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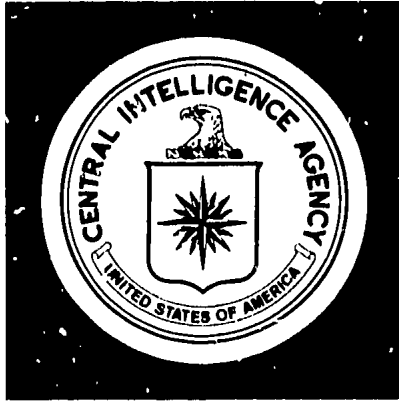
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# Economic Intelligence Weekly

**Secret**

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## ECONOMIC INTELLIGENCE WEEKLY

16 October 1974

## INDUSTRIAL NATIONS

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**H. Johannes Witteveen**, Managing Director of the International Monetary Fund, warned yesterday against the use of strongly deflationary policies to curb inflation and improve payments balances. Witteveen argued that these policies risked world depression. He urged oil-consuming countries to accept payments deficits for at least four to five years and to use moderation in holding down aggregate demand. [redacted]

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**Italy: Fiat Cutback to Have Wide Effect;** Shortened hours and layoffs will reduce purchasing power in key cities and perhaps trigger serious strikes. [redacted] see page 4.)

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## DEVELOPING COUNTRIES

**Chile: Rationalization of the Automobile Industry;** Santiago hopes to reduce costs and spur exports by reducing the number of firms from seven to three—one Japanese, one West European, and one American.

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[redacted] see page 8.)

**OPEC Countries: Provisional Balance of Payments;** The current account surplus will climb to \$68 billion in 1974, according to provisional estimates. [redacted]

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[redacted] see page 1.)

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**Mexico: Battle Joined on Inflation;** A tough new price control program could bite into business profits and discourage investment. [redacted] see page 3.)

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**Egypt: Brighter Economic Prospects;** Much improved financial prospects will be translated only gradually into

economic growth because of longstanding bottlenecks.

[redacted] see page 4.)

**American firms in Cyprus** are being threatened by authorities of both national communities in the country. Turkish Cypriot officials have decreed that all businesses operating in Turkish-controlled areas must register with the administration or face confiscation. Greek Cypriot authorities have countered that companies doing so will invite closure of their facilities and seizure of their properties. [redacted]

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## INTERNATIONAL MARKETS

**The Dollar** declined against most major currencies again last week as short-term Eurodollar rates continued to drop. The mark gained more than 1% while other European joint float currencies and the yen were up by less than 0.5%. The pound and lira declined slightly. The Bundesbank bought more than \$200 million last week in an effort to stem the mark's advance against the dollar. Italian dollar intervention, which totaled more than \$400 million in the first seven business days of the month, dropped off sharply toward the end of last week.

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**Gold** was fixed at \$155.00 an ounce in London yesterday afternoon, down 10 cents for the week.

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**Copper Prices** on the LME closed last week at 65 cents a pound, remaining below 70 cents for the fifth straight week. Both lead and zinc prices on the LME remained close to yearly lows while tin sank to \$3.18 a pound, the lowest level since last January. Slack demand and market pessimism regarding the industrial outlook are the main reasons for price weakness. [redacted]

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**Platinum Prices Moving Up;** Rising consumption is keeping prices up in the face of substantial increases in output.  see page 6.)

**PUBLICATION OF INTEREST**

**Soviet Shipping Expansion Since 1972** (See page 9.)

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**COMMUNIST COUNTRIES**

**COMPARATIVE INDICATORS**

**China: US Construction Technicians on the Way;** Americans stationed at sites for new ammonia plants will benefit from agreement on living conditions.   
 see page 2.)

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

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

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**Poland Borrows to Develop Copper Resources;** A consortium of US and Canadian banks has come up with \$100 million.  see page 8.)

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## Articles

## OPEC COUNTRIES: PROVISIONAL BALANCE OF PAYMENTS

The current account surplus of OPEC countries will climb to \$68 billion in 1974, according to our provisional estimates. The surplus exceeded \$20 billion in the first half and is expected to reach \$47 billion in the second.

OPEC oil receipts will jump from an estimated \$33 billion in the first half of 1974 to \$61 billion in the second half:

- Oil receipts in the second half will fully reflect the January price increase and most of the July price increase.
- The producers will receive large retroactive payments for government-owned oil lifted in the first half.

Arab producers will account for more than 60% of 1974 revenues, Saudi Arabia receiving the largest share. Iran's earnings will be the largest among non-Arab producers.

Preliminary estimates put OPEC imports at \$13 billion in the first half and at \$16 billion in the current half. Iran, Venezuela, Indonesia, and Saudi Arabia account for 60% of import expenditures.

## OPEC Countries: Provisional Balance of Payments

	Billion US \$			
	1973	1974		Total
		1st Half	2d Half	
Export receipts	30.2	35.9	64.0	99.9
Oil	27.0	33.4	61.2	94.6
Non-oil	3.2	2.5	2.8	5.3
Import payments (f.o.b.)	19.7	13.2	15.9	29.1
Trade balance	10.5	22.7	48.1	70.8
Net services	-5.0	-2.2	-1.1	-3.3
Current account balance	5.5	20.5	47.0	67.5
Increase in reported reserves	4.3	16.5	N.A.	N.A.

Note: Comments and queries regarding the *Economic Intelligence Weekly* are welcomed.

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The \$20 billion current account surplus for the first half exceeds by \$4 billion the increase in OPEC reserves reported to the IMF. This difference implies net capital outflows (or errors and omissions) of \$4 billion in the first half. [redacted]

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### CHINA: US CONSTRUCTION TECHNICIANS ON THE WAY

US technicians are scheduled to arrive in China in early November to begin installation of the first of eight ammonia plants bought last year. Americans will eventually be stationed at all eight plant sites for extended periods.

The first technicians will be located at Lu-chou in remote Szechwan Province.

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[redacted] After extensive negotiations, the Chinese agreed to supply adequate living quarters and to permit:

- wives and children to accompany some technicians;
- short wave radios, tape recorders, and books for personal use;
- air conditioners and other luxury items to enter duty-free; and
- a liberal leave policy for all hands.

The Chinese refused to allow cassette TV sets into the country and would not sign a formal agreement on the subject of amenities. Instead, they agreed to accept a written statement of an oral understanding on living conditions.

Poor treatment of foreign technicians was a major point of contention during the mid-1960s, when the Chinese began to import Western plants. The Cultural Revolution of 1966-69 led to harsh treatment for many technicians. The advice of foreign engineers was often ignored, their movements were severely restricted, some were intimidated and beaten, and some were even imprisoned or expelled. This led to prolonged delays in the completion of imported plants. Peking has taken a number of steps to keep the anti-Confucius campaign from leading to a repetition of those excesses. [redacted]

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## MEXICO: BATTLE JOINED ON INFLATION

Mexico has adopted one of the world's toughest price control programs. If strictly enforced, the controls will bite into business profits and discourage investment.

The government has slapped price controls on 40,000 items, including most basic consumer goods and various industrial products. To be considered for relief, firms must open their books to prove cost increases of more than 5%. Mexico City apparently intends to concentrate enforcement against large firms because broad policing is difficult.

Mexican officials are trying to force business to absorb part of the 22% wage increase recently authorized for union workers and expected to be widespread by year's end. Inflation has been running at a 20% rate, four times the long-term average. Long noted for its financial stability, Mexico has suffered accelerating price increases because of:

- expansionary monetary and fiscal policies under the Echeverria administration;
- soaring prices for imported goods, especially cereals and steel;
- three years of poor harvests; and
- mounting strains on industrial capacity growing out of a lag in investment.

Business leaders estimate that full pass-through of the current round of wage increases would add 5 percentage points to the 1974 inflation rate.

Echeverria is trying to mollify labor on the inflation issue, which has hurt his party more than unfulfilled promises of economic reform. Enjoying little business support in any case, the government has increasingly blamed inflation on profiteering. As evidence, officials point to the 39% profit increase in the first half for firms listed on the stock exchange.

Applications for price increases probably will be infrequent because the government has threatened firms making such requests with intensive audits. Many firms fear that auditors will find ways to boost their taxes. Thus business faces

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a serious profit squeeze, which will dampen private investment – already depressed since 1971 by Echeverria's reformist inclination. Some businessmen also will delay investment commitments pending selection of Echeverria's successor, a decision expected some time in 1975. [REDACTED]

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### ITALY: FIAT CUTBACK TO HAVE WIDE EFFECT

The shortened hours recently announced by Fiat will reduce purchasing power in key Italian industrial centers and perhaps trigger serious strikes.

The dominant automobile maker is placing 71,000 workers – a third of its labor force – on a 24-hour workweek for the next four months. Cutbacks in supplier firms will quickly follow. Despite employer-financed income supplements of up to 80% of lost wages, consumer demand will drop noticeably in Turin, Florence, and other major cities.

Union officials, who fear that as many as 100,000 workers will ultimately lose their jobs outright, are calling for a nationwide work stoppage. The labor minister in the recently resigned Rumor government tried unsuccessfully to defuse the situation by urging Fiat to reverse its decision.

Fiat inventories have ballooned to 300,000 cars, almost twice the normal autumn level. Sales have declined both in Italy – which is in the throes of a severe financial crisis – and in export markets. Fiat president Agnelli hopes to bring the inventory-sales ratio into line by trimming output by 200,000 units, or 25%, in the four-month period. To unload cars, Fiat is sounding out Soviet and East European trade officials. It is willing to barter automobiles for oil, methane, or other goods. [REDACTED]

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### EGYPT: BRIGHTER ECONOMIC PROSPECTS

In the year since the Middle East war, Egyptian financial prospects have improved dramatically. These prospects will be translated into economic growth only gradually because of longstanding administrative and physical bottlenecks.

In the fall of 1973, Egypt received more than \$800 million in *ad hoc* Arab aid. At the same time, the synthetic fiber shortage – a direct result of the war-related energy crisis – drove up prices of Egyptian long staple cotton, more than compensating for the high cost of grain and other essential imports. Egypt

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thus was able to pay off most of its overdue debts and to augment its financial reserves by \$200 million.

### **Economic Aid**

Saudi Arabia subsequently replaced its \$100 million annual prewar subsidy with \$500 million in cash aid. This more than offset the loss of the \$150 million to \$200 million in annual Libyan aid, which was halted in protest of the disengagement with Israel.

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Once postwar economic planning is fully under way, Egypt expects to draw on \$3 billion in other Arab and non-Arab aid commitments. About one-third of this amount represents credits, mostly of East European origin, carried over from before the October war. The balance is postwar extensions arising primarily from the pivotal political position of Egypt, a visibly damaged front-line state that has been the foremost belligerent in the confrontation with Israel. This infusion of aid, together with prospective earnings from the Suez Canal and the SUMED pipeline, should enable Egypt to at least maintain present per capita income and to service its debts. Prospects would improve still further if Egypt regained the Sinai oil fields.

### **Military Assistance**

In addition to providing economic aid, the oil-rich Arab states appear to be underwriting a reduction in Egyptian dependence on Soviet arms. In mid-April, following a Soviet arms cutoff, Sadat announced a program to diversify sources of arms. Although some Soviet arms deliveries - primarily spare parts - have been resumed, Sadat has continued to send purchasing missions to Western Europe.

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Soviet military aid probably will be continued because Sadat needs this aid to maintain basic military inventories. If a new agreement is reached, Moscow probably will try to get Cairo to pay cash for some of the arms.

### **Foreign Investment**

Since the war, Egypt, with the most highly industrialized economy in the Arab world, has attracted the attention of Kuwait, Iran, Iraq, and other oil

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producers seeking investment outlets. With the improvement in relations with Western countries, increasing numbers of non-Arab investors have also expressed interest. More than \$3 billion in foreign equity capital for investment projects is awaiting government approval. Enough capital is now in sight to finance the 7%-10% annual growth targeted by Egyptian planners.

Absorbing this capital in the economy is another matter. Urban interest groups will cling hard to the stultifying government policies that guarantee employment and a minimum level of consumption at the expense of hard work and innovation. The economy will be troubled for some time by the tangle of administrative problems, illustrated by the obsolete structure of financial and other services available to the business community. Fear of foreign economic domination also will cause delays. For example, the government will insist on arrangements for domestic participation in the financing of proposed investment projects.

Bottlenecks in transportation, electric power generation, and other areas may create even more serious problems for the would-be investor. Cairo will continue to press the Soviets, Americans, Europeans, and international agencies for assistance in attacking these problems.

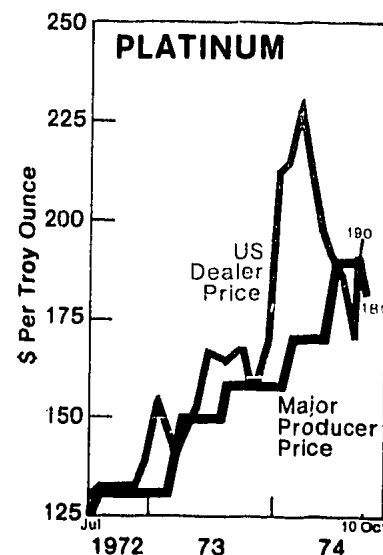
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### PLATINUM PRICES MOVING UP

Rising platinum consumption is keeping prices under pressure in spite of large increases in production this year. The major producer price—set by South African firms—has risen 20% over the past 12 months to \$190 a troy ounce since early June.

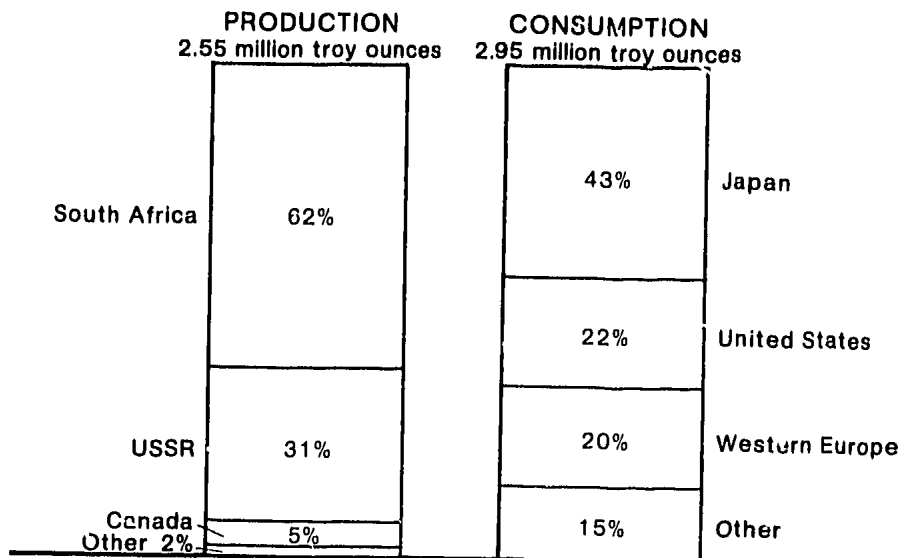
The US dealer price, far more volatile than the producer price, moved up rapidly to a record \$245 an ounce in late April before declining to \$172 in late September. The price, which is influenced by the speculative activity associated with other precious metals, bounced back to \$192 on 3 October following the strengthening of gold and silver prices and declined to \$180 on 10 October. Most platinum on this market is supplied by minor Western producers and by the USSR.



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### PLATINUM PRODUCTION AND CONSUMPTION BY COUNTRY, 1973



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In 1974, world platinum production will reach an estimated 3.1 million ounces, up 20% from 1973 and about equal to anticipated consumption. Most of the increase will come from South Africa, which—with the USSR—accounts for more than 90% of world supply.

US consumption will rise by about 10% this year because of the use of platinum in catalytic converters for cars produced in the fourth quarter. In 1975, the first full year for this type of emission controls, US platinum consumption will leap an estimated 45%, to 940,000 ounces. US auto manufacturers have already contracted with South African producers for the necessary supplies. Growing use of platinum production of lead-free gasoline will further boost US consumption over the next three years. By the late 1970s, mine production of platinum will be supplemented by secondary recovery from discarded converters and from industrial processes.

Even with the sharp increase in US platinum consumption, Japan will remain the world's largest user. Japanese demand will reflect both private hoarding and

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large-scale industrial use. Japan also is introducing catalytic converters in 1975 automobile models.

South African platinum reserves and production capacity are believed ample to meet the increase in world demand. Further increases in the producer price nonetheless can be expected because:

- the small number of suppliers facilitates non-competitive pricing,
- ready substitutes are lacking for platinum in most uses, and
- the small cost of the platinum used in industrial products makes demand insensitive to price changes.

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### Notes

#### Chile: Rationalization of the Automobile Industry

Santiago has asked 14 companies to bid on contracts to modernize Chile's automobile industry. Seven of these companies - Peugeot, Fiat, Citroen, British Leyland, Nissan, Ford, and General Motors - now operate in Chile. Three firms will be chosen, representing Japan, Western Europe, and the United States, with exclusive rights to the Chilean market. Santiago will require them to offer a full range of automobile vehicles, to invest \$150 million to \$200 million within three years, and to set up a consumer financing program. Chile optimistically expects this consolidation to reduce costs and make its automotive products competitive on world markets.

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#### Poland Borrows to Develop Copper Resources

A consortium of US and Canadian banks has concluded a \$100 million loan to help finance the development of Polish copper resources. Poland, with one of Europe's largest known copper deposits, has now achieved self-sufficiency and is on the threshold of becoming an important supplier to Western Europe. The seven-year loan is one of the largest ever raised by Poland on the Eurocurrency markets. Terms call for a spread of one percentage point over the London interbank rate for the first four years and 1-1/8 percentage points thereafter.

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**Publication of Interest\***

**Soviet Shipping Expansion Since 1972**

(ER RP 74-18, October 1974, )

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Expansion of the Soviet merchant fleet accelerated in 1973 after two slow years. The added ships were small, however, and technically backward. During 1974 and 1975 the fleet will receive its first ships over 100,000 DWT and its first competitive container ships and vehicle carriers.

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## INTERNAL ECONOMIC INDICATORS

### GNP\*

Constant Market Prices

	Average Annual Growth Rate Since				
	Percent Change from Previous		1970	1 Year Earlier	3 Months Earlier
	Latest Quarter	Month			
United States	74 II	-0.4	3.0	-1.2	-1.0
Japan	74 II	0.6	5.7	-3.3	2.4
West Germany	74 II	-0.7	3.1	1.1	-2.9
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 II	0	5.7	4.9	0

### WHOLESALE PRICES

Industrial

	Average Annual Growth Rate Since				
	Percent Change from Previous		1970	1 Year Earlier	3 Months Earlier
	Latest Month	Month			
United States	Sep 74	0.8	9.8	27.9	20.5
Japan	Aug 74	1.0	11.3	32.8	14.9
West Germany	Jun 74	0.2	7.0	13.1	10.3
France	Aug 74	-0.7	12.4	30.3	-2.5
United Kingdom	Aug 74	1.3	11.3	25.3	19.3
Italy	May 74	0.7	14.5	48.3	44.1
Canada	Jul 74	2.0	11.2	24.6	12.2

### INDUSTRIAL PRODUCTION\*

	Average Annual Growth Rate Since				
	Percent Change from Previous		1970	1 Year Earlier	3 Months Earlier**
	Latest Month	Month			
United States	Aug 74	-0.4	4.0	-1.0	1.3
Japan	Aug 74	-2.2	5.8	-4.9	-11.8
West Germany	Jun 74	-2.8	2.7	-1.1	-2.2
France	Jun 74	0.8	6.2	5.0	2.2
United Kingdom	Aug 74	0	2.5	-0.2	5.4
Italy	Aug 74	-4.8	3.6	-0.6	0
Canada	Jul 74	0.8	5.8	1.9	-5.0

### CONSUMER PRICES

	Average Annual Growth Rate Since				
	Percent Change from Previous		1970	1 Year Earlier	3 Months Earlier
	Latest Month	Month			
United States	Aug 74	1.3	6.4	11.2	13.2
Japan	Aug 74	1.0	11.5	25.4	15.4
West Germany	Aug 74	0	6.1	6.9	2.5
France	Aug 74	0.8	8.2	14.5	13.4
United Kingdom	Aug 74	0.1	10.4	16.8	9.4
Italy	Aug 74	2.1	10.3	20.5	28.9
Canada	Aug 74	1.0	6.7	10.8	12.7

### RETAIL SALES\*

Current Prices

	Average Annual Growth Rate Since				
	Percent Change from Previous		1970	1 Year Earlier	3 Months Earlier**
	Latest Month	Month			
United States	Sep 74	-1.2	9.7	8.6	17.8
Japan	May 74	4.7	13.0	15.9	-1.7
West Germany	Jun 74	-1.5	7.7	2.0	1.5
France	May 74	6.2	8.5	18.1	1.3
United Kingdom	Jun 74	3.3	11.9	14.7	8.3
Italy	Apr 74	0.9	17.4	27.0	34.0
Canada	Jul 74	1.7	12.4	16.2	24.6

### MONEY SUPPLY\*

	Average Annual Growth Rate Since				
	Percent Change from Previous		1970	1 Year Earlier	3 Months Earlier**
	Latest Month	Month			
United States	Sep 74	0.1	5.8	5.8	2.2
Japan	Jun 74	1.6	17.9	15.7	17.6
West Germany	Jun 74	2.0	9.2	5.3	10.4
France	Jun 74	1.3	12.7	10.7	15.6
United Kingdom	Aug 74	1.2	8.8	0.8	3.5
Italy	Jan 74	0.1	20.7	22.7	22.5
Canada	Aug 74	-0.7	12.3	7.3	0

### 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	Oct 2	10.50	8.50	9.00	11.94
Japan	Call money	Sep 25	13.00	9.00	12.63	13.50
West Germany	Interbank loans (3 Months)	Oct 2	9.48	13.88	9.10	9.53
France	Call money	Sep 25	13.38	11.75	14.25	13.50
United Kingdom	Sterling interbank loan (3 mo)	Oct 2	11.71	13.27	13.27	12.45
Canada	Finance paper	Oct 2	11.25	8.75	11.05	11.88
Euro-Dollars	Three-month deposits	Oct 2	12.04	10.38	13.91	13.74

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

18 October 1974  
Office of Economic Research/CIA

Note: US data provided by US government agencies

## EXTERNAL ECONOMIC INDICATORS

### EXPORTS\*

f.o.b.

	Latest Month	Cumulative			Percent Change
		Million US \$	Million US \$		
			1974	1973	
United States	Aug 74	8,370	63,289	44,014	43.8
Japan	Aug 74	4,865	34,365	22,047	51.7
West Germany	Aug 74	7,907	58,803	42,466	38.0
France	Aug 74	4,044	30,297	23,434	29.3
United Kingdom	Aug 74	3,237	23,403	18,618	25.7
Italy	Jun 74	2,270	13,288	9,401	41.3
Canada	Aug 74	2,871	21,183	16,329	24.8

### EXPORT PRICES

US\$

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since		
			1970	1 Year Earlier	3 Months Earlier
United States	Aug 74	5.7	12.9	27.9	43.9
Japan	Aug 74	0.2	16.1	25.4	0.2
West Germany	Jul 74	2.2	15.3	7.9	17.9
France	May 74	0.6	14.3	19.3	58.1
United Kingdom	Jul 74	1.7	13.5	25.4	30.4
Italy	May 74	1.9	13.6	30.8	74.7
Canada	May 74	1.4	14.7	43.2	55.2

### IMPORTS\*

f.o.b.

	Latest Month	Cumulative			Percent Change
		Million US \$	Million US \$		
			1974	1973	
United States	Aug 74	9,502	65,402	44,870	45.8
Japan	Aug 74	4,474	35,398	19,928	77.8
West Germany	Aug 74	6,067	42,419	32,617	30.1
France	Aug 74	4,489	33,157	22,021	46.6
United Kingdom	Aug 74	3,886	31,469	21,385	47.2
Italy	Jun 74	2,827	17,338	10,708	61.9
Canada	Aug 74	2,860	20,571	14,884	38.2

### 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	Aug 74	5.7	12.9	27.9	43.9
Japan	Aug 74	4.1	11.3	42.8	39.8
West Germany	Jul 74	3.4	5.4	18.0	23.0
France	May 74	0.7	10.4	29.4	46.8
United Kingdom	Jul 74	1.8	13.6	33.3	29.6
Italy	May 74	1.3	13.9	40.2	52.3
Canada	May 74	0.7	12.2	37.3	44.7

### TRADE BALANCE\*

f.o.b./f.o.b.

	Latest Month	Cumulative (Million US \$)			
		Million US \$	1974	1973	Change
United States	Aug 74	-1,132	-2,113	-858	-1,257
Japan	Aug 74	391	-1,031	2,721	-3,752
West Germany	Aug 74	1,840	16,184	9,849	6,335
France	Aug 74	-445	-2,859	813	-3,872
United Kingdom	Aug 74	-749	-8,066	-2,767	-5,299
Italy	Jun 74	-556	-4,050	-1,307	-2,743
Canada	Aug 74	11	592	1,445	-853

### 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	Aug 74	2.9	19.8	53.4	34.9
Japan	Aug 74	2.6	17.3	77.8	16.6
West Germany	Jul 74	0.4	6.8	32.7	21.8
France	May 74	4.0	18.0	63.0	74.4
United Kingdom	Jul 74	0.4	21.3	57.1	17.9
Italy	May 74	0.3	25.5	85.5	45.3
Canada	May 74	4.7	11.0	30.4	62.8

### BASIC BALANCE\*\*

Current and Long-Term-Capital Transactions

	Latest Period	Cumulative (Million US \$)			
		Million US \$	1974	1973	Change
United States*	74 II	-2,740	-954	-2,164	1,210
Japan	Aug 74	-233	-9,259	-6,098	-3,161
West Germany	Aug 74	-424	4,558	5,817	-1,259
France	73 IV	-431	N.A.	-2,471	N.A.
United Kingdom	74 I	84	84	-1,033	1,117
Italy	74 I	-2,037	-2,037	975	-3,012
Canada	74 I	-195	-195	-235	40

### EXCHANGE RATES

Spot Rate

As of 4 Oct 74

	US \$ Per Unit	Percent Change from			
		Dec 66	18 Dec 1971	19 Mar 1973	27 Sep 1974
Japan (Yen)	0.0033	21.06	2.86	-12.17	-0.65
West Germany (Deutsche Mark)	0.3830	52.35	23.43	8.16	1.73
France (Franc)	0.2110	4.51	7.16	4.26	0.24
United Kingdom (Pound Sterling)	2.3350	-16.33	-10.39	-5.12	0.09
Italy (Lira)	0.0015	-5.87	-12.38	-14.86	-0.33
Canada (Dollar)	1.0158	10.13	1.80	1.81	0.08

### OFFICIAL RESERVES

	Latest Month	Billion US \$			
		End of	Billion US \$	1 Year Earlier	Months Earlier
United States	Aug 74	15.5	14.5	12.9	14.9
Japan	Sep 74	13.2	4.1	14.8	13.4
West Germany	Aug 74	33.1	8.8	33.4	34.4
France	Aug 74	8.5	4.4	11.2	8.1
United Kingdom	Sep 74	7.2	2.8	6.4	6.7
Italy	Jun 74	5.3	4.7	6.0	6.7
Canada	Sep 74	5.8	4.3	5.7	6.1

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

As of 4 Oct 74

	Percent Change from			
	Dec 66	18 Dec 1971	19 Mar 1973	27 Sep 1974
United States	-14.15	-4.89	1.70	-0.76
Japan	12.81	-0.71	-12.53	-0.96
West Germany	30.31	13.35	8.33	1.08
France	-16.49	-3.15	-5.61	-0.66
United Kingdom	-34.75	-20.54	-6.14	-0.61
Italy	-27.00	-25.66	-18.74	-1.23
Canada	7.73	1.14	2.78	0

\*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.