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Economic Intelligence Weekly

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11 September 1974

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ECONOMIC INTELLIGENCE WEEKLY

11 September 1974

INDUSTRIAL NATIONS

Leaders of the Nine European Community Nations will meet informally in Paris Saturday in response to French President Giscard's invitation. The meeting, which probably is an outgrowth of recent talks between Giscard and West German Chancellor Schmidt, is likely to focus on inflation and payments problems. France's partners probably will probe for elaboration of Giscard's repeated reference to revival of the European movement, and both Giscard and Schmidt may put forward suggestions for streamlining EC administrative machinery. [redacted]

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Canada: Dissenting Views on Development Strategy; Critics contend that the government should stress increases in the production of raw materials and foodstuffs rather than focus on the development of manufacturing. [redacted] (See page 5.)

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Eurodif Breaks Ground; Work has started on the \$2.5 billion uranium enrichment complex at Tricastin in southern France. [redacted] (See page 8.)

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INTERNATIONAL MARKETS

The Major Foreign Currencies halted their slide against the dollar and closed the week trading within a fraction of a percent of last Monday's rates. Gold was fixed at \$155.50 an ounce in London Monday afternoon, down \$3 for the week. [redacted]

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World Copper Prices Hit 1974 Low; Copper prices on the London Metal Exchange have fallen to a 1974 low of 65.7 cents a pound, the result of sluggish demand, rising output, and higher stocks. [redacted] (See page 2.)

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Tin Prices on the London Metal Exchange also responded to market pessimism generated by weakening demand, falling to \$3.98 a pound on Monday; this ends a two-week climb that reached a 1974 peak of \$4.45 last week. [redacted]

AGRICULTURE

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Canada's first official estimate of the 1974-75 Canadian wheat crop is 14.8 million tons, down 1 million tons from earlier unofficial estimates. This figure may be further reduced after full evaluation of recent frost in the major wheat growing area is made. [redacted]

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India: Upswing in Grain Purchases; New contracts have pushed scheduled grain imports in FY 1975 to 2.8 million tons—about half of estimated import needs. [redacted] (See page 8.)

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Argentina: Continuing Lags in Grain Shipments; Argentina failed to meet delivery schedules on 1.4 million tons of grain in first half 1974 because of lack of storage capacity, port congestion, and incompetent management. [redacted] (See page 7.)

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Sino-Japanese Fertilizer Deadlock Broken; A new contract signed last week will provide China with 900,000 tons of urea and 200,000 tons of ammonium sulphate at favorable prices. [redacted] (See page 6.)

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COMMUNIST COUNTRIES

Poland: Economic Gains Under Gierk; The Polish leader will visit the United States in early October with four years of impressive economic achievements to his credit. [redacted] (See page 1.)

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Brezhnev Comments on Soviet Grain Crop. His short reference to the grain crop suggests the regime has little hope for achieving this year's goal of 205.6 million tons. [redacted] (See page 8.)

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More Soviet Gas to West Germany; The USSR has inked another large contract to deliver natural gas to the FRG in return for large diameter pipe. [redacted] (See page 9.)

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PUBLICATION OF INTEREST

Technical Notes on Petroleum Industry Operations (See page 9.)

COMPARATIVE INDICATORS

Recent Data Concerning Internal Economic Activities. (See page A-1.)

Recent Data Concerning External Economic Activities. (See page A-2.)

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Articles

POLAND: ECONOMIC GAINS UNDER GIEREK

Edward Gierek, First Secretary of Poland's Communist Party and *de facto* head of state, will visit the United States in early October with four years of impressive economic achievements to his credit. The removal of his predecessor, Gomulka, had been triggered by popular discontent with living conditions.

Poland: Economic Indicators

Average Annual Percentage Growth

	1966-70	1971-73
Since Gierek assumed power in 1970:		
● growth in GNP has averaged an excellent 7% annually;	Gross national product	4-1/2 7
● crops and livestock have registered strong gains following the poor agricultural year of 1970;	Agricultural output	2 6-1/2
● higher farm output has provided the raw materials to boost output in the food industry by an average annual rate of 9-1/2%, compared with only 3% in 1966-70;	Industrial output	8 10
	Producers' goods	9 10
	Consumer goods	6-1/2 10-1/2
	Fixed investment	8 18
	Per capita consumption	4 7-1/2

Poland: Foreign Trade

Million US \$

	1970	1973
● growth in consumer goods output has exceeded the growth in producer goods for the first time since 1958; and	Total imports	3,608 7,862
● investment, spurred by massive imports of Western machinery and equipment on credit, has increased even faster than GNP and consumption.	Total exports	3,548 6,432
	Imports from developed West	901 3,431
	Exports to developed West	962 2,063
	Imports from United States	58 315
	Exports to United States	93 190
	Imports from West Germany	143 924
	Exports to West Germany	181 431
	Imports from United Kingdom	191 376
	Exports to United Kingdom	152 258

Healthy elements in this growth include a less doctrinaire internal economic policy and a greater willingness to take advantage of

Note: Comments and queries regarding the *Economic Intelligence Weekly* are welcomed. They may be directed

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trade opportunities with the West. However, the expansion of imports can hardly continue at the extraordinarily high rate of recent years. Poland's hard currency debt increased from about \$1.2 billion in 1970 to \$2.7 billion at yearend in 1973, and the current debt-service ratio of 20% will rise sharply in 1975-77 when repayments start on the new credits.

The developed West now accounts for 44% of Polish imports and 32% of exports, compared with 25% and 27%, respectively, in 1970. The rise in trade with West Germany has been especially pronounced; since 1970, West Germany has replaced the United Kingdom as Poland's principal western trading partner.

Trade with the United States has boomed since Gierek came to power. Imports from the United States increased fourfold during 1971-73. Meanwhile, exports to the United States merely doubled, with hams still accounting for more than a third of the total. Consequently, the United States had a trade surplus with Poland last year for the first time since 1964. The surplus widened in the first half of 1974, as US exports to Poland increased 56% while imports grew 31% over the comparable 1973 period.

Promotion and financing of US-Polish trade will be high on the list of topics that Gierek will raise in Washington. Warsaw's desire for Western technology—together with the availability of Exim Bank credits—has resulted in machinery contracts with US firms worth about \$225 million since the beginning of 1973. Because of its rapidly increasing debt burden, Poland has asked to defer repayments of about \$50 million on its PL-480 debt during 1975-77. Meanwhile, Poland continues its interest in cooperative deals with the United States. Negotiations are currently under way with US mining, electronics, and motor vehicle interests.

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WORLD COPPER PRICES HIT 1974 LOW

Copper prices on the London Metal Exchange (LME) have fallen from an April 1974 peak of \$1.52 a pound to a low of 65.7 cents on 9 September. This drop is due to:

- continuing growth in copper production;

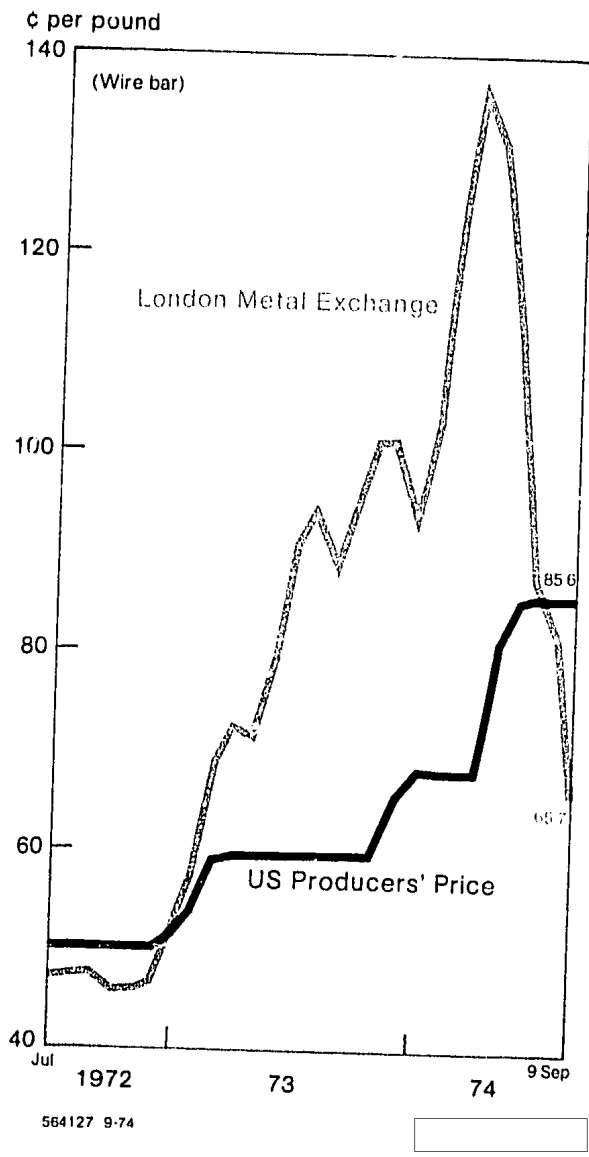
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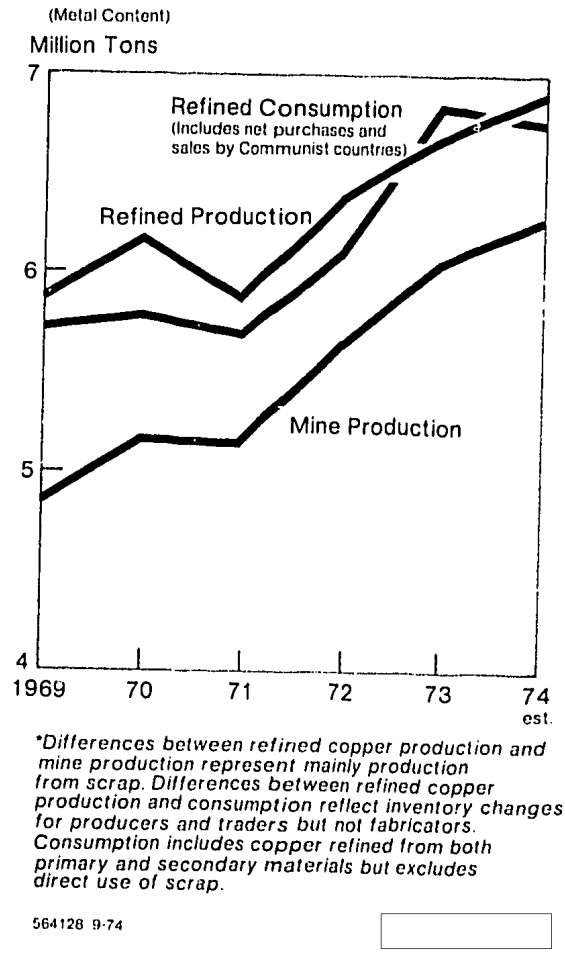
- declining consumption of refined copper, attributable to weakening demand in industrial countries; and
- rapid buildup of LME stocks in the past six months.

The insulated US producers' price has so far held steady at 85 to 87 cents a pound; it undoubtedly will come under pressure if cheaper copper is imported in substantial amounts.

Copper Prices



Non-Communist Copper Production and Consumption*



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Non-Communist production of refined copper is expected to increase by 3% in 1974, to 6.9 million tons. Increases in mined copper will come primarily from Chile, Zambia, and Zaire, which - with Peru - make up the Intergovernmental Council of Copper Exporting Countries (CIPEC). Chile plans to produce about 900,000 tons this year, 165,000 tons more than in 1973, as the industry recovers from the Allende era. Production is now running at this level. Zambia and Zaire are expected to increase output by a total of 50,000 tons. US production probably will come close to the 1973 level of 2.1 million tons, in spite of the strike in July, which cost 150,000 tons of refined copper.

Free World copper consumption in 1974 probably will drop about 1.5% from the 1973 level, to 6.7 million tons. The excess output of perhaps 200,000 tons will be added to stocks that remain low because of the worldwide boom in industrial demand last year. Although copper stocks on the LME, for example, rose from 10,500 tons on 2 April to 68,000 tons on Monday, they are still below the 1972 level.

Japan's slump has been a key factor in the weakening of world copper prices. The drop in industrial output in the first half reduced Japanese demand for refined copper, while imports of ores and concentrates continued at high levels under long-term contracts. Japan consequently began to export surplus production. Exports reached about 150,000 tons from January through August and may climb to 200,000 tons (worth about \$400 million) by yearend. Production cuts are unlikely because the industry is reluctant to disturb the import contracts and wants to make full use of processing facilities. Tokyo is happy to have the added export earnings to help cover the oil bill.

The CIPEC countries, source of 38% of Free World copper mine production and half of world copper exports, are increasingly concerned about the recent drop in prices. They are discussing the possible formation of an organization to establish buffer stocks and set prices independent of the LME price, currently used in sales contracts for their exports. Lack of financing to build stocks probably will prevent an effective move in this direction. Measures to limit production or exports also appear unlikely, because each country is highly dependent on copper earnings and is still intent on expanding output.

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CANADA: DISSENTING VIEWS ON DEVELOPMENT STRATEGY

Ottawa's industrial development strategy, emphasizing rapid expansion of secondary manufacturing to generate employment, is coming under further attack within Canada. Among those questioning the policy is the Chairman of the Economic Council of Canada; the Council is an influential research body that advises the government on long-term economic issues. Canadian techniques for promoting manufacturing have been responsible for much of the recent friction in economic relations with the United States.

Critics of the established policy argue that Canada's comparative advantage lies in production of industrial raw materials and foodstuffs. They claim that worldwide demand for raw materials will remain strong over the long term and will make the exploitation of natural resources more profitable than in the past. Additional jobs could be created, they argue, by doing more of the primary processing of commodities within Canada. This alternative development strategy has great appeal to the resource-rich provinces of the West, which have long complained that present policy favors manufacturing in Ontario and Quebec. The Easterners oppose a change in policy direction; some, at least, seem to realize that accelerated efforts to produce and export raw materials could push up the value of the Canadian dollar, making their manufactures less competitive abroad.

Opponents of the current industrial strategy also claim that the role of secondary manufacturing in generating employment has been exaggerated. They note, correctly, that service industries have been originating many more jobs than has manufacturing. More important, they point to projections that show much slower growth in the labor force by the end of the decade. In their view, Canada will be entering a period of labor scarcity by that time.

The Trudeau government shows no sign of considering a reordering of development priorities. In fact, Trudeau reaffirmed these priorities in the recent election campaign. His FY 1975 budget -- to be resubmitted next month -- probably will continue the tax reductions granted in 1973 for manufacturing industries and will raise income taxes for mining and petroleum companies.

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SINO-JAPANESE FERTILIZER DEADLOCK BROKEN

The longstanding deadlock in Sino-Japanese fertilizer negotiations has been broken by the sale to China last week of 900,000 tons of urea and 200,000 tons of ammonium sulphate to be delivered through January 1975.

Prices under the new contract are below world prices, with the Chinese paying \$216 and \$108 per ton delivered for urea and ammonium sulphate. The Chinese justified their demands for lower prices on the basis of having "saved" the Japanese fertilizer industry during weak market periods in the past. A compromise was made by the Japanese in lowering their price and by the Chinese in reducing the quantity demanded. The Japanese acceded to a below-market price because they are eager to expand political and economic ties with the People's Republic.

The Chinese have resisted rising fertilizer prices more than other Asian importers. Indonesia, Thailand, and India are paying more than \$300 per ton of urea delivered - an increase of more than 200% over last year's prices. China has broken off trade negotiations rather than pay these prices. For example, Peking still has not signed contracts with the European fertilizer cartels that have supplied the PRC in past years.

The breakthrough with the Japanese improves the outlook for an adequate supply of nitrogenous fertilizer in China next spring. Romania, a dependable supplier in the past, should augment the supply.

Prospects for Chinese purchases of fertilizer under equally favorable conditions are not promising for 1975-76. Japan is likely to feel less indebted to the Chinese next year, and world fertilizer prices probably will remain high. The PRC fertilizer bottleneck will begin to ease in 1976, when the first of the 13 imported ammonia-urea complexes is scheduled to begin producing. In anticipation of the startup of these plants, the Chinese recently purchased 10 heavy duty fertilizer packaging systems from a US company. Each system is capable of handling 15 50-pound bags per minute - ample capacity for these ammonia-urea complexes.

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ARGENTINA: CONTINUING LAGS IN GRAIN SHIPMENTS

Argentina failed to meet delivery schedules on 1.4 million tons of grain during the first half of 1974 because of:

- insufficient storage capacity,
- port congestion created by a general expansion of exports and a lack of deep-draft facilities, and
- incompetence of the National Grain Board in scheduling exports and managing the flow of grain to ports.

The current backlog plus heavy commitments for the remainder of the year means that delays will continue into 1975. Argentina has promised shipment of more than 5.2 million tons of grain during the second half of the year in addition to the delayed tonnage. It shipped only 5.5 million tons in second half 1973, when the flow of grain was better managed.

Argentina probably will sell abroad about 2 million tons of wheat, 2 million tons of corn, and 1 million tons of sorghum in the first half of 1975. Under the best of conditions, Argentina would still have an estimated backlog of 500,000 tons by mid-1975. More likely, the delayed tonnage will be closer to the present backlog.

Improper scheduling of shipments from the interior to ports and poor management have resulted in losses this year of 1.0 million tons of sorghum and small amounts of corn. These losses forced the National Grain Board to suspend further export sales of sorghum in late July and exasperated good customers such as India. Although Argentina will not immediately lose markets, alienated customers may turn to more reliable suppliers once the current world shortage eases.

[Redacted]

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Notes

India: Upswing in Grain Purchases

India purchased 700,000 tons of US, Argentine, and Canadian wheat during the past two weeks, pushing scheduled grain imports in FY 1975 to 2.8 million tons – about half of minimum import needs. Faced with tight grain markets and below-normal monsoon rains, New Delhi abandoned its ceiling of \$150 a ton for foreign wheat. India has discussed with US officials a need for 8 million tons of concessional grain imports from all sources during the next 18 months. Instead of the resumption of PL-480 deliveries, the government wants to obtain US grain on long-term credits or on barter or through the United Nations.

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Brezhnev Comments on Grain Crop

Communist Party General Secretary Brezhnev described the 1974 Soviet grain crop as "not bad" in a 7 September speech at Novorossiysk. In a one-paragraph reference to the crop, Brezhnev predicted that many oblasts in the western part of the country will produce enough grain to fulfill their commitments while admitting that the crop in Siberia and Kazakhstan was in trouble. Contrary to Western press stories, Brezhnev did not predict that the national goal of 205.6 million tons will be met this year. The short shrift afforded the crop in his speech and the admission of difficulties in the New Lands suggest that the regime holds little hope for achieving the plan figure.

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More Soviet Gas to West Germany

The USSR has signed a third contract with West German firms to deliver natural gas in return for large-diameter pipe. The Soviet Union will deliver 53 billion to 88 billion cubic feet of gas per year to Ruhrgas AG in 1978-2000, and as part payment Mannesmann AG will supply 900,000 tons of pipe worth \$150 million to \$200 million.

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Soviet earnings from this deal could reach \$1.8 billion to \$3.0 billion. Under the 1970 and 1972 contracts, the USSR agreed to deliver about 247 billion cubic feet per year in 1973-92 at a substantially lower price.

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Eurodif Breaks Ground

Work has started on the Eurodif uranium enrichment plant at Tricastin in southern France. Excavation began in August for the \$2.5 billion complex, which will include a gaseous diffusion facility and four associated nuclear generating plants. Full operation of the enrichment plant is scheduled for 1981. If Eurodif meets its target, it will become the largest supplier of uranium enrichment services outside the United States. Eurodif already holds contracts with electric utilities in Japan, West Germany, Switzerland, and Eurodif member countries (France, Italy, Spain, and Belgium).

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Publication of Interest*

Technical Notes on Petroleum Industry Operations: A Compilation of Articles from *International Oil Developments*

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This collection of articles covers technical aspects of petroleum industry operations, including exploration, production, transportation, storage, and processing of crude oil and natural gas. The text is illustrated by numerous charts and photographs.

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INTERNAL ECONOMIC INDICATORS

GNP*

Constant Market Prices

	Percent Change		Average Annual Growth Rate Since		
	from Previous		1970	1 Year Earlier	Previous Quarter
	Latest Quarter	Quarter			
United States	74 II	-0.3	3.6	-1.	-1.2
Japan	74 II	0.4	5.5	-3.8	1.6
West Germany	74 I	1.2	3.5	1.5	5.0
France	73 IV	1.8	5.8	5.7	7.3
United Kingdom	74 I	-3.5	1.9	-4.4	-13.3
Italy	73 IV	1.9	3.7	5.3	7.7
Canada	74 I	1.7	5.4	3.0	7.0

WHOLESALE PRICES

Industrial

	Percent Change		Average Annual Growth Rate Since		
	from Previous		1970	1 Year Earlier	3 Months Earlier
	Latest Month	Month			
United States	Jul 74	2.7	9.3	25.1	34.2
Japan	Jul 74	1.1	11.3	34.2	13.2
West Germany	Jun 74	0.2	7.0	13.1	10.3
France	Jul 74	-0.4	12.8	32.5	-0.4
United Kingdom	Jul 74	1.5	11.2	25.0	20.9
Italy	May 74	0.7	14.5	43.0	35.6
Canada	Jun 74	0.1	10.9	23.5	16.1

INDUSTRIAL PRODUCTION*

	Percent Change		Average Annual Growth Rate Since		
	from Previous		1970	1 Year Earlier	3 Months Earlier**
	Latest Month	Month			
United States	Jul 74	0	4.5	-0.6	4.0
Japan	Jul 74	0	6.2	-1.8	-6.7
West Germany	Jun 74	-3.0	2.4	-1.9	-6.0
France	Jun 74	0.8	6.2	5.0	2.2
United Kingdom	Jun 74	0	2.1	-2.6	15.2
Italy	Jun 74	5.7	5.8	6.5	3.9
Canada	Jun 74	0.6	6.2	3.3	-2.0

CONSUMER PRICES

	Percent Change		Average Annual Growth Rate Since		
	from Previous		1970	1 Year Earlier	3 Months Earlier
	Latest Month	Month			
United States	Jul 74	0.8	6.2	11.8	12.2
Japan	Jul 74	1.8	11.5	25.2	11.9
West Germany	Jul 74	0.2	6.2	6.9	5.2
France	Jul 74	1.3	8.2	14.4	15.3
United Kingdom	Jul 74	0.9	10.6	17.1	14.0
Italy	Jul 74	2.4	9.9	18.7	22.3
Canada	Jul 74	0.8	6.6	11.3	15.9

RETAIL SALES*

Current Prices

	Percent Change		Average Annual Growth Rate Since		
	from Previous		1970	1 Year Earlier	3 Months Earlier**
	Latest Month	Month			
United States	Jul 74	4.2	10.2	8.4	14.6
Japan	Apr 74	1.2	12.5	13.8	-5.8
West Germany	Jun 74	-0.5	7.7	2.0	-0.1
France	May 74	6.2	8.5	18.1	1.3
United Kingdom	May 74	0	11.2	16.2	7.4
Italy	Feb 74	8.6	19.0	35.9	36.7
Canada	Jun 74	0.2	12.2	17.8	18.1

MONEY SUPPLY*

	Percent Change		Average Annual Growth Rate Since		
	from Previous		1970	1 Year Earlier	3 Months Earlier**
	Latest Month	Month			
United States	Jul 74	0.1	5.9	5.1	5.3
Japan	May 74	3.0	17.9	14.6	19.8
West Germany	Jun 74	2.0	9.2	5.3	10.4
France	Feb 74	-0.3	12.0	9.2	16.5
United Kingdom	Jun 74	-0.6	8.7	0.8	8.3
Italy	Jan 74	0.1	20.7	22.7	22.5
Canada	Jul 74	-0.7	12.7	9.6	13.5

MONEY-MARKET RATES

	Representative Rates	Percent Rate of Interest				
		Latest Date		1 Year Earlier	3 Months Earlier	1 Month Earlier
United States	Dealer-placed finance paper	Aug 28	12.00	9.00	9.00	11.45
Japan	Call money	Aug 21	13.75	7.50	12.00	13.00
West Germany	Interbank loans (3 Months)	Aug 28	9.50	3.75	9.50	9.20
France	Call money	Aug 7	13.38	8.69	13.00	13.00
United Kingdom	Sterling interbank loan (3 mo)	Aug 28	12.64	14.44	12.65	13.39
Canada	Finance paper	Aug 28	11.78	8.30	11.35	11.53
Euro-Dollars	Three-month deposits	Aug 28	13.91	11.51	11.86	13.31

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

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Office of Economic Research/CIA

Note: US data provided by US government agencies

EXTERNAL ECONOMIC INDICATORS

EXPORTS* f.o.b.

	Latest Month	Cumulative			
		Million US \$	Million US \$		Percent Change
			1974	1973	
United States	Jul 74	8,307	54,915	37,970	44.0
Japan	Jul 74	4,879	29,499	19,789	49.1
West Germany	Jul 74	7,824	50,097	25,881	41.3
France	Jul 74	3,900	20,118	20,200	28.9
United Kingdom	Jul 74	3,237	20,227	16,109	25.0
Italy	Jun 74	2,270	13,285	9,401	41.3
Canada	Jul 74	2,753	18,218	14,287	27.5

EXPORT PRICES US \$

	Latest Month	Average Annual Growth Rate Since			
		Percent Change from Previous Month	1970	1 Year	
				Earlier	3 Months Earlier
United States	Jul 74	0.5	11.7	25.7	14.3
Japan	Jun 74	0.9	17.1	35.1	29.7
West Germany	Jun 74	-2.4	15.0	20.3	31.8
France	Apr 74	3.5	14.2	18.4	76.9
United Kingdom	Apr 74	5.9	12.5	23.9	109.7
Italy	Apr 74	5.8	13.3	29.4	73.9
Canada	May 74	1.5	14.9	44.1	60.1

IMPORTS* f.o.b.

	Latest Month	Cumulative			
		Million US \$	Million US \$		Percent Change
			1974	1973	
United States	Jul 74	9,038	55,906	38,879	43.8
Japan	Jul 74	4,728	30,921	16,937	82.7
West Germany	Jul 74	5,880	36,353	27,908	30.3
France	Jul 74	4,515	28,508	19,485	46.5
United Kingdom	Jul 74	4,402	27,567	18,398	49.8
Italy	Jun 74	2,827	16,852	10,708	57.4
Canada	Jul 74	2,778	17,709	13,056	35.6

EXPORT PRICES National Currency

	Latest Month	Average Annual Growth Rate Since			
		Percent Change from Previous Month	1970	1 Year	
				Earlier	3 Months Earlier
United States	Jul 74	0.5	11.7	25.7	14.3
Japan	Jun 74	2.7	10.2	44.5	30.6
West Germany	Jun 74	0.2	4.7	17.7	13.5
France	Apr 74	4.3	10.2	26.3	54.4
United Kingdom	Apr 74	3.8	12.6	28.8	57.7
Italy	Apr 74	5.6	13.8	39.6	63.6
Canada	May 74	0.8	12.4	38.2	49.2

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

	Latest Month	Cumulative (Million US \$)			
		Million US \$	1974		Change
			1974	1973	
United States	Jul 74	-728	-991	-909	-83
Japan	Jul 74	152	-1,422	2,852	-4,274
West Germany	Jul 74	1,958	14,345	7,972	6,373
France	Jul 74	-615	-2,393	801	-3,194
United Kingdom	Jul 74	-1,166	-7,340	-2,289	-5,051
Italy	Jun 74	-556	-3,568	-1,307	-2,259
Canada	Jul 74	-25	510	1,231	-721

IMPORT PRICES National Currency

	Latest Month	Average Annual Growth Rate Since			
		Percent Change from Previous Month	1970	1 Year	
				Earlier	3 Months Earlier
United States	Jul 74	2.4	19.5	52.3	27.1
Japan	Jun 74	2.3	17.7	83.2	27.7
West Germany	Jun 74	1.7	6.9	29.7	16.9
France	Apr 74	4.8	15.3	58.4	131.9
United Kingdom	Apr 74	3.5	21.5	61.6	89.5
Italy	Apr 74	5.4	26.0	90.6	163.4
Canada	May 74	3.4	10.6	30.0	54.7

BASIC BALANCE** Current and Long-Term Capital Transactions

	Latest Period	Cumulative (Million US \$)			
		Million US \$	1973		Change
			1973	1972	
United States*	74 I	2,065	2,065	-1,006	3,071
Japan	Jul 74	-631	-9,051	-5,158	-3,893
West Germany	Jul 74	288	5,069	1,438	3,631
France	73 IV	-431	-2,471	-389	-2,102
United Kingdom	74 I	84	84	-1,033	117
Italy	73 II	-336	639	971	-332
Canada	74 I	-195	-195	-191	-4

EXCHANGE RATES Spot Rate As of 6 Sep 74

	US \$ Per Unit	Percent Change from			
		Dec 66	18 Dec 1971	19 Mar 1973	30 Aug 1974
Japan (Yen)	0.0033	19.75	1.76	-13.12	-0.03
West Germany (Deutsche Mark)	0.3750	49.16	20.85	5.90	-0.16
France (Franc)	0.2075	2.77	5.38	-5.85	0.10
United Kingdom (Pound Sterling)	2.3110	-17.19	-11.31	-6.10	-0.25
Italy (Lira)	0.0015	-5.62	-12.15	-14.63	-0.26
Canada (Dollar)	1.0108	9.58	1.30	1.31	-0.11

OFFICIAL RESERVES

	Latest Month	Billion US \$			
		End of	Billion US \$	1970	
				Jun 1970	1 Year Earlier
United States	Jul 74	14.9	14.5	12.9	14.6
Japan	Aug 74	12.9	4.1	15.1	13.2
West Germany	Jul 74	33.5	8.8	34.1	33.8
France	Aug 74	8.5	4.4	11.2	8.1
United Kingdom	Jul 74	6.7	2.8	6.6	7.0
Italy	Jun 74	5.3	4.7	6.0	6.7
Canada	Aug 74	5.9	4.3	5.6	6.2

TRADE-WEIGHTED EXCHANGE RATES*** As of 6 Sep 74

	Dec 66	Percent Change from			
		18 Dec 1971	19 Mar 1973	30 Aug 1974	
					1973
United States	-13.25	-4.02	2.54	0.35	
Japan	11.55	-1.96	-13.77	0.85	
West Germany	29.30	12.41	7.40	0.15	
France	-16.84	-3.51	-5.97	0.38	
United Kingdom	-34.88	-20.70	-6.32	0.43	
Italy	-25.16	-23.86	-16.96	-0.04	
Canada	7.48	0.88	2.52	0.01	

*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.