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Note: Comments and queries on the contents of this publication are welcomed. They may be directed to [redacted]

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Publication of Interest

Comparative Indicators

ECONOMIC INTELLIGENCE WEEKLY

Notes

Soviet Plans for a Third-Generation Computer Slip

The USSR is counting on its RYAD-series third-generation computer to satisfy growing domestic demand for large data-processing machines. The RYAD is a copy of the IBM 360 series. The RYAD production program, however, is now three years behind schedule, and only prototypes have been manufactured so far. Sizable numbers are not likely to be produced until the late 1970s. Meanwhile, Moscow is talking with IBM and other Western firms about assistance and is extending the production runs on its old, second-generation (transistorized) computers, which were to have been phased out of production in 1971-75. [redacted] 25X1

Japan May Have Misjudged Soybean Problem

Japanese officials may have overstated the impact of the US cutback in soybean exports. According to official Japanese projections, soybean stocks would be exhausted by mid- to late October at the normal rate of consumption. Japanese soybean wholesalers, however, estimate end-of-October stocks at 120,000 - 160,000 tons, or 12-16 days' supply. If the wholesalers are correct, the Japanese probably would not run short before shipments from the new US crop could begin arriving in quantity. [redacted] 25X1

Indian Grain Purchases Still Stalled

Agricultural Minister Shinde has reported that new grain purchases are under way – apparently for 4 million metric tons – mainly in the United States, Canada, and Argentina. Since mid-June, however, India has purchased only some 300,000 tons in the United States. [redacted] 25X1 Meanwhile, revival of the monsoon rains in early July, after a two-week dry spell, permitted farmers to resume planting. In any case, food supplies will become increasingly tight prior to the major grain harvest that begins in October. [redacted] 25X1

Bleak Outlook for Thailand's Rice Exports

Thai agricultural experts project only about 300,000 tons of rice available for export over the balance of the year, compared with 1 million tons actually exported in the same period last year. Thailand has already committed itself to supply 10,000 tons to meet Cambodia's emergency needs with a possible 25,000 tons later this year. There is still a chance that more rice will be made available later in the year if Bangkok forecasts a good fall crop. [redacted] 25X1

Buyers' Resistance to Higher Chinese Textile Prices

Large price boosts apparently left China with substantial amounts of unsold textiles at the close of the spring Canton trade fair. Japan, the primary purchaser of Chinese textiles, curtailed silk purchases, and US and West European importers bought smaller quantities than they had planned. Many merchants from Hong Kong – China's second largest customer, with annual purchases of $50 million – delayed signing contracts in the hope prices would be reduced. [redacted] 25X1

US-USSR Seek Japanese Role in Yakutsk

Japanese business interests probably will obtain a role in developing the Yakutsk natural gas deposits in Siberia. US firms, which have already signed a preliminary agreement with the Soviets, want Japanese participation, and Occidental president Hammer will soon visit Tokyo to discuss the matter. The USSR is also courting the Japanese; bilateral discussions involving prices, pipeline routes, and credits are under way in Tokyo. Although the Soviets consider Japanese technical and financial involvement in the project useful, US technical know-how is much more essential. [redacted] 25X1

[redacted] 25X1

India's Nuclear Program Loses Canadian Support

Because of India's refusal to sign the international Non-Proliferation Treaty, Canada has withdrawn support from the Indian nuclear power program. As a result, India's nuclear power program, which is planned to increase from the present 580 megawatts to 2,700 megawatts by 1984, may be set back for some years. To meet the delayed schedule, India will have to develop and build its own equipment and purchase equipment from countries, such as France, that are willing to sell without safeguards. [redacted] 25X1

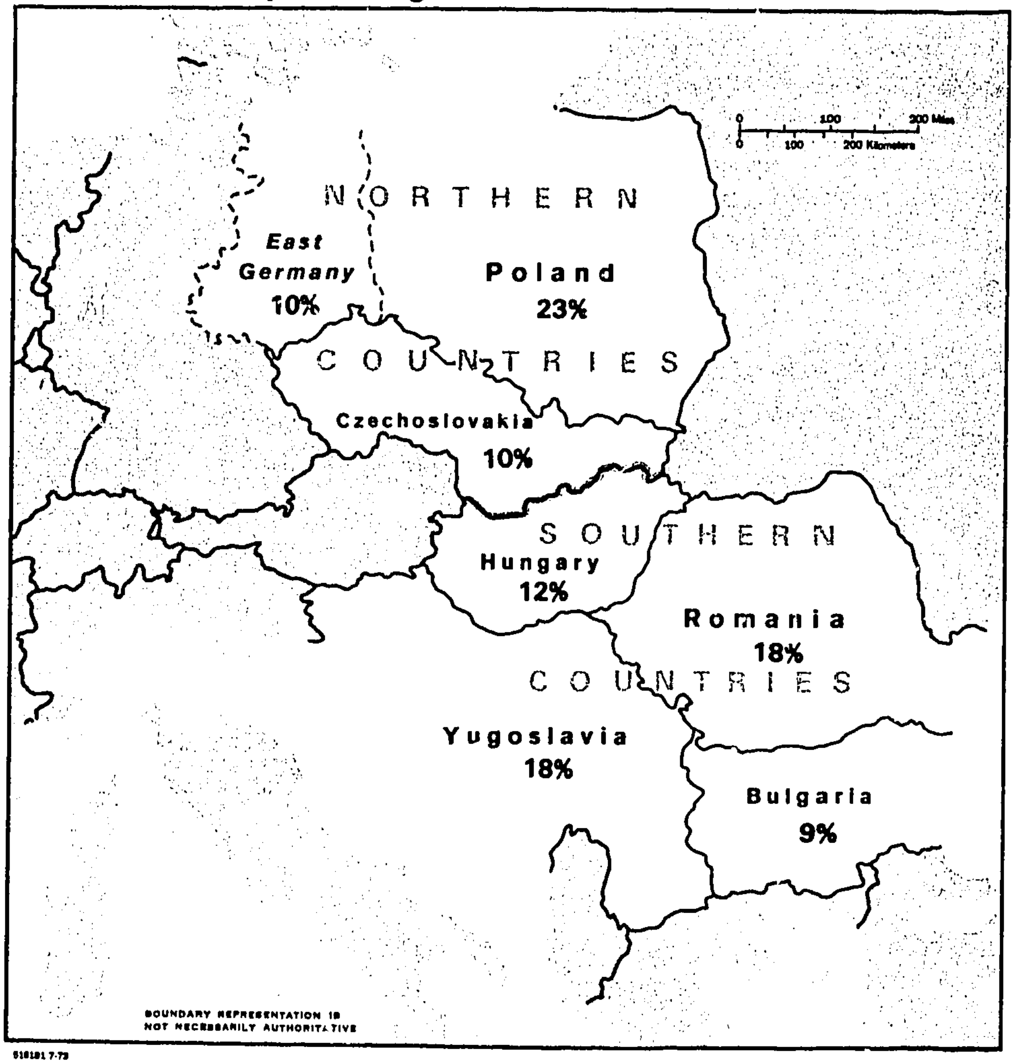
East European Foreign Debt Continues to Rise

Eastern Europe's hard currency indebtedness rose about 25% in 1972 and totaled nearly $5 billion by year's end. The outlook is for more of the same. Nevertheless, with the possible exception of Romania and Bulgaria, none of the East European countries is currently experiencing serious debt servicing problems. The United States is picking up a larger share of the debt, reflecting the extension of Export-Import (ExIm) Bank facilities to Poland and Romania and increased agricultural sales to Eastern Europe. [redacted] 25X1

Japan Expands US Timber Operations

A major Japanese trading firm probably will purchase a 300,000 acre tract of North Carolina timberland for $30 million. The Japanese already have invested heavily in Alaskan timber resources and have a major interest in the state's largest sawmill. The Japanese also have interests in wood pulp operations in Idaho. The latest move to expand their US operations is designed to assure an adequate supply of US softwood logs, which account for almost one-half of Japan's softwood supplies. [redacted] 25X1

Percentage Distribution of Total Grain Production in Eastern Europe During 1966–70 . . . . .



Articles

Outlook for Soviet and East European Grain Crop

USSR

The Soviet grain crop could reach a record 157 million tons this year if favorable weather prevails through the growing and harvesting season, especially in the important New Lands area. The previous record of 150 million tons was set in 1970, but last year, only 134 million tons were harvested. Even with a record harvest, however, the Soviets will need to import about 15 million tons of grain during FY 1974; 9 million tons have already been purchased, including 7 million tons from the United States.

A record sowing of spring grains more than offset the shortfall in planting winter grains and raised the total sown area to its highest level since 1965. So far, both winter and spring grains have been developing well. Moisture conditions at the end of June for winter grains – currently being harvested – were better than normal and far better than last year. Timely rainfall and improved organization have given the spring grains a reasonable start. Spring grains, however, are now in a critical stage, requiring adequate rainfall and cool temperatures.

Eastern Europe (Including Yugoslavia)

June rains have improved prospects for Eastern Europe's grain harvest this year. The harvest will reach about 83 million tons if average growing and harvesting conditions prevail this summer – slightly less than last year's record crop and a 17% increase over the average 1966-70 harvest.

Eastern Europe would still need to import between 8 million and 9 million tons of grain in FY 1974. Questionable prospects for output of the important non-grain feed crops in the northern countries could mean higher import requirements for grain. Because the Soviet grain crop will fall short of domestic requirements, Eastern Europe will have to depend on Western suppliers for most of its import needs. 25X1

Soviet Hard Currency Trade Deficit

A record hard currency deficit of $1.4 billion in 1972 and the even larger deficit expected for 1973 have already led the USSR to sell more gold than at any time since 1965, and large gold sales are likely to continue.

Spurred by imports of Western grain and equipment, Soviet hard currency imports increased by 41% in 1972 to a record level of almost $4.2 billion. The USSR imported roughly $700 million in grain from the West, about $500 million more than in 1971. Machinery and equipment imports from the West rose by more than $300 million to an all-time high of nearly $1.4 billion. In contrast, exports increased by only 6% to roughly $2.8 billion. Exports of oil, the USSR's chief hard currency earner, increased by less than 2% to $580 million.

The Soviet hard currency deficit in 1973 probably will be higher than in 1972. Imports of grain may exceed $1 billion, and equipment imports will be higher than the record 1972 level. Meanwhile, exports are not expected to grow any faster than in 1972: oil deliveries to hard currency countries, for example, will increase little, if at all, and exports of other major commodities such as lumber probably will not increase substantially.

To help finance the 1972 hard-currency deficit, the USSR sold significant quantities of gold for the first time since 1965. Gold sales in 1972 exceeded 150 tons and earned the USSR roughly $300 million. Thus far in 1973, the USSR may have sold as much as 150 tons which would have earned them about $400 million. With prospects for an even larger deficit in 1973, the USSR probably will continue to sell gold throughout the year. Gold sales have become more attractive relative to borrowing because of the rise in the price of gold on the free market and because the cost of borrowing on the international money markets has increased by roughly 50% over the last six months. Additional gold sales at the same rate and at about the same average price (about $85 per ounce) as reported in the first half of the year could boost earnings from this source to as much as $800 million in 1973. Sales at current market prices ($120 per ounce) would earn the USSR close to $1 billion. 25X1

Tin Market Developments and the US Government Stockpile

The bankruptcy and threatened closing of the UK's Williams Harvey tin smelter may provide the US Government an opportunity to increase its stockpile sales with minimal disruption to the world tin market. This smelter, which has been processing about half of Bolivia's tin ore, produced some 17,000 tons in 1972 (worth nearly $85 million in current prices), or 9% of world tin consumption. Tin prices in recent weeks have exceeded all previous records, in part because of uncertainty about the smelter's future.

Bolivia, the world's second largest tin producer after Malaysia, would find it difficult to shift to alternative smelters because of technical problems involved in processing its dirty ore. [redacted] 25X1 Although Brazil and Mexico have agreed to accept small amounts of Bolivian ore on an experimental basis, large contracts with potential new processors are not likely soon.

On the grounds that the world tin market already was weakened by the availability of cheaper substitutes, both Bolivia and the International Tin Council strongly protested the US Government decision last March to sell off its surplus commodity stockpiles. In response to these pressures, Washington reduced its planned tin releases in 1973 to only 6,600 tons, even though Congress had authorized sales totaling 18,222 tons.

With the closing of the smelter, however, world supply from current production would be reduced by up to 17,000 tons annually. This reduction would provide an effective argument for increasing US stockpile sales by an amount equivalent to the shortfall in production. Bolivia and Malaysia can be expected to continue lobbying against further US stockpile releases despite a nearly 40% rise in tin prices this year. [redacted]

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Iran: Selected Economic Indicators

	1964/65	1972/73	Average Annual Rate of Growth 1972/73 Over 1964/65
GNP (Billion US $)	6.9 [1]	16.7 [1]	12%
Population (Millions)	24.6	31.2	3%
GNP per capita (US $)	280 [1]	535 [1]	8%
Agricultural output (Billion US $)	2.2 [1]	3.0 [1]	4%
Petroleum sector output (Billion US $)	1.7 [1]	4.6 [1]	13%
Manufacturing and mining output, non-oil (Billion US $)	1.0 [1]	3.5 [1]	17%
Oil production (Thousand barrels per day)	1,695	5,000	14%
Government oil revenues (Million US $)	556	2,700	22%
Defense expenditures (Million US $)	278	1,460	23%
Defense share of budget	17%	21%	
Imports (Million US $)	742	2,940	19%
US share	17%	21%	

1. Constant 1972/73 prices. The Iranian year ends on 20 March.

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Iran: The Shah's Economic Interests

The Shah will use his Washington visit in late July to impress his hosts with Iran's economic progress. As head of the Middle East's largest and fastest growing economy – GNP has doubled in the past eight years – the Shah is looking for additional US capital, know-how, and arms.

The Shah aims to double Iran's GNP again in the next five years, largely on the basis of oil revenues and foreign loans. Oil revenues will average about $5 billion annually over the next five years, compared with less than $3 billion last year. Proceeds from foreign loans will average another $2 billion annually.

Because the Shah believes a strong military force is needed to defend Iran's borders and its oil lifeline through the Persian Gulf, annual costs of defense have risen from about $280 million to almost $1.5 billion during the past eight years. In addition to the budgeted expenditures, Iran annually buys $200 million or $300 million worth of arms on credit. Most of the advanced weapons come from the United States, which currently has about $2.6 billion in orders for aircraft, radar, naval vessels, and other equipment. The USSR supplies lesser amounts of military equipment, essentially non-sophisticated weaponry such as trucks and armored personnel carriers.

If the United States is to retain its present 21% share of Iran's imports, now running at $3 billion annually, US firms will have to participate with Iranian firms in the establishment of industries that not only supply local markets but also promote Iran's exports. Foreign firms are already active in such arrangements. For example, a Japanese firm recently agreed to set up a tire plant jointly with the Iranians and to market 25% of the output in Japan.

The Shah is requesting Japanese and West German firms that are interested in the government's supply of petroleum products to assist in establishing more refineries. The Shah also is interested in investing in foreign refineries. Iran, for example, is in the final stage of negotiating with US firms for equity participation in existing US refineries. The United States has joined with Iranian and Japanese firms to form Iran's first liquefied natural gas plant, which is expected to enter production in the near future. Additional projects undoubtedly will be pushed by the Shah during his visit. Iran now ships natural gas by pipeline to the USSR in repayment for Soviet military and economic credits. 25X1

Monetary Turmoil Threatens European Snake

The continuing foreign exchange turmoil could spell the demise of the European snake (the EC system of a joint float), causing difficulties for many of the EC's programs beyond the obvious blow to progress toward economic and monetary union.

- The Common Agricultural Policy would come under strong pressure for revision in the wake of likely significant shifts in intra-EC exchange rates.

- The proposed EC regional aid program would be postponed because Paris insists on fixed parities as its prerequisite.

- Movement toward intra-EC industrial integration would be further hampered by uncertainty arising from floating currency rates.

To this point, the snake has been maintained because both Paris and Bonn, each for its own reasons, have desired to maintain unity in the EC. The original hope had been that fixing parities within narrow margins would create the internal pressures in member countries necessary to bring about substantial economic cooperation. But the inability to formulate a strong, Community-wide anti-inflation program demonstrates the naivete of that hope. Now that divergent economic and political realities in the member countries threaten the vestiges of EC monetary unity, the EC will be forced to review many of the ambitious programs which were to become a reality in the next two years. Furthermore, the path toward economic and monetary union will have to be changed to make a greater measure of economic integration a prerequisite for fixing parities and pooling reserves.

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International Monetary Developments

After falling to record lows on international money markets last Friday following the appreciation of the German mark, the dollar strengthened this week against the major European currencies. It also recovered against the Japanese yen, which had risen to its highest level ever on Monday. The major impetus to the rally, which propelled the dollar's value upward an average of 6% relative to the European joint float currencies and the Japanese yen, was a flurry of rumors that the United States was about to intervene in the exchange markets.

Bundesbank president Karl Klasen added to this sentiment on Tuesday when he announced that the Americans were prepared to act and wanted to see the dollar supported. [redacted] 25X1

Intervention alone is unlikely to lead to a sustained dollar recovery through 1973, although the longer term outlook for the dollar is somewhat more favorable. The near-term burdens on the dollar – inflation, the psychological impact of continuing domestic political uncertainty, and the potential damage to the US balance of payments by agricultural export controls – clearly far outweigh in traders' minds the longer term prospects for balance-of-payments improvement resulting from the already substantial dollar devaluation.

International money managers, representing the large multinational firms and commercial banks and some less developed countries, including the oil producers, believe that in the short term other currencies, particularly the German mark, are more likely to appreciate than the dollar. To the extent the money managers act on their belief, it is a self-fulfilling prophesy. The German mark is the currency favored by traders because of its remarkable performance in the last few years. [redacted] 25X1

African Drought: Status of the Relief Efforts

For the next several months, survival of several million people in drought-stricken areas of sub-Saharan Africa will depend on the delivery of food to distribution centers before roads are made impassable by seasonal rains, which have begun in some areas. Some 425,000 tons of grains have been delivered or are en route – about one-third from the United States.

By assigning the grains top priority for rail and truck transport, the emergency needs of the hardest hit nations – Chad, Mali, Mauritania, Niger, Senegal, and Upper Volta – have been met. Aircraft from half a dozen countries, including three US Air Force C-130s, have been aiding internal relief shipments to the most isolated areas.

Even if the weather improves markedly, the new crop will be poor. The gathering of people at designated centers, while aiding food distribution, has meant that many farms are abandoned or undermanned during the current planting season. In some instances, seed grains have been eaten and not replaced.

In the worst drought areas, nomadic tribesmen are totally destitute because their livestock have died. These losses will be felt in the more populous coastal areas from Guinea to Cameroon, which normally depend on the drought-stricken area for much of their meat. Several years may pass before traditional livestock commerce is restored. In the meantime, nomads are being assigned to state-sponsored agricultural settlements while their herds are being rebuilt. (UNCLASSIFIED)

Publication of Interest

Iraq: Oil Gives Wider Economic Options
(CIA ER IM 73-50, July 1973, [redacted] 25X1

Despite continuing internal political turmoil, Iraq's economy appears to be heading into a period of growth, led by increased oil output. By mid-1973, Iraq had overcome many of the difficulties caused by oil nationalization. Oil production had reached 2 million barrels per day, the highest ever, and probably will continue to increase throughout the decade. Although more attention is now being paid to agriculture – the other important economic sector – progress remains slow. In the trade sector, increased oil revenues will yield ample trade surpluses and provide the government with wider options in foreign economic relations. Iraq's heavy dependence on Communist countries for economic assistance probably will be diluted by expanding commercial ties with Western countries, particularly

1 [redacted]

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DOMESTIC ECONOMIC INDICATORS

GNP*

(Constant Market Prices)

	Latest Period (Quarter)	Percent Change from Previous Period	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier (Previous Quarter)
United States	73 I	1.9	5.3	7.9	7.9
Japan	73 I	3.6	9.4	16.0	15.2
West Germany	73 I	5.4	4.7	5.8	23.6
France	72 IV	1.8	5.3	4.3	7.4
United Kingdom	73 I	1.5	3.2	7.1	6.2
Italy	72 IV	1.6	3.1	2.7	6.6
Canada	73 I	2.9	6.3	8.0	12.1

WHOLESALE PRICES

(Industrial)

	Latest Period	Percent Change from Previous Period	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier
United States	Jun 73	1.0	5.0	7.7	14.8
Japan	May 73	0.9	3.8	12.3	14.1
West Germany	May 73	0.6	4.7	6.4	7.1
France	Apr 73	0.8	6.2	12.0	20.2
United Kingdom	Jun 73	1.0	6.7	6.2	3.7
Italy	Apr 73	1.1	6.4	12.1	18.7
Canada	Mar 73	2.3	6.6	12.3	27.3

INDUSTRIAL PRODUCTION*

	Latest Period	Percent Change from Previous Period	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier
United States	May 73	0.7	5.6	9.7	10.4
Japan	May 73	[illegible]	9.4	19.4	23.3
West Germany	Apr 73	0	4.1	7.9	2.3
France	Apr 73	-2.6	6.6	7.9	-6.0
United Kingdom	Apr 73	-0.8	4.7	9.8	12.8
Italy	Feb 73	-3.0	-0.8	-1.0	-21.2
Canada	Mar 73	0.4	6.8	9.8	13.4

CONSUMER PRICES

	Latest Period	Percent Change from Previous Period	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier
United States	May 73	0.6	4.4	5.5	9.3
Japan	Apr 73	1.9	7.0	9.4	23.5
West Germany	Jun 73	0.7	6.2	7.9	8.5
France	May 73	0.9	6.0	7.2	8.9
United Kingdom	May 73	0.7	8.7	9.5	13.6
Italy	May 73	1.5	7.1	11.0	15.5
Canada	Jun 73	0.9	5.0	8.1	11.4

RETAIL SALES*

(Current Prices)

	Latest Period	Percent Change from Previous Period	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier
United States	May 73	1.5	11.6	11.8	14.7
Japan	Mar 73	3.9	12.8	24.8	45.0
West Germany	Mar 73	-5.7	9.1	5.9	14.2
France	Mar 73	4.1	6.3	7.0	6.7
United Kingdom	Mar 73	3.0	12.9	19.8	26.8
Italy	Jan 73	-8.3	8.1	1.9	3.3
Canada	Apr 73	2.5	12.1	14.6	30.6

MONEY SUPPLY*

	Latest Period	Percent Change from Previous Period	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier
United States	Jun 73	1.2	7.9	7.4	10.3
Japan	Mar 73	2.9	18.9	27.5	29.9
West Germany	Apr 73	-0.6	12.2	9.5	6.9
France	Mar 73	0.8	12.5	9.9	-3.4
United Kingdom	Apr 73	2.2	12.2	13.1	19.1
Italy	Dec 72	7.0	22.5	24.5	52.3
Canada	May 73	1.0	15.1	11.6	11.1

MONEY-MARKET RATES

	Representative Rates	Percent Rate of Interest: Latest		12 Months Earlier	3 Months Earlier	1 Month Earlier
United States	Prime finance paper	Jul 6	7.63	4.63	6.75	7.25
Japan	Call money	Jun 30	6.75	4.75	5.50	6.00
West Germany	Interbank loans (3 months)	Jul 6	14.25	4.50	N.A.	12.63
France	Call money	Jul 6	9.00	3.75	7.25	7.63
United Kingdom	Local authority deposits	Jun 22	7.22	3.79	7.38	7.52
Canada	Finance paper	Jul 6	7.25	5.25	5.75	6.63
Euro-Dollars	Three-month deposits	Jul 6	9.81	5.25	7.88	8.69

*Seasonally Adjusted

12 July 1973

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EXTERNAL ECONOMIC INDICATORS

EXPORT PRICES
(US $)

	Latest Period	Percent Change from Previous Period	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier
United States	May 73	3.1	6.4	13.7	18.9
Japan	May 73	1.5	12.1	20.7	63.8
West Germany	Apr 73	0.9	11.0	13.0	64.4
France	Dec 72	4.9	8.4	7.1	16.0
United Kingdom	Apr 73	1.8	9.9	4.2	40.4
Italy	Feb 73	3.8	8.2	8.9	26.9
Canada	Mar 73	1.8	5.3	9.4	19.5

EXPORT PRICES
(National Currency)

	Latest Period	Percent Change from Previous Period	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier
United States	May 73	3.1	6.4	13.7	18.9
Japan	May 73	1.3	0.9	4.8	13.5
West Germany	Apr 73	0.7	1.3	1.3	4.2
France	Dec 72	4.7	4.3	0.5	18.6
United Kingdom	Apr 73	1.8	8.5	9.6	15.4
Italy	Feb 73	2.7	4.8	6.6	19.8
Canada	Mar 73	1.8	3.6	9.3	20.4

IMPORT PRICES
(National Currency)

	Latest Period	Percent Change from Previous Period	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier
United States	May 73	1.2	10.0	17.4	43.1
Japan	May 73	2.5	2.8	14.3	13.2
West Germany	Apr 73	1.3	0.3	7.2	5.3
France	Dec 72	8.1	4.7	0.2	17.2
United Kingdom	Apr 73	2.4	10.2	22.9	36.9
Italy	Feb 73	3.5	6.5	9.3	23.2
Canada	Mar 73	3.4	4.1	6.2	18.4

OFFICIAL RESERVES

	Latest Period End of	Billion US $	June 1970	1 Year Earlier	3 Months Earlier
United States	May 73	14.0	16.3	13.3	14.0
Japan	Jun 73	15.2	4.1	15.8	18.1
West Germany	May 73	32.2	8.8	19.9	29.5
France	Jun 73	12.3	4.4	9.4	11.2
United Kingdom	Jun 73	7.0	2.8	8.9	6.0
Italy	Apr 73	6.4	4.7	4.3	5.8
Canada	Jun 73	5.9	4.3	6.2	6.0

EXPORTS*
(f.o.b.)

	Latest Period	Million US $	Cumulative (Million US $)	1973	1972
United States	May 73	5,603	Jan-May	26,511	19,015
Japan	May 73	2,861	Jan-May	13,773	11,011
West Germany	May 73	5,740	Jan-May	24,827	18,721
France	May 73	3,202	Jan-May	13,848	10,408
United Kingdom	May 73	2,303	Jan-May	11,125	9,675
Italy	Apr 73	1,491	Jan-Apr	5,776	5,909
Canada	Apr 73	1,983	Jan-Apr	7,760	6,260

IMPORTS*
(f.o.b.)

	Latest Period	Million US $	Cumulative (Million US $)	1973	1972
United States	May 73	5,761	Jan-May	27,306	20,647
Japan	May 73	2,593	Jan-May	11,033	7,369
West Germany	May 73	4,362	Jan-May	19,370	15,246
France	May 73	3,215	Jan-May	13,328	10,153
United Kingdom	May 73	2,832	Jan-May	12,651	10,226
Italy	Apr 73	1,700	Jan-Apr	6,390	5,322
Canada	Apr 73	1,747	Jan-Apr	7,219	5,988

TRADE BALANCE*
(f.o.b./f.o.b.)

	Latest Period	Million US $	Cumulative (Million US $)	1973	1972
United States	May 73	-158	Jan-May	-795	-1,632
Japan	May 73	268	Jan-May	2,740	3,642
West Germany	May 73	1,378	Jan-May	5,457	3,475
France	May 73	-13	Jan-May	520	255
United Kingdom	May 73	-529	Jan-May	-1,526	-551
Italy	Apr 73	-209	Jan-Apr	-614	587
Canada	Apr 73	236	Jan-Apr	541	292

EXCHANGE RATES (Spot Rate)
As of 6 Jul 73

	US $ Per Unit	Percent Change from Dec 66	18 Dec 71	19 Mar 73	29 Jun 73
Japan (Yen)	0.0038	38.38	17.59	0.39	1.30
West Germany (Deutsche Mark)	0.4444	76.77	43.22	25.50	7.76
France (Franc)	0.2588	28.18	31.44	17.42	7.16
United Kingdom (Pound Sterling)	2.5550	-8.44	-1.94	3.82	-0.97
Italy (Lira)	0.0017	8.06	0.58	-2.26	0.87
Canada (Dollar)	1.0010	8.52	0.32	0.33	-0.07

TRADE-WEIGHTED EXCHANGE RATES
As of 6 Jul 73

	Percent Change from Dec 66	18 Dec 71	19 Mar 73	29 Jun 73
United States	-22.00	-12.30	-5.44	-1.85
Japan	23.49	9.46	-2.62	0.36
West Germany	35.23	17.98	12.86	3.90
France	-6.52	6.66	4.19	2.81
United Kingdom	-33.85	-19.58	-5.11	-3.96
Italy	-24.94	-23.63	-16.67	-4.03
Canada	3.51	-3.00	-1.33	-0.54

*Seasonally Adjusted

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