[redacted] ICE WEEKLY
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Economic Intelligence Weekly

Secret

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21 March 1974

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The oil situation is now being covered mainly in *International Oil Developments*, published each Friday morning.

Note: Comments and queries regarding this publication are welcomed. They may be directed to Mrs. [redacted] 25X1

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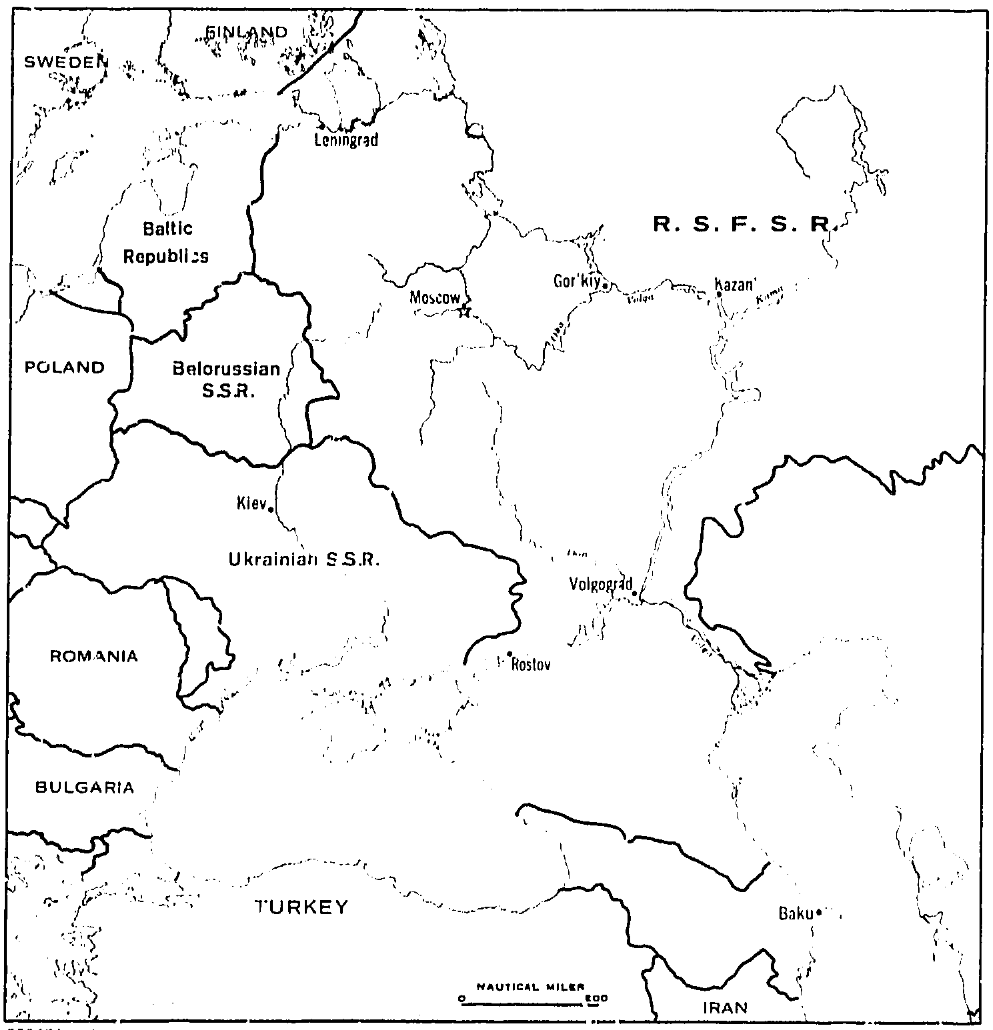
ECONOMIC INTELLIGENCE WEEKLY

Articles

BREZHNEV UNVEILS LAND IMPROVEMENT SCHEME

Brezhnev's land improvement program for the Russian Republic – like Khrushchev's new lands program of the 1950s – aims at dampening the large fluctuations in Soviet agricultural output. This long-term program will not substantially affect the USSR's need for grain imports through the remainder of the decade.

The Non-Black Soil Zone in the USSR



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Speaking at the 20th anniversary of the opening of the new lands last week, Brezhnev announced that 35 billion rubles would be spent during 1976-80 in the first phase of a 15-year project to develop the non-black soil region of the Russian Republic. This amount is equivalent to almost one-fourth of the total agricultural investment planned for 1971-75. The new program will include the traditional land reclamation projects – irrigation and drainage -- and increased supplies of mineral fertilizer and other agricultural chemicals. The plan calls for reclamation or improvement of 124 million acres -- 79 million of crop land and 45 million of grazing land. The crop land would be equivalent to about 15% of current sown acreage and about equal to the 70 million acres plowed up in the new lands of Kazakhstan and Western Siberia. Although the non-black soil area has large tracts of boggy, uneven land, it has high annual precipitation and responds well to the application of lime and mineral fertilizer. The Brezhnev agricultural programs of 1965 and 1970 provided more chemicals for this area with good results: grain harvests in 1969 and 1970 were 80% above the 1961-65 average. As a result, this area has provided more than one-third of the increase in grain output in recent years. The Soviets hope that the non-black soil region will provide steady growth in grain production to counter erratic production in the new lands and even the black soil zone.

The new program is feasible only because of Soviet success in boosting the output of mineral fertilizer. In contrast, in the 1950s, shortages of fertilizer made the use of extensive new lands the quickest and cheapest way of increasing grain production. Because the Soviets do not have a good track record in land reclamation, the Brezhnev program is unlikely to work out as announced. In recent years the amount of land that has slipped into disuse has exceeded additions of newly reclaimed land. In any case, major benefits from the new program will not appear before 1980. The projected demand of the Soviet consumer for meat could require grain imports of 15 million tons annually in the late 1970s.

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EGYPTIAN EXPECTATIONS OF US AID

As progress toward a Middle East settlement continues, Egypt will expect the West, particularly the United States, to play a more visible role in Egypt's postwar economy.

Egypt's current interest in US economic backing does not stem from acute financial need. Thanks to $800 million in Arab aid committed during the fourth quarter of 1973, Egypt has sufficient cash to cover necessary imports for at least another year. This affluence, together with future prospects for $500 million in annual income from the SUMED Pipeline, Suez Canal, and Sinai oil, has transformed Egypt from suspect debtor to worthy borrower. Egypt claims to have in hand more than $2 billion in multilateral loans, Japanese and West European aid, Communist country credits, and official or semi-official Arab investment commitments. This amount will cover for several years balance-of-payments deficits that probably will not average more than $350 million.

Nonetheless, Sadat has economic reasons for seeking US economic support. Since 1970 he has been attempting to wean Egypt away from its humiliating dependence on bilateral aid from the USSR and Arab states. In the face of opposition from old-guard Nassirists he has attempted to resurrect Egypt's private industrial sector and to attract private investment from other Arab countries and the West. Sadat no doubt hopes that, with US Government encouragement, the example of highly successful US-Egyptian joint ventures in the oil sector will be quickly emulated in other sectors. He also wants to duplicate the example of the SUMED pipeline, which is to be built by a US firm and financed by a combination of Arab capital and Egyptian borrowing, including an Exim Bank loan. Recent repayment of overdue debts to the CCC and the Exim Bank indicates that Egypt hopes to continue to use concessionary US credit.

While plans for ambitious joint economic undertakings are germinating, Sadat probably desires a symbolic gesture of economic good will from the United States. One possibility, US financial backing for a new medical center to be sponsored by Mrs. Sadat, has already been suggested.

The desire for US financial backing has its political side. Sadat would like to demonstrate to skeptical Arab supporters as well as to the USSR that his courtship of the United States can produce tangible economic results. He also does not want to frustrate completely the expectations of many Egyptians that an alliance with the United States will lead to large-scale economic assistance and eventual prosperity. 25X1

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COPPER: TURBULENCE IN PRODUCTION AND PRICES

Like other important raw materials, copper has been caught up in the riptides of international monetary disturbances, spot shortages, and political broils. Despite the economic slowdown in industrial nations, demand for copper will remain strong in 1974 because of the need to rebuild stocks and protect against a possible strike in the US industry.

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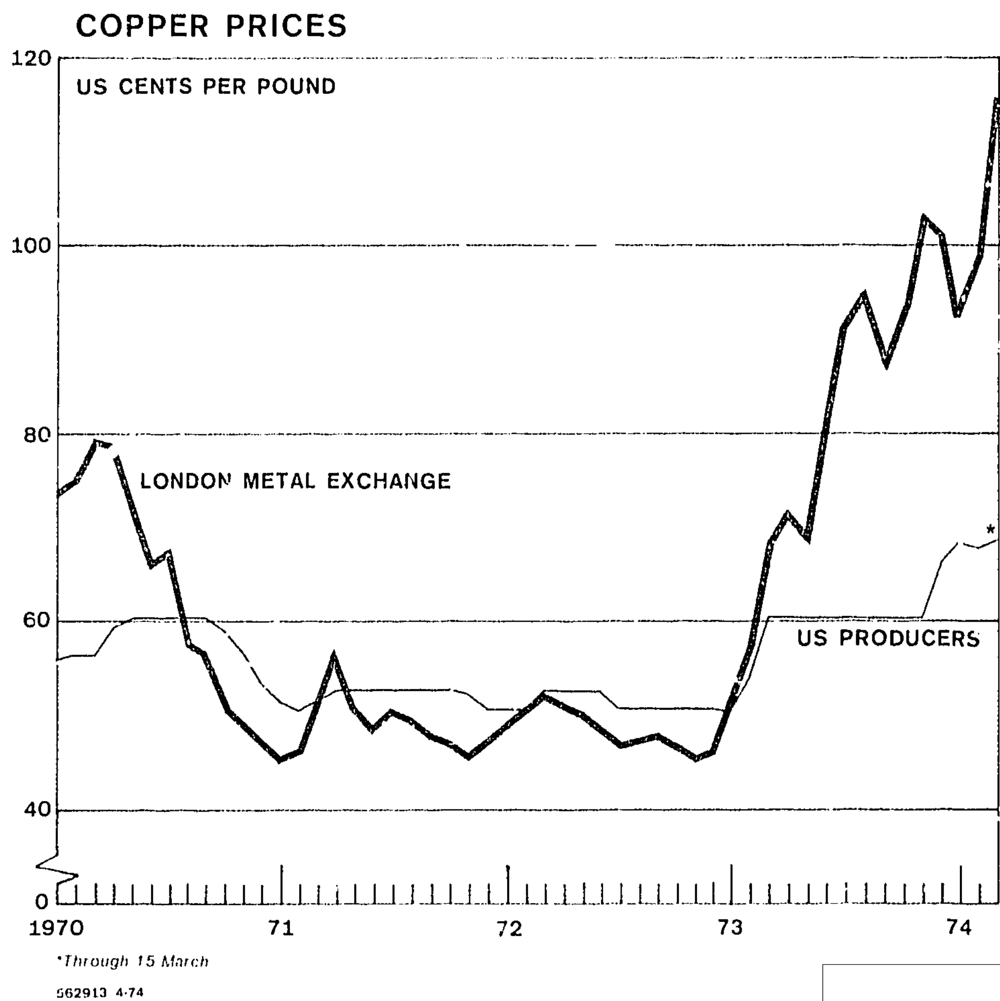

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Market Characteristics

The world copper market has three fairly distinct components:

- The United States possesses about 30% of mine capacity of non-Communist countries and normally imports only 10% of its copper requirements.

- In other non-Communist countries, supplies move mainly to Western Europe and Japan from Chile, Peru, Zaire, Zambia – the members of CIPEC -- and Canada; the CIPEC countries account for about 40% of capacity and 70% of exports in the non-Communist world.

- Communist countries are basically self-sufficient, with output approximately one-fourth of the non-Communist total.

Prices and Production in 1973-74

Whereas output and inventories in non-Communist countries comfortably covered demand in 1970-72, the situation was sharply altered in 1973. Consumption jumped by 10% to 6.9 million tons, with Japan leading the way with a 26% rise. Refined copper production, constrained by smelting capacity, advanced by 4% to 6.6 million tons. The effect of the 300,000-ton deficit was softened by net imports of 50,000 tons from Communist countries. The remainder of the shortfall was covered by drawing down stocks to their lowest level in several years.

Monetary uncertainties -- notably inflation and the rejiggering of exchange rates – compounded the upward pressures on copper prices. By mid-1973 prices on the London Metal Exchange climbed past the earlier record of 80¢ per pound. Even though consumption began to level off after midyear, inventory rebuilding sustained the buying fever. By November, LME spot quotations averaged $1.03; after a brief decline, they rebounded to a new record high of $1.16 in the first two weeks of March 1974. Because of sales under fixed contracts, the US producer price is much less volatile than the LME price. The US price rose early in 1973, was frozen at 60¢ from March through November, and now stands at 68¢.

Prospects for 1974

An increase in refined production in non-Communist countries of 6% to 7% is forecast for 1974, boosting output to about 7.1 million tons. More than one-half of this growth is expected to take place in the United States and Chile. Smelting-refining bottlenecks are being lessened in the United States through investment in pollution controls and in Chile through an ambitious renovation program. Chile and Zambia are largely responsible for an expected 6% hike in mine output. Production estimates for 1974 are shakier than usual because of a possible strike in the US industry at midyear, when labor contracts expire.

The demand picture is even more uncertain because of continued energy problems, monetary fluctuations, and the worldwide economic slowdown. In 1974, economic growth in West European countries and the United States will generally range from 1% to 4%, far below growth in 1973. Japan's growth rate is expected to be 3% to 5%, down from 11% in 1973. Copper demand will nevertheless remain high. Producers and consumers will want to rebuild their stocks and will be joined by market speculators hedging against a US strike.

Consuming nations, particularly the West European countries and Japan, will continue to be vulnerable to price-fixing by CIPEC producers.

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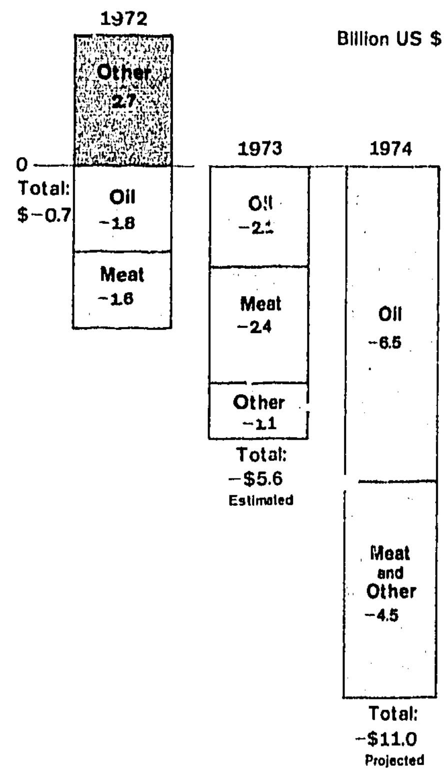
ITALY: TRADE DEFICIT CAUSES FINANCING PROBLEMS

Italy's trade deficit will double to an estimated $11 billion this year, mainly because of a jump in the oil import bill.

At $10.50 per barrel, the cost of oil imports will climb from $3.3 billion to $9.5 billion even if domestic consumption is held 6% below the 1973 level. Any relief obtained through price reductions later in the year will be offset partly by a recovery of volume to a more normal level. Export earnings from refined products should reach about $3.0 billion, assuming that volume is the same as last year and that the rise in crude costs is passed on. Italy's net deficit in oil trade thus is expected to reach $6.5 billion, compared with $2.1 billion in 1973.

The deficit attributable to trade in other goods is expected to grow by $1 billion. Rising demand for meat will be the single most important factor in widening the non-oil portion of the deficit; Rome is not in a practical political position to curb consumption of meat even if it wants to. At the same time the depreciation of the lira—currently amounting to 10%, compared with the 1973 average value—will hold down export earnings in terms of dollars.

Italy: Trade Balance*



*Exports are f.o.b., imports are c.i.f.

Note: 1974 component projections are rounded to the nearest one-half billion dollars.

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Italy is at a disadvantage in competing with other borrowers in private capital markets. Many bankers give Italy a weak credit rating, noting that its Eurocurrency debts already exceed $6 billion. As a result, Rome is searching for other means to finance the trade deficit. In recent weeks, it has increased its credit swap line with the United States to $3 billion and has received a $1.2 billion standby credit from the IMF. The financial requirements negotiated with the Fund, viewed by some Italians as domestic interference, were a factor in the fall of Rumor's coalition government earlier this month.

The Italians have joined the British in advocating concerted EC borrowing to finance oil bills. But for the present the Community has decided against this procedure. To strengthen its reserve position, Italy has been supporting French efforts to raise the price of gold for interbank transactions to near the free-market level. Such a step would boost the value of Italy's foreign reserves from $6 billion to $18 billion. ([redacted] 25X1

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CHINA: ENERGY SQUEEZE*

At a time when oil production and exports are booming, China is experiencing a general energy squeeze. Growing shortages of coal – which accounts for almost 80% of primary energy – and of electric power are limiting production in the fertilizer and steel industries.

China's 70 billion to 80 billion tons of proved coal reserves are sufficient for any foreseeable need. The problem stems from insufficient investment in large, new underground mines since 1969. Peking has been giving priority to industries supporting agriculture – chemical fertilizer, for example – and to the petroleum and synthetic fiber industries. Policy toward the coal industry has featured more intensive operation of existing mines and the opening of small local mines. These measures are encountering diminishing returns. Unless Peking either opens new underground mines or drastically expands strip mining – now done only on a small scale – coal production will continue to constrain industrial output.

Tightening coal supplies are contributing to the slow growth of the electric power industry, since coal-fired plants account for 70% of total capacity. The lack of a national power grid and inadequate transmission facilities have compounded the problem. Aside from the rationing of power

* For further details, see CIA ER RP 74-5, *China: Energy Supply Problems*, March 1974, [redacted] 25X1

in several industrial centers for the past two years, Peking's only other remedial action has been to convert about 15% of its coal-fired plants to oil. Recent Chinese interest in purchases of nuclear power facilities from abroad suggests that Peking views nuclear energy as a long-term remedy to the problem.

China: Electric Power, Coal, and Crude Oil Output

	Electric Power Output (Billion KWH)	Coal Output (Million Tons)	Crude Oil Output (Million Tons)
1969	60	258	20
1970	72	310	28
1971	85	335	37
1972	93	357	43
1973	101	378	53

During the next few years, energy shortages will constrain industrial growth. Prospects are for annual increases in industrial output of about 8% – well below the 12%-15% levels of the early 1970s. Peking appears bent on using a substantial part of its rapidly increasing oil supplies to earn hard currency rather than to ease the domestic situation. So far, China seems unwilling to use scarce foreign exchange to import sizable quantities of strip-mining and long-wall-mining equipment.

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Notes

France: Nuclear Industry Moves Forward

The French nuclear industry was given a boost when its fast breeder reactor, Phenix, reached its full operating level of 252 megawatts on 14 March. Phenix is the second largest operating breeder in the world, after the Soviet Union's 350-MW plant at Shevchenko. The United States has planned a $700 million, 350- 400-MW demonstration plant near Oak Ridge, Tennessee, but operation is not scheduled until mid-1980. As a result of its success, France hopes to sell an intermediate size (400- 450-MW) breeder reactor to other countries. Paris already has agreed to build two larger (1,200-MW) breeders in cooperation with Italy and with West Germany. If the large breeders are successful, France would be in a good position to gain a sizable share of the world reactor market, now dominated by US light-water reactors.

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India: Grain Situation Worsens

Foodgrain crops, mainly wheat, now maturing in north Indian growing areas have been further damaged by dry weather and irrigation failures. Grain production is now expected to be 105 million tons, or 3 million tons below February estimates. While production will be 10% above last year's drought-reduced output, it will still be 10 million tons short of India's plan. New Delhi, however, still has not taken steps to arrange additional grain imports.

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PRC Test Flies 707s Abroad

Recent overseas test flights of the PRC's Boeing 707s presage their introduction on international routes. CAAC, China's national airline, flew 707s for the first time outside China to Rawalpindi and Pyongyang earlier this month, and Bucharest was the terminus of a CAAC 707 trial flight to Europe last week. The latter route -- via Tehran and Istanbul - probably will be used if CAAC begins service to Europe this summer as expected. For the past several months CAAC has been using its 707s on domestic routes.

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Turndown of Soviet Bid on US Hydro Project

The low bid for hydroelectric equipment, submitted jointly by Westinghouse and Energomasheksport, has been turned down by officials of the Rock Island dam project. The Russians were informed that two of the local electric power distribution groups in the State of Washington refused to accept power from the Rock Island hydroelectric powerplant if Soviet equipment was installed. In the first round of bidding last August, the Westinghouse-Energomasheksport offer was low. All bids were canceled and the bidding reopened. In the second round, the Westinghouse-Soviet bid was 15% below that of the next low bidder, and the Soviets believed their bid was successful. Disappointed Soviet officials are saying that the Rock Island contract had assumed symbolic importance as an indicator of US willingness to promote two-way trade.

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Temporary Restriction on Thai Rice Exports

Thailand's foreign trade officials state that a temporary ban on new rice export contracts will be imposed to assure domestic supplies. Thailand imposed a similar ban last year in March and continued it until fall. Although Thailand has more rice available this year, exports have moved slowly. If exports fall short of the expected 1.2 million tons this year, compared with 880,000 tons in 1973, the world market will be even tighter by midsummer than it was last year. World prices, already nearly three times the level of a year ago, will continue to climb. [redacted] 25X1

Publication of Interest

An Index of Construction Activity in China
(CIA ER A 74-9, March 1974 [redacted] 25X1

This publication presents an index of construction activity in the People's Republic of China from 1949 through 1973. The methodological section explains the derivation of production series for three major building materials (cement, timber, and steel) and the weighting of these series to derive the index. Construction activity in China has grown at an average rate of about 6% during 1958-73. Growth has been uneven, however, closely paralleling industrial output in its ups and downs.

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INTERNAL ECONOMIC INDICATORS

GNP*
Constant Market Prices

	Latest Quarter	Percent Change from Previous Quarter	Average Annual Growth Rate Since 1970	1 Year Earlier	Previous Quarter
United States	73 IV	0.4	4.7	4.0	1.5
Japan	73 IV	1.4	8.3	7.3	5.8
West Germany	73 IV	-0.1	3.1	3.4	-0.3
France	73 III	0.9	5.6	6.1	3.8
United Kingdom	73 III	1.3	3.9	6.0	5.2
Italy	73 I	0.8	3.1	5.2	3.4
Canada	73 IV	2.8	6.1	7.2	11.6

WHOLESALE PRICES
Industrial

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier
United States	Feb 74	1.4	7.4	17.6	29.8
Japan	Feb 74	3.9	11.3	37.0	89.7
West Germany	Dec 73	0.9	5.3	8.8	11.0
France	Jan 74	5.3	10.6	26.6	56.0
United Kingdom	Feb 74	2.9	9.3	15.5	31.3
Italy	Nov 73	1.6	9.0	21.1	17.5
Canada	Dec 73	0.6	8.5	18.3	19.5

INDUSTRIAL PRODUCTION*

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier**
United States	Feb 74	-0.6	4.8	1.6	-4.0
Japan	Jan 74	1.3	8.9	10.6	7.5
West Germany	Dec 73	0.9	4.4	6.2	9.0
France	Dec 73	-4.4	5.7	2.1	0
United Kingdom	Dec 73	-4.2	2.2	1.8	-4.7
Italy	Dec 73	-7.5	4.4	12.8	22.3
Canada	Dec 73	-0.1	6.3	4.7	9.9

CONSUMER PRICES

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier
United States	Jan 74	0.9	5.3	9.5	9.7
Japan	Jan 74	4.3	10.2	23.1	41.9
West Germany	Jan 74	0.7	6.2	7.4	11.8
France	Jan 74	1.7	7.1	10.3	13.6
United Kingdom	Jan 74	1.9	9.3	12.0	14.5
Italy	Dec 73	1.4	7.7	12.5	14.5
Canada	Feb 74	1.0	5.8	9.6	9.9

RETAIL SALES*
Current Prices

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier**
United States	Feb 74	-0.7	9.8	6.0	-3.4
Japan	Nov 73	3.4	14.6	27.4	32.0
West Germany	Dec 73	0.5	7.8	5.8	7.6
France	Nov 73	-2.4	5.6	15.2	20.1
United Kingdom	Nov 73	0.7	12.1	14.8	21.9
Italy	Aug 73	6.7	12.4	19.0	5.0
Canada	Dec 73	-0.9	10.6	13.7	9.3

MONEY SUPPLY*

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier**
United States	Feb 74	1.2	7.4	6.1	9.2
Japan	Dec 73	0.1	17.5	16.7	14.7
West Germany	Dec 73	0.9	9.1	0.2	5.1
France	Dec 73	5.0	13.2	9.7	14.2
United Kingdom	Jan 74	0.2	9.4	4.7	-2.5
Italy	Sep 73	1.4	20.7	23.3	24.7
Canada	Jan 74	2.2	13.3	11.6	3.9

MONEY-MARKET RATES

	Representative Rates	Latest Date	Percent Rate of Interest	1 Year Earlier	3 Months Earlier	1 Month Earlier
United States	Prime finance paper	15 Mar	7.75	6.63	8.75	7.38
Japan	Call money	8 Mar	12.50	5.50	10.00	12.00
West Germany	Interbank loans (3 Months)	15 Mar	11.13	8.44	13.00	10.63
France	Call money	15 Mar	12.13	7.50	11.88	12.00
United Kingdom	Local authority deposits	15 Mar	15.50	7.61	15.94	15.69
Canada	Finance paper	15 Mar	8.38	5.13	9.50	8.50
Euro-Dollars	Three-month deposits	15 Mar	8.88	8.63	11.00	8.31

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

21 March 1974
Office of Economic Research/CIA

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EXTERNAL ECONOMIC INDICATORS

EXPORTS*
f.o.b.

	Latest Month		Cumulative		
		Million US $	Million US $ 1973	1972	Percent Change
United States	Jan 74	7,110	70,790	45,221	43.8
Japan	Feb 74	3,623	35,989	27,916	28.9
West Germany	Jan 74	7,014	67,643	46,725	44.8
France	Feb 74	3,412	36,674	26,378	39.0
United Kingdom	Jan 74	2,280	28,393	22,869	24.2
Italy	Dec 73	2,553	22,286	18,570	20.0
Canada	Jan 74	2,444	25,197	20,266	24.3

IMPORTS*
f.o.b.

	Latest Month		Cumulative		
		Million US $	Million US $ 1973	1972	Percent Change
United States	Jan 74	6,470	69,076	55,553	24.3
Japan	Feb 74	4,036	32,314	19,063	69.5
West Germany	Jan 74	4,987	51,644	37,990	35.9
France	Feb 74	3,714	35,272	25,250	39.7
United Kingdom	Jan 74	3,132	33,873	24,619	37.6
Italy	Dec 73	2,973	24,833	17,196	44.4
Canada	Jan 74	2,226	23,304	18,851	23.6

TRADE BALANCE*
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	Latest Month		Cumulative (Million US $)		
		Million US $	1973	1972	Change
United States	Jan 74	640	1,714	-6,332	8,046
Japan	Feb 74	-414	3,675	8,854	-5,178
West Germany	Jan 74	2,027	15,999	8,735	7,264
France	Feb 74	-303	1,402	1,129	273
United Kingdom	Jan 74	-852	-5,480	-1,749	-3,731
Italy	Dec 73	-420	-2,548	1,374	-3,922
Canada	Jan 74	218	1,892	1,414	478

BASIC BALANCE**
Current and Long-Term-Capital Transactions

	Latest Period		Cumulative (Million US $)		
		Million US $	1973	1972	Change
United States*	73 III	2,539	986	-8,282	9,268
Japan	Feb 74	-1,670	-9,702	2,137	-11,839
West Germany	Dec 73	193	3,950	4,566	-616
France	73 III	-1,482	-2,039	-202	-1,838
United Kingdom	73 III	-521	-1,840	-1,252	-587
Italy	72 III	800	N.A.	2,983	N.A.
Canada	73 III	238	267	574	-308

OFFICIAL RESERVES

	Latest Month		Billion US $		
	End of	Billion US $	Jun 1970	1 Year Earlier	3 Months Earlier
United States	Jan 74	14.6	16.3	13.1	14.4
Japan	Feb 74	11.9	4.1	19.1	13.2
West Germany	Jan 74	32.2	8.8	23.7	35.0
France	Feb 74	7.5	4.4	10.6	8.6
United Kingdom	Feb 74	6.0	2.8	5.9	6.6
Italy	Jan 74	6.0	4.7	5.8	6.2
Canada	Feb 74	6.2	4.3	6.2	5.7

*Seasonally adjusted.
**Converted into US dollars at current market rates of exchange.

EXPORT PRICES
US $

	Latest Month	Percent Change from Previous Month		Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier
United States	Jan 74	0.6		10.2	26.6	27.5
Japan	Nov 73	-0.8		13.2	27.4	11.6
West Germany	Dec 73	-0.8		12.4	25.7	18.3
France	Oct 73	2.9		15.9	31.9	15.7
United Kingdom	Dec 73	0.1		8.7	17.3	12.4
Italy	Sep 73	3.4		11.2	22.3	51.7
Canada	Nov 73	4.9		9.5	22.5	42.9

EXPORT PRICES
National Currency

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier
United States	Jan 74	0.6	10.2	26.6	27.5
Japan	Nov 73	3.6	4.8	14.9	34.1
West Germany	Dec 73	2.1	2.4	4.3	17.6
France	Oct 73	1.8	6.6	10.7	34.9
United Kingdom	Dec 73	3.1	9.8	18.8	33.4
Italy	Sep 73	0.8	7.7	18.7	21.4
Canada	Nov 73	4.6	8.0	24.5	40.1

IMPORT PRICES
National Currency

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since 1970	1 Year Earlier	3 Months Earlier
United States	Jan 74	3.7	14.3	34.4	58.6
Japan	Nov 73	3.7	4.6	19.8	31.0
West Germany	Dec 73	4.7	3.3	13.8	54.2
France	Oct 73	-1.5	5.3	14.3	35.2
United Kingdom	Dec 73	5.2	16.4	43.1	53.1
Italy	Sep 73	0	13.2	34.2	44.1
Canada	Nov 73	0.3	5.5	13.6	8.1

EXCHANGE RATES Spot Rate
As of 15 March 74

	US $ Per Unit	Percent Change from Dec 66	18 Dec 1971	19 Mar 1973	8 Mar 1974
Japan (Yen)	0.00354	28.45	9.15	-6.81	1.72
West Germany (Deutsche Mark)	0.37740	50.12	21.62	6.58	0.13
France (Franc)	0.20640	2.23	4.82	-6.35	0
United Kingdom (Pound Sterling)	2.33300	-16.40	-10.46	-5.20	0.41
Italy (Lira)	0.00157	-2.19	-8.95	-11.53	1.29
Canada (Dollar)	1.02770	11.42	3.00	3.01	-0.18

TRADE-WEIGHTED EXCHANGE RATES***
As of 15 March 74

	Percent Change from Dec 66	18 Dec 1971	15 Mar 1973	8 Mar 1974
United States	-15.86	-6.49	0.20	-0.38
Japan	17.91	4.11	-7.81	1.64
West Germany	30.33	13.40	8.40	-0.22
France	-17.63	-4.28	-6.72	-0.38
United Kingdom	-34.19	-20.04	-5.69	0.17
Italy	-21.28	-20.02	-13.16	1.12
Canada	8.67	2.06	3.69	-0.34

***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.

21 March 1974