (Nebraska); dairy and cheese-making –is in states Wisconsin and Minnesota; canning – is in California. The largest centres of manufacture of confectionery products are New York and Chicago; whisky - Louisville (Kentucky); Coca-Colas - Atlanta; beer - Saint Louis and Milwaukee. Manufacture of cigarettes basically is concentrated within Piedmont and Kentucky. The basic centres are - Greensboro - Winston-Salem - High Point and Durham in Northern Carolina, Richmond in Virginia and Louisville in Kentucky. Release of cigars from the American tobacco concentrates in the Northeast (the basic centre - Philadelphia).

3.2 The service sector

THE service sector- is the largest sector of economy of the USA. In 1997 it has given 4,43 bln. dollars, or 54 % of gross national product, and 4/5 workplaces in the country.The service sector includes set of various branches and trades. A complex of business, professional and personal services - the greatest and most diverse group - includes educational and medical services, social service, hotel business, the advertising industry, management, agencies in public relations, and also the numerous enterprises of the household services given to corporations or separate citizens: laundries, dry-cleaners, the car-care centre, etc. In 1996 all this service complex has given more than 1 bln. dollars, i.e. approximately 15 % of gross national product, and in it 45 % of all labour of sector of services have been occupied. The contribution of financial and insurance institutes and real estate agencies too has made 15 % of gross national product, however in them 8 % of workers of sphere of services are occupied only. This group includes banks, loan-and-savings associations, the credit unions and other financial organisations, commodity and stock exchanges, agencies on operations with the real estate. Other largest sector of sphere of services - the enterprises of wholesale and retail trade, it includes restaurants and bars, firms of wholesale trade, shops, and companies dealing with vehicles sale. In 1996 almost 30 % of workers of sphere of service have been occupied in trade, and to their share it was approximately 1/6 costs of all made services. Workers of public sector have made 11 % of all services occupied in the sector and have made 1/8 gross national products. At last, to a share of the enterprises of transport, communication and municipal services in 1996 belonged approximately 9 % of cost of services and approximately 6,5 % of all occupied in service sphere. Automobile, railway and air transport, telecommunication companies, radio-and TV-broadcasting corporations, and also the public service enterprises arehere.

Rates of growth of employment in sphere of services have surpassed all other branches and during the period with 1979 on 1995 have made 2,3 % a year

that has led to creation in the country of 24 million new workplaces. Rates of growth of employment as a whole on the country for the same period have made only 1,4 % a year. As a result employment has increased in sphere of services from 70 % almost to 80 % from the general number of the working. As the wages (together with privileges) make workers of sphere of services approximately 75 % of wages on manufacture, labour outflow in the industry of service from 1979 on 1995 has led to the general decrease in a payment approximately on 10 %.

3.3 Agriculture of USA

Almost 21mln. people or about 17 % of all population works in the agriculture of USA. Nearly 3 millions independent farms deliver feed products to the American consumers. The area of an average farm in the USA makes about 400 acres. In 1984 there were more than 2.3 million farms in the country. However, the very large farms -those with 1000 acres and more account for more than 40% of farm acreage.

The largest manufacturers of grains making up 2,3% of total of farms, produce about 50 % of wheat in the country. Similarly, the largest 2 % of the manufacturers of chickens - broilers own 70 % of market sales.

Number of firms producing selected products in the USA. 1980es.

Product Numbers of firms producing
this product

Wheat 446075

Corn 937704

Rice 11445

Soy-bean 511229

Tobacco 179141

Pea-nuts 23046

Dairy products 197269

Cattle 1354309

There is therefore some concentrations of agricultural production in hands of the largest manufacturers in the USA. But even largest agricultural manufacturers accept the established prices for production. For example, 2 % of the manufacturers of grain, that make up 50 % of grain production in the USA, are represented by 27000 independent firms. The new firms can also penetrate into the majority of agricultural branches with relative ease. There are special branches - exceptions. For example, there have been state regulation that have limited for many years the number of tobacco producers. However, even domestic manufacturer, who are protected against entry must compete for sales to the foreign manufacturers in the export markets.

State tax regulation plays important roll in encouraging of farm development in USA. Since 1988 the tax rates on profit in an agriculture have been established at a rate of 15 and 28% whereas earlier they ranged from 11 up to 50 % with the intermediate rates. Farms with the income up to 50000 dollars pay tax at the 15 % rate, and every next 25000 dollars at - 28% rate. Since 1989 the size of the tax-free profit has increased up to 2000, and since 1990 - up to 5000 dollars. Calculation of surtax in USA agroindustrial complex has a number of peculiarities, each of which can represent a tax privilege. The USA tax laws gives the farmers the right to subtract the costs connected with some works in agriculture and cattle breeding from the tax paid. Work on soil preservation, water resources protection, soil preparation for farming are of thus kind. The tax discount works for the incomes and losses suffered by the farmers in connection with the sale of cattle or forages. These losses are subtracted from the farmer's charges and the more favorable taxation mode is used for profit, than for income taxation. The farmers, who are engaged in cattle feeding use a tax privilege as a delay of income getting, that is all expenses are estimated per one year, and all incomes on his(its) realization the next year. Besides the farmers have the right to apply methods of accelerated amortization of agricultural machines and equipment on higher rates. It allows them to considerably reduce the sizes of the taxed income, that is to pay the taxes on the lower rates. As a result, the more machines, equipment, the farmer

gets, the less taxes he pays this year and in the following period of amortization. The farmers are given alternative to use new amortization rules to reduce the taxed income or to make allocation by equal shares for 3-45 years depending on the kind of property.

The tax rules for corporations limit the sizes of the allowed allocation from the taxed income connected with expenses for fodder, seeds and fertilizer. The farmer corporation can receive the right for discounts only after actual complete consumption of materials.

The special tax privileges are given to farmer cooperative societies. Thus, fruit growing cooperative societies? marketing, and also those purchasing farm machines are released from surtax payment.

One of major functions of tax privileges in agriculture is to stimulate scientific and technical development, accelerate realization of technical novelties, which, as a rule, require large additional capital investments. To stimulate investments of the farmer capital in technical innovations the special conditions of the taxation are provided these tax laws:

• Establishment of the tax discounts on the investments gain;

• Budget compensation for tax payments on investment gain;

• Prolongation of tax payments and capital investment gain for the period of end of investment process completion.

Farmer has the right to take advantage of one of the favorable taxation terms, if he introduce innovations, which are found in the state or regional agrarian programs. The farmers participating in the state agrarian programs, have the right to detain tax payment capital investments gain as long as the investment process is completed. The tax volume decreases by inflation, and the sum of the tax is distributed per years in regular intervals.

The state tax regulation in the USA enables the farmers of the advanced countries to change the size tax volume at the expense of use of various tax privileges and discounts. The numerous tax privileges reduce fiscal functions of taxation system in agrarian sector to a minimum level.

The main role in belongs to the agrarian legislation. The acts determine the basic forms and methods of state influence on an agriculture. In recent years the role of budget assignments for support of the prices on agricultural production and incomes of the farmers, as well for regulation of market structure of agricultural production and foodstuffs has increased. Organization of Economic Assistance to Development (OEAD) estimates that the USA farmers received 22 milliards dollars for financial support.

Specific feature of financing of USA economy, is that the means from the federal budget are primary allocated for the target programs having national importance. So, two programs work in agroindustrial complex at the federal level: "Stabilization of the Incomes" and "science and scientific service". Besides more than 10 interbranch target programs of national importance providing interests of an agriculture and farmers work at a federal level. There are soil conservation and land withdrawal program, food help to needy population, marketing and inspection, social development of rural areas. The budget means distributed according with this programs are summarized and allocated to the branch federal budget of the USA agriculture. Its basic part (more than 80 %) is supervised by the US Ministry of an agriculture through good-credit corporation (GCC) and other financial-credit bodies. The rest of 20 % of means are distributed through state and local management bodies. Of all US budget charges about 60 % is necessary for realization of farmer income stabilization program and social - charitable support of needy farmers, almost 10 % is distributed for the programs development village at the state and regional level, about 5 % — for scientific researches and scientific service, 25 % — for social and native-protective purposes. Thus, 3/4 of budget assignments allocated to US agriculture are spent for farm production regulation and 1/4 for social purposes.

This system of federal budget distribution allow to regulate farm production, through the prices, loans, credits and grants. The target program "Stabilization Of the Incomes " is subdivided into 3 large programs: " Prices and Incomes Support Crop Insurance . The Farm Credit the direct gratuitous payments from the federal

budget are very important and have great influence over the farmers. The grants are powerful economic stimulus of involving farmers in realization of the state programs of farm regulation. The farmers, who carry out the taken obligations on realization of the state agrarian programs have right to get them, as well as loans. The grants use stimulates farmers to intensify farm production in case the sowing areas are reduced permanent income even due to the system of compensatory payments from the federal budget farmers are ensured in permanent income even if the situation is not favorable.

The US agricultural policies provide minimal and steady prices for agricultural products. The price support frequently results in huge surpluses of agricultural products, which authorities are compelled to buy and to keep prices from sharp fall. Agricultural price support, alongside with other policies inducing farmers to keep their land idle have also brought contributed in the prices paid by the American consumers to subsidize the farmers.

The American government agricultural policy supporting crop prices and farmers incomes has resulted in federal costs of more than 85 billions dollars in 1981-86 years. There is a complex of price support policies used by the government to benefit agricultural firms. The simplest of the programs is a price floor similar to the one discussed above for wages. Such a program has been used for many years to bolster the incomes of dairy farmers However, the impact of this type of price floor is somewhat different from the minimum wage program discussed above. In the case of an effective minimum wage the surplus of workers seeking work are not employed. However, in the case of an effective price floor established for dairy products such as milk, the government actually purchases the surplus and in that way uses taxpayers money to help increase the income of mill: producers When the price floor is above the equilibrium price of milk consumers also foot the bill to assist dairy farmers by paying higher prices for milk. Because milk is not storable for long periods, the surplus milk is usually converted to powder, cheese, or butter before being stored. In recent years government purchases of surplus milk have amounted to about 10% of total production. During

the early 1980s the federal government spent over $2 billion annually to purchase surplus milk. To help reduce the program in 1986 the government purchased dairy herds of farmers who agreed to stay out of the milk business for 5 years The dairy cows purchased through this program were then slaughtered The price support floors for milk were also reduced in 1986. However, the new program is not expected to eliminate the surplus.

The federal government also intervenes in the market for other agricultural commodities in various ways. The method most recently used to support the incomes of grain producers has been the imposition of target prices for crops. Target prices are price floors 10 sellers However unlike the price supports discussed above for milk target prices do not directly increase the market price paid by buyers. Instead, the entire quantity supplied by farmers at the target price is dumped on the market. The resulting price depends on the demand for the commodity. Farmers are then subsidized by the government through a payment for each bushel sold equal to the difference between the target price and the price paid by buyers .

At the beginning of each crop year the US Department of Agriculture announces the target prices for various crops and the eligibility requirements to participate the target price program. For example, in 1987 the target price for wheat was $4,38 per bushel Typically, farmers are required to hold a certain percentage of the their acreage land to be eligible for the target price. In 1987 farmers had to hold idle 25% of their land to gain the right to the target price.

The government does not buy grain surplus, on the target price instead all produced graine amount is offered for sale at the market.

Consumers are clearly better under the target price program than they would be under a price floor of $4.38 per bushel. In fact, one of the justifications of the target price program in recent years has been that it does contribute to lower prices for U.S. crops, thereby increasing the ability of U.S. producers to compete with foreign competitors in international commodity markets. However, because of the

acreage restrictions that go along with the program, prices can be higher than would be the case.

Subsidizing farmers in this way therefore transfers income from taxpayers in general to farmers, but it does not necessarily result in lower commodity prices to consumers compared to those that would prevail in a free market The United States Is not the only nation that subsidizes farmers in ways that increase quantities supplied. Other nations have their own subsidy programs that tend to raise prices received by their farmers above the equilibrium level. The result of these programs has in recent years has been a glut of grain on international markets, sharply reducing prices. Farmers in nations without subsidy programs have suffered. For example, in Canada where farm subsidies are below those in other nations, many farmers have been forced out of business.

There are also other examples. The policy of encouragement of the domestic manufacturers of sugar in the advanced countries damages to a number of the developing countries, whose climate is best suited for sugar production. The surplus of sugar in the advanced countries because of price thresholds on surpluses causes the sugar exports from these countries. And it means, that the developing countries should compete with them at the world markets. Thus policy of support of sugar manufacturers in the advanced countries results in decrease of the producers incomes in the less advanced countries. The same situation develops with other branches of agroindustrial manufacture. The support of the prices on rice in the USA damages to the rice producers in Thailand. The creation of favorable conditions for the manufacturers of cotton in USA results in decrease of the incomes in Egypt and Mexico.

The experience of state regulation of agroindustrial manufacture in market economy of USA shows, that the state is an effective mechanism of modern economy. The activity of the state depends on the development of the market, its infrastructure, degree of involving of national economy in the international relations. An effective utilization in USA of such tools as: the competition, tax system, budget and credit system, frequently even to the detriment of other

countries - promotes development of market economy in the country, induces development of domestic branches of the national economy and at the end increases competitiveness of production of domestic manufacture in the world market.

CONCLUSION

The American economy is described as a free enterprise system, which allows private business the freedom to operate for profit with minimum government regulation. The theoretical foundation of the American economic system was provided by Adam Smith whose economic ideas of so called "laissez-faireï" or free competition influenced the development of capitalism. From his standpoint the more people manufacture and trade the greater the competition. Competition benefits society by allowing the consumer to search for the best available product at the lowest price. Thus market forces, which Smith termed the invisible hands, control the allocation of goods while each participant in the market is seeking for his own self-interest. Throughout the nineteen century market operated with a minimum government regulations. Since the 1930-s American capitalism has undergone a radical change. Although private enterprises flourishes, government regulation now exists in many areas of business ranging from product safety to labor conditions. Political conservatives complain of too much government regulation while the liberals are out for the enhance of government role in business and economy. The country’s reliance on private initiative and enterprise has produced imdivssive growth. It is the most affluent nation in the world.60% of all families and individuals are in the middle-income or high-income rank.

It is common knowledge that the USA is the leading economic power. This fact can be confirmed. The status of the dollar as the world’s chief international currency. The dollar until recently(until the time of emission of the EURO) is used for most international trading. But the divsent times dollar shares with the EURO its status of the international currency which points to the declining of the US economic power. However high volatility of the American dollar continue to create instability on the world-wide trade markets. The balance of trade. As I said before The USA has experienced massive trade deficit. This trade imbalance has promoted growth in the rest of the world; other countries were able to sell more of

their products to the United States, and these sales have provided them with export benefits. While the U. S. trade deficit has benefited foreign economies, it has created severe distress for the American economy.

As a leading producer and exporter of technology the USA contributes to the worldwide economic growth. It exports more machinery and invests more money in technological research than any other country. Foreign investment. American businesses and industries operate all over the world. American investment boosts of other economies by providing them employment, technology and new products.

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