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# Economic Intelligence Weekly

State Dept. review  
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**Comparative Indicators**

Recent Data Concerning Domestic and External  
Economic Activity Inside Back Cover

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

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**SECRET****ECONOMIC INTELLIGENCE WEEKLY****Notes****The Gold Market**

The price of gold dropped below \$100 an ounce this week for only the second time since May. Speculative demand for the metal appears to have subsided, partly because there was no indication at the Nairobi meetings of an imminent increase in the official gold price. The dollar's stability and high interest rates also have dimmed gold's luster. Meanwhile, gold suppliers continued their relatively heavy sales. Two weeks ago, South Africa, the world's largest producer, sold gold from reserves as well as new output to pay for increased imports. The Soviet Union, the world's second largest producer, also is believed to be continuing its weekly sales. Soviet sales through June totaled about 200 tons, compared with 158 tons in all of 1972. [REDACTED]

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**US-Soviet Trade**

US exports to the USSR may reach a record \$1.4 billion in 1973, if present trends hold. US imports from the USSR probably will amount to less than \$200 million in 1973, giving the United States a trade surplus of approximately \$1.2 billion. About two-thirds of US exports so far this year consist of agricultural products and much of the remainder is machinery and equipment. US imports include platinum-group metals, diamonds, and chrome ore. [REDACTED]

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**Natural Gas Pipeline from the USSR  
to West Germany Completed**

The USSR has completed a natural gas pipeline to West Germany on schedule. Trade agreements in 1970 and 1972 provided for delivery of almost \$1 billion worth of large-diameter German pipe for construction of the line in exchange for 700 million cubic feet per day of Soviet gas during a 20-year period. During the next few years, Ukrainian and Central Asian gasfields will supply the gas instead of the West Siberian deposits specified in the original accords. Initially, Ukrainian gas may have to be the sole source until two major domestic pipelines from Central Asia to the Ukraine are built. [REDACTED]

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**SECRET****Algerian Oil Demands**

The Algerian oil company, Sonatrach, has proposed an increase in price to \$5 a barrel and seeks retroactive compensation for losses incurred in dollar devaluation. At the same time, it says that it will reduce 1974-75 supply commitments to all customers by 25% because earlier production forecasts will not be achieved. To help correct its lack of technical and managerial expertise and to bolster its lagging exploration activity, Sonatrach intends to induce customers' participation in exploration. The buyer will have to join Sonatrach in a 49%-51% joint exploration venture or pay an additional charge per barrel on all crude oil lifted. [REDACTED]

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**Iran: Natural Gas Products for the United States**

The United States will receive large quantities of natural gas products under a long-term agreement signed on 27 September 1973 between Transco Energy Company of Houston, Texas, and the Shah's National Iranian Gas Company. The agreement calls for joint ownership of a facility to be built on Iran's Kharg Island in the Persian Gulf. Some 750 million cubic feet of gas per day will be converted into methanol and related products for shipment to the United States. Deliveries are planned to get under way in 1976 and to have a total value of some \$2 billion over the 22 years of the contract. This deal, together with existing US arrangements with Indonesia and Algeria, will satisfy about 30% of projected US annual import demands for natural gas by 1980. [REDACTED]

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**Communist Withdrawal of Aid to Chile**

Chile has approached the United States to replace scheduled food shipments from Communist countries, valued at \$20 million. In addition, the suspension of Chilean-Soviet relations might affect the \$100 million to \$120 million of short-term revolving credits extended by Soviet banks. Cancellation of these credits would seriously reduce Santiago's ability to import basic foods. In the short run, Chile will not suffer from the loss of development aid from six of its eight major Communist donors since little of the \$300 million of credits has been drawn and no major projects are under construction. The two donors with the highest delivery rates, China and Romania, have not broken with the junta; \$40 million to \$50 million remains in the pipeline from these sources. [REDACTED]

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**SECRET****Articles****Worldwide Grain Developments*****India-USSR***

After refusing New Delhi's earlier requests, the Soviets have agreed to lend India 2 million tons of foodgrains, with deliveries to begin immediately. [redacted]

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[redacted] It is doubtful that much Soviet grain could be delivered before the major Indian harvest begins in late October. Nevertheless, these shipments, along with the prospects for an excellent fall harvest, should encourage sales of hoarded stocks and ease the current shortages. [redacted]

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***South Vietnam***

South Vietnam's rice supply position is worsening. Deliveries from the Delta are apparently again at their normal seasonal lows, and prices in Saigon are soaring. More important, difficulties in obtaining PL-480 rice probably will delay imports until the year's end - two or three weeks after government stocks will run out, according to predictions now being made privately by Saigon officials. A black market for rice has sprung up in Saigon for the first time in many years. On 22 September, the government responded to the situation by issuing ration books to Saigon consumers.

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***Sub-Saharan Africa***

Summer rains have improved crop prospects in the drought-stricken Sahel area. The grain crops now being harvested, primarily millet and sorghum, are described as good in Senegal, poor but better than last year in Chad, normal in Niger, promising in Mali and northern Nigeria, and favorable in Upper Volta. Reports have not been received from Mauritania, among the hardest hit of the Sahelian states. Even if larger than last year, the area's grain output probably will fall well short of requirements. Imports will continue to be needed to feed nomads deprived of their livestock, to rebuild stocks exhausted by emergency distributions, and to replenish seed supplies depleted by successive plantings last spring. [redacted]

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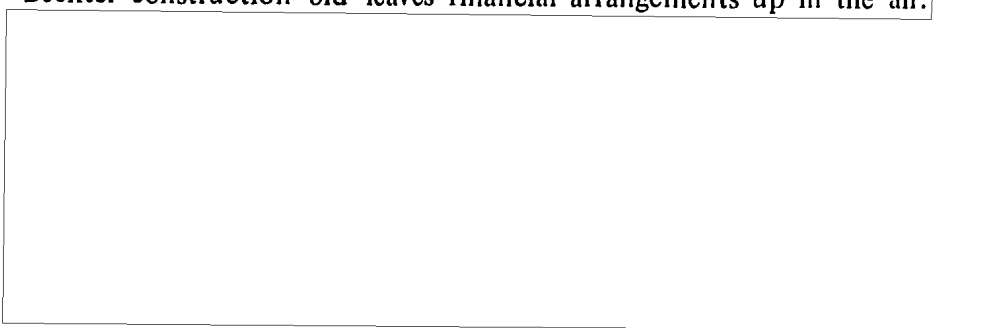
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**The US Bid to Build the SUMED Pipeline**

With Egyptian acceptance of the Bechtel bid for the SUMED pipeline, the project appears to have a good chance of reaching fruition, even though financing has not been secured and previous attempts to do so had failed. The new ingredient this time is increased interest on the part of Saudi Arabia and Kuwait, which previously had offered only token support.

Egypt's failure to accept the US financial proposal along with the Bechtel construction bid leaves financial arrangements up in the air.

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Sadat's political circumstances and misgivings about having a large US project in Egypt could be crucial in negotiations on financing the pipeline. There are some indications that Sadat hopes that the European consortium, confronted with competition for the first time, will endeavor to undercut the US bid. If he or his Arab sponsors stall too long, all offers will fall through because conditional throughput contracts with customers for the oil expire at the end of this year.

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**US Trade with the EC**

	US Exports <sup>1</sup>		US Imports		US Trade Balance	
	Jan-Jun 1973 (Million US \$)	Percent Change <sup>2</sup>	Jan-Jun 1973 (Million US \$)	Percent Change <sup>2</sup>	Jan-Jun 1973 (Million US \$) Change <sup>2</sup>	
<b>Total</b>	<b>7,984</b>	<b>36</b>	<b>7,425</b>	<b>21</b>	<b>559</b>	<b>850</b>
Belgium-Luxembourg	771	41	601	34	170	72
Denmark	201	50	217	19	-16	33
France	1,160	44	829	24	331	194
Ireland	70	23	83	11	-13	5
Italy	1,043	37	962	10	81	195
Netherlands <sup>3</sup>	1,327	60	377	25	950	421
United Kingdom	1,670	27	1,760	19	-90	76
West Germany	1,742	24	2,596	23	-854	-147

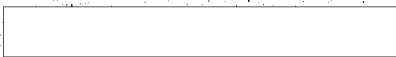
1. Including some reexporting of foreign goods.
2. January-June 1973 over January-June 1972.
3. Including exports to Rotterdam destined for transshipment to other West European countries.



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**Selected US Agricultural Exports to the EC**

	Jan-Apr		Percent Change
	1972	1973	
<b>Soybeans</b>			
Value (Million US \$)	217.0	469.8	116
Volume (Million bushels)	67.0	98.4	47
Unit price (US \$ per bushel)	3.24	4.77	47
<b>Corn</b>			
Value (Million US \$)	116.8	221.4	90
Volume (Million bushels)	86.4	126.7	47
Unit price (US \$ per bushel)	1.35	1.75	30
<b>Wheat</b>			
Value (Million US \$)	30.6	68.9	125
Volume (Million bushels)	18.0	34.8	93
Unit price (US \$ per bushel)	1.70	1.98	16



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**Improved US Trade Balance with the EC**

After two years of rapid deterioration, the US trade balance with the expanded EC improved markedly in the first half of 1973. In sharp contrast to the 3% annual growth averaged during 1971-72, US exports to the area jumped by 36% from the first half of 1972 - paralleling the rise in total US exports. US imports from the EC meanwhile grew by 21%, lagging somewhat behind the increase in overall US imports. As a result, the US trade balance with the EC shifted from a \$291 million deficit in the first half of 1972 to a \$559 million surplus this year\* - a change accounting for almost one-third of the total improvement in the US trade account.

A 70% increase in agricultural sales has been a prime factor boosting US exports to the EC. Such sales accounted for two-fifths of the \$2.1 billion increase in US exports to the EC. Higher prices and increased volume apparently contributed about equally to the gain in agricultural exports. Soybeans, corn, and wheat posted particularly large gains and made up more than one-half of US agricultural sales to the Community. A sharp rise in prices accounted for about three-fifths of the jump in soybean exports, but increased volume was a more important factor in boosting wheat and corn earnings.

Nonagricultural sales to the EC increased by one-fourth during the first half but probably continued to decline as a share of total EC imports of such goods. Of leading exports to the area, aircraft, computers, and electric machinery each increased by roughly one-third and chemical products rose by 20%.

Much of the rise in US purchases of EC industrial products reflects higher dollar prices deriving from currency realignments, but scattered volume data suggest that the Community thus far has maintained its position in US markets. For example, the 30% jump in EC automobile exports to the United States, to \$1.2 billion, resulted from a rise in sales volume as well as prices. Detroit's inability to meet the recent spurt in US demand for small cars helped to buoy European sales despite dollar depreciation. US imports of chemical and petroleum products also grew rapidly.

West Germany is the only EC member that has improved its trade balance with the United States. Despite a rise in agricultural sales, US exports to West Germany grew only slightly faster than imports from it, allowing the US deficit to rise from \$707 million in the first half of 1972 to \$854 million in this year's first half. Apprehensive about the potential impact of the mark's appreciation on export volume, German producers

\* US exports and imports, f.o.b.; trade data used in this article are not adjusted for seasonal variations or to a strict balance-of-payments concept.

US Exports to the EC<sup>1</sup>

	Jan-Jun (Million US \$)		Percent Change
	1972	1973	
<b>Total</b>	<b>5,558</b>	<b>7,556</b>	<b>36</b>
Agricultural goods	1,160	1,984	71
Of which:			
Grains	420	902	115
Soybeans	284	582	105
Meat	42	60	43
Cotton	30	74	147
Tobacco	135	131	-3
Non-agricultural goods	4,399	5,572	27
Of which:			
Lumber products	235	310	32
Chemicals	593	710	20
Textiles	84	118	40
Metal ores	54	97	80
Iron and steel	56	72	29
Nonferrous metals	110	131	19
Aircraft and components	575	767	33
Computers	278	367	33
Construction machinery	138	179	30
Agricultural machinery	32	53	66
Electric machinery	416	563	35
Scientific instruments	148	192	30

1. Excluding data for Denmark and Ireland.

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US Imports from the EC<sup>1</sup>

	Jan-Jun (Million US \$)		Percent Change
	1972	1973	
<b>Total</b>	<b>5,884</b>	<b>7,125</b>	<b>21</b>
Agricultural goods	289	365	26
Of which:			
Meat	44	56	27
Dairy products	19	44	132
Fish products	15	55	267
Non-agricultural goods	5,595	6,760	21
Of which:			
Chemicals	374	473	26
Petroleum products	62	129	108
Iron and steel products	447	500	12
Diamonds	178	225	26
Passenger cars	936	1,210	29
Nonelectric machinery	948	1,077	14
Electric machinery	240	281	17
Textile products and footwear	525	621	18
Scientific instruments	84	101	20

1. Excluding data for Denmark and Ireland.

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trimmed profits to hold down prices to customers. Although German wholesale prices for export goods rose some 10% between the beginning of 1972 and mid-1973, average mark prices for industrial exports were stable. US demand for West German manufactures also remained strong because of the boom in this country and the Germans' reputation as a reliable supplier of quality goods.

US sales to the United Kingdom, like those to West Germany, lagged well behind overall exports to the EC. During the first six months under the Common Agricultural Policy, the United Kingdom increased its food purchases from the original EC members by some 75% and from the United States by only 12%. Total British imports from the United States rose by 27%, compared with a 44% gain in imports from the Six.

Prospects for further improvement in the US trade balance during the second half of the year are mixed. Supply shortages and self-imposed export restraints have slowed US agricultural sales since midyear. Factors favoring a rise in demand for US manufactures include Western Europe's continuing economic boom and a delayed impact from dollar depreciation. In particular, the midyear appreciation in major European currencies should further improve the US competitive position in the months ahead. Capacity limitations, however, are expected to limit US firms' ability to satisfy a pronounced rise in foreign demand, and sales of industrial goods probably will not rise fast enough to allow the United States to maintain the overall export rate established in the first six months. Chances, nevertheless, are good that exports will continue to run ahead of imports, adding at least moderately to the surplus achieved in the first half.

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**Changes of Selected EC Currencies  
Against the US Dollar**

	Percent	
	Jan-Jun 72 to Jan-Jun 73 (Average Month- End Rates)	11 May 73 to 21 Sep 73
German mark	13.3	17.6
French franc	11.3	7.1
Dutch guilder	10.1	15.6
Belgian franc	10.6	10.5
Italian lira	0.5	4.9
British pound	-3.2	-3.4

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**SECRET****International Monetary Reform**

The annual IMF meeting in Nairobi, originally planned to mark the halfway point in the schedule for world monetary reform, instead merely underscored the continuing disagreements among members. A new deadline of 31 July 1974 was set for general agreement on reform, with the important technical details of implementation to be worked out afterward. Many capitals are skeptical on whether even this schedule can be met.

The French anticipate hard negotiations between Minister of Finance Giscard D'Estaing and Secretary of the Treasury Shultz before agreement can be reached. Giscard has presidential ambitions and French government circles think his chances for success in 1976 will depend largely on a successful performance in the negotiations. Giscard reportedly will wait for Washington to propose compromises and is expected to remain adamant on French demands for continued controls on short-term capital movements, mandatory currency convertibility, and ultimate national sovereignty over exchange rate adjustment. Paris is more flexible on the links between gold and Special Drawing Rights and between SDRs and development aid. Despite public protestations to the contrary, Paris does not attach much importance to the SDR-aid link. President Pompidou, in his recent press conference, also showed willingness to negotiate concerning gold's future role as a reserve asset.

West German Minister of Finance Schmidt supported Secretary Shultz's position that a new monetary system could not be introduced until the dollar is stabilized. Schmidt, however, reiterated Bonn's opposition to the US proposal that changes in reserves should be the primary indicator of a need for payments adjustment. He suggested IMF consultations when a country experiences balance-of-payments problems, with a new politically sensitive body at the highest IMF levels to settle disputes.

European and Japanese media generally have been unsympathetic to the US position. The British press criticized US insistence on prior stabilization of the dollar's value, and warned that regional monetary blocs probably would be formed if Washington did not alter its stand. The Japanese press noted the lack of progress toward reform and called for Tokyo to prepare for the internationalization of the yen. French media were optimistic that differences with the United States can be worked out in the coming year.

The developing nations have strongly criticized US opposition to the SDR-aid link. They urge approval of the World Bank's \$4.5 billion budget for international assistance during the next three years. The oil-producing states, led by Libya, are firmly opposed to any new monetary system that would infringe on their prerogatives to spend monetary reserves.



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**SECRET****Japan Contracts for US Farm Products**

Japan has lined up the bulk of its requirements for US grain and soybeans through June 1974 and is unlikely to make additional large-scale purchases. Total grain and soybean imports are expected to increase by 10% in FY 1974 to 21.8 million tons, and roughly three-fourths is to come from the United States. Imports of corn from the United States are expected to increase especially fast because of a crop shortfall in South Africa, which normally supplies 500,000 to one million tons. Japan already has placed orders for US corn exceeding last year's level by almost 30% to hedge against shortages from other traditional suppliers. The Japanese may not take delivery on all their orders, however, if crops are good in other exporting countries.

The Japanese also have been buying unusually large amounts of US cotton in anticipation of a tight supply situation in the United States and Mexico, traditionally their two principal suppliers. Japanese trading firms have contracted for at least 70% more than their requirements of 240,000-250,000 tons of US cotton. They also have lined up about 250,000 tons from the 1974/75 crop. These purchases probably reflect the desire of Japanese firms to have large orders on the books in case the United States imposes export controls, and at least some of the contracts may not be followed through. In placing their orders for US cotton, the Japanese apparently are not acting as intermediaries for other Asian countries. South Korea, Taiwan, and Hong Kong also have ordered much larger than normal amounts.

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**Japanese Imports of US Agricultural Products**

	<u>Thousand Tons</u>	
	Actual FY 1973	Estimated Orders FY 1974
Wheat	3,318	3,245
Corn	5,181	6,700
Grain sorghum	2,597	2,965
Soybeans	3,437	3,735
Cotton	231	430 <sup>1</sup>

1. For the marketing year ending in July 1974.

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## DOMESTIC ECONOMIC INDICATORS

### GNP\*

Constant Market Prices

	Percent Change from Previous		Average Annual Growth Rate Since		
	Latest Quarter	Quarter	1970	1 Year Earlier	Previous Quarter
United States	73 II	0.6	5.1	6.3	2.3
Japan	73 II	1.4	9.1	13.0	5.9
West Germany	73 II	-1.1	3.9	7.2	-4.2
France	73 I	3.3	6.1	5.1	13.8
United Kingdom	73 II	0.7	4.6	9.5	2.7
Italy	73 I	0.8	3.1	5.2	3.4
Canada	73 II	0.9	6.1	6.8	3.7

### WHOLESALE PRICES

Industrial

	Percent Change from Previous		Average Annual Growth Rate Since		
	Latest Month	Month	1970	1 Year Earlier	3 Months Earlier
United States	Aug 73	0.4	4.8	7.5	5.2
Japan	Aug 73	2.1	5.2	17.4	23.4
West Germany	Aug 73	0.4	4.9	7.5	7.4
France	Jul 73	1.5	6.7	14.9	13.9
United Kingdom	Aug 73	1.0	7.1	7.1	13.3
Italy	Jun 73	2.3	7.5	16.2	23.2
Canada	Jul 73	2.9	8.3	19.2	25.5

### INDUSTRIAL PRODUCTION\*

	Percent Change from Previous		Average Annual Growth Rate Since		
	Latest Month	Month	1970	1 Year Earlier	3 Months Earlier**
United States	Aug 73	0.4	6.0	10.6	9.4
Japan	Jul 73	-0.4	8.7	19.2	14.6
West Germany	Jun 73	-2.8	3.7	6.7	0.8
France	Jun 73	-1.5	7.1	8.9	1.4
United Kingdom	Jul 73	-0.7	3.6	8.2	0.8
Italy	Jun 73	-1.0	2.9	10.2	26.5
Canada	Jul 73	0.1	6.9	10.7	7.1

### CONSUMER PRICES

	Percent Change from Previous		Average Annual Growth Rate Since		
	Latest Month	Month	1970	1 Year Earlier	3 Months Earlier
United States	Aug 73	1.8	4.9	7.5	11.4
Japan	Jul 73	0.7	7.3	11.9	11.0
West Germany	Aug 73	-0.1	5.8	7.2	2.5
France	Aug 73	0.7	6.3	7.6	9.4
United Kingdom	Jul 73	0.4	8.5	9.4	7.0
Italy	Jul 73	0.6	7.2	11.8	12.6
Canada	Aug 73	1.3	5.4	8.3	13.0

### RETAIL SALES\*

Current Prices

	Percent Change from Previous		Average Annual Growth Rate Since		
	Latest Month	Month	1970	1 Year Earlier	3 Months Earlier**
United States	Aug 73	0.3	11.6	12.4	6.9
Japan	May 73	0.5	11.9	21.3	25.4
West Germany	Jul 73	-1.8	8.4	6.4	-1.2
France	May 73	6.7	5.3	13.4	4.2
United Kingdom	Jul 73	2.2	11.2	12.2	0
Italy	Feb 73	9.0	11.5	18.8	14.6
Canada	Jul 73	3.4	11.3	13.7	1.5

### MONEY SUPPLY\*

	Percent Change from Previous		Average Annual Growth Rate Since		
	Latest Month	Month	1970	1 Year Earlier	3 Months Earlier**
United States	Aug 73	0.4	7.7	6.8	9.8
Japan	Jun 73	0.6	18.7	29.9	29.8
West Germany	Jul 73	-3.4	9.0	3.1	-15.8
France	Apr 73	2.6	13.3	14.1	2.6
United Kingdom	Jul 73	2.3	12.2	13.0	13.6
Italy	Apr 73	2.8	20.4	19.1	13.7
Canada	Aug 73	1.5	13.9	15.5	14.6

### MONEY-MARKET RATES

	Representative Rates	Percent Rate of Interest				
		Latest Date	1 Year Earlier	3 Months Earlier	1 Month Earlier	
United States	Prime finance paper	Sep 28	8.50	5.00	7.63	9.00
Japan	Call money	Sep 14	8.75	4.25	6.63	7.50
West Germany	Interbank loans (3 Months)	Sep 28	13.75	5.38	13.75	13.75
France	Call money	Sep 28	11.75	5.00	8.50	9.38
United Kingdom	Local authority deposits	Sep 28	13.13	4.43	6.32	14.25
Canada	Finance paper	Sep 28	8.75	5.88	7.00	8.25
Euro-Dollars	Three-month deposits	Sep 28	10.38	5.31	9.06	11.50

\*Seasonally adjusted.  
\*\*Average for latest 3 months compared with average for previous 3 months.

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## EXTERNAL ECONOMIC INDICATORS

### EXPORTS\*

	Latest Month	Cumulative			Percent Change
		Million US \$			
		1973	1972		
United States	Aug 73	8,004	44,162	31,692	39.3
Japan	Aug 73	2,880	22,832	17,700	27.9
West Germany	Aug 73	8,684	42,802	30,166	41.2
France	Aug 73	3,208	23,501	16,908	39.0
United Kingdom	Aug 73	2,522	18,839	14,742	26.4
Italy	Jun 73	1,937	8,479	8,888	6.9
Canada	Jul 73	2,071	14,054	11,252	24.9

### EXPORT PRICES

US \$	Latest Month	Percent Change from Previous Month		Average Annual Growth Rate Since	
		1970	1 Year Earlier	3 Months Earlier	
		1970	1 Year Earlier	3 Months Earlier	
United States	Jul 73	2.2	7.3	16.8	31.5
Japan	Jun 73	1.1	11.5	19.9	32.9
West Germany	Jun 73	4.7	13.2	22.7	42.8
France	May 73	0.1	11.8	16.8	27.1
United Kingdom	Jul 73	-0.9	10.6	15.1	20.3
Italy	Apr 73	0.9	8.2	9.8	24.7
Canada	May 73	0.7	5.8	10.2	21.6

### IMPORTS\*

	Latest Month	Cumulative			Percent Change
		Million US \$			
		1973	1972		
United States	Aug 73	8,020	44,881	36,074	24.4
Japan	Aug 73	2,922	19,429	11,818	64.4
West Germany	Aug 73	4,784	32,810	24,626	33.2
France	Aug 73	3,196	22,888	16,300	39.2
United Kingdom	Aug 73	3,010	21,417	15,621	37.1
Italy	Jun 73	2,212	10,720	8,092	32.5
Canada	Jul 73	1,946	13,055	10,816	23.0

### EXPORT PRICES

National Currency	Latest Month	Percent Change from Previous Month		Average Annual Growth Rate Since	
		1970	1 Year Earlier	3 Months Earlier	
		1970	1 Year Earlier	3 Months Earlier	
United States	Jul 73	2.2	7.3	16.8	31.5
Japan	Jun 73	1.2	0.9	4.3	26.7
West Germany	Jun 73	-2.2	0.6	-0.2	-3.7
France	May 73	-2.3	3.7	3.5	-4.5
United Kingdom	Jul 73	1.1	8.7	11.4	12.2
Italy	Apr 73	2.6	5.7	10.4	28.0
Canada	May 73	0.5	4.4	11.4	21.4

### TRADE BALANCE\*

	Latest Month	Cumulative (Million US \$)			Change
		Million US \$			
		1973	1972		
United States	Aug 73	-16	-719	-4,382	3,663
Japan	Aug 73	-42	3,202	5,882	-2,680
West Germany	Aug 73	1,890	9,792	5,540	4,252
France	Aug 73	12	812	808	204
United Kingdom	Aug 73	-488	-2,778	-879	-1,899
Italy	Jun 73	-275	-1,241	776	-2,017
Canada	Jul 73	125	999	635	364

### IMPORT PRICES

National Currency	Latest Month	Percent Change from Previous Month		Average Annual Growth Rate Since	
		1970	1 Year Earlier	3 Months Earlier	
		1970	1 Year Earlier	3 Months Earlier	
United States	Jul 73	1.7	10.1	19.2	15.1
Japan	Jun 73	0.7	0	4.9	18.7
West Germany	Jun 73	-1.6	0.1	3.3	3.2
France	May 73	2.2	4.0	7.7	29.3
United Kingdom	Jul 73	3.3	12.2	31.7	39.7
Italy	Apr 73	3.3	8.5	16.7	49.2
Canada	May 73	1.4	4.7	8.9	26.6

### BASIC BALANCE\*\*

	Latest Period	Cumulative (Million US \$)			Change
		Million US \$			
		1973	1972		
United States*	73 II	-800	-1,700	-5,700	4,000
Japan	Aug 73	-770	-5,926	1,257	-7,183
West Germany	Jul 73	136	1,605	3,593	-1,988
France	73 I	-576	-576	-524	-52
United Kingdom	73 I	-995	-995	-446	-549
Italy	72 IV	800	NA.	2,983	NA.
Canada	73 I	-272	-272	-117	-155

### EXCHANGE RATES

As of 28 Sep 73	Spot Rate	Percent Change from			
		US \$ Per Unit	18 Dec 1971	19 Mar 1973	21 Sep 1973
		Dec 66	1971	1973	1973
Japan (Yen)	0.0038	36.46	15.95	-1.00	-0.05
West Germany (Deutsche Mark)	0.4142	64.78	33.48	16.97	-0.10
France (Franc)	0.2356	16.69	19.65	6.90	-0.08
United Kingdom (Pound Sterling)	2.4132	-13.52	-7.38	-1.94	-0.30
Italy (Lira)	0.0018	10.87	3.20	0.28	0
Canada (Dollar)	0.9950	7.87	-0.28	-0.27	0.31

### OFFICIAL RESERVES

	Latest Month	Billion US \$			
		Billion US \$			
		1 Year Earlier	3 Months Earlier		
United States	Aug 73	14.0	16.3	13.1	14.6
Japan	Sep 73	15.0	4.1	16.5	15.2
West Germany	Aug 73	37.9	8.8	24.6	32.2
France	Aug 73	10.3	4.4	10.0	11.0
United Kingdom	Aug 73	8.5	2.8	6.1	6.7
Italy	Jun 73	6.0	4.7	6.4	6.3
Canada	Aug 73	5.6	4.3	6.2	6.1

### TRADE-WEIGHTED EXCHANGE RATES\*\*\*

As of 28 Sep 73	Percent Change from			
	Dec 66	18 Dec 1971	19 Mar 1973	21 Sep 1973
	Dec 66	1971	1973	1973
United States	-19.17	-9.60	-2.81	-0.03
Japan	22.88	8.87	-3.19	-0.03
West Germany	32.16	15.08	10.03	0.11
France	-11.84	1.40	-1.04	0.18
United Kingdom	-36.31	-22.00	-7.54	-0.23
Italy	-16.18	-14.99	-8.15	0.16
Canada	3.92	-2.62	-0.97	0.36

\*Seasonally adjusted.  
 \*\*Converted into US dollars at current market rates of exchange.  
 \*\*\*Weighting is based on each listed country's trade with 16 other industrialized countries to reflect the competitive impact of exchange-rate variations among the major currencies.