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Income (loss) before income taxes from continuing operations consists of the following:

	Year Ended December 31		
	2003	2002	2001
U.S. operations	**$(204)**	$(242)	$(359)
Non-U.S. operations	**285**	128	11
	$ 81	$(114)	$(348)

Deferred tax benefits (liabilities) consist of the following:

	December 31		
	2003	2002	2001
Postretirement benefits other than pensions	**$ 351**	$ 339	$ 339
Pension accruals	**124**	189	33
Postemployment benefits	**36**	36	32
Other employee benefits	**37**	29	20
Capital loss carryforward	**456**	368	
Net operating loss carryforwards	**267**	220	234
Foreign tax credits recoverable	**94**	80	79
Other tax credits recoverable	**11**		27
Inventory reserves	**29**	63	77
Expense accruals	**188**	267	252
Goodwill	**76**	109	23
Research and development costs	**86**	41	
Other	**91**	105	62
	1,846	1,846	1,178
Valuation allowances	**(609)**	(538)	(128)
Deferred tax benefits	**1,237**	1,308	1,050
Leasing activities	**(577)**	(621)	(678)
Depreciation — non-leasing	**(177)**	(214)	(233)
Other			(24)
Deferred tax liabilities	**(754)**	(835)	(935)
Net deferred tax benefits	**$ 483**	$ 473	$ 115

Worldwide, we have net operating loss carryforwards of approximately $720 with remaining lives ranging from one year to an indefinite period. Net benefits recognized for net operating loss carryforwards generally relate to Brazil, Germany and the United States where the losses are carried forward 20 years or indefinitely.

We have a capital loss carryforward of approximately $1,302 that expires in 2007. The capital loss