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Foreign Trade Developments

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Foreword

Foreign Trade Developments has been created to provide economic intelligence in support of the Multilateral Trade Negotiations. It emphasizes the analysis of important trade trends and issues, particularly those pertinent to US efforts at the MTN, and provides policymakers with up-to-date information on trade developments.

This first issue is meant to inform readers on current topics, stimulate suggestions for articles in subsequent issues, and generate comments on the format. *Foreign Trade Developments* is prepared by the Office of Economic Research (CIA/OER), but contributions are accepted from other components within or outside the CIA. Comments and queries may be directed to [redacted] 25X1 OER, Multilateral Trade Negotiations Task Force, [redacted] 25X1

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FOREIGN TRADE DEVELOPMENTS

Overview

Serious Multilateral Trade Negotiations (MTN) began early in 1975 in the midst of the most pronounced global recession since World War II. Protectionist pressures have intensified as the result of sharply rising unemployment rates. The volume of world trade has plummeted even more deeply than real GNP, with trade in early 1975 declining to mid-1973 levels. Because of the pervasiveness of the recession, countries like West Germany and Japan have not been able to depend on the expansion of exports to help them out of an economic slump, as had been the case in previous postwar downturns. The trade slump, which began in the developed world, has now spread to the LDCs, forcing them to cut back on imports. This has aggravated existing trade difficulties and has slowed LDC development efforts. Finally, the quadrupling of international oil prices since mid-1973 has proved an enormously disruptive element in the trade picture, involving swings of tens of billions of dollars in the wealth of nations.

Despite these problems, few countries have introduced major new import barriers or attempted to stimulate large increases in exports through discriminatory measures. This attitude reflects the moral suasion of the OECD Trade Pledge -- renewed in May -- and the strong apprehensions among policymakers about a spiraling trade war. In addition, with imports of most industrial countries falling faster than exports, the need to take corrective measures to overcome deficits has diminished. The governments of a few countries, nonetheless, have introduced trade restraints when they believed they had no other alternative, and a number of countries have introduced subtle and limited trade measures in response to domestic pressures.

Progress at the MTN so far has not been seriously impeded by the poor economic climate. Little more than the resolution of procedural questions could have been expected during the first six months of negotiations. Many of the negotiating subgroups have now established initial guidelines for discussions. The question of how the MTN deliberations fit in with discussions under way at the OECD, the International Wheat Conference, and other international forums has also been partly resolved. Most threatening to the progress of negotiations has been the difference between the United States and the EC over agricultural matters.

In recent weeks, new procedural issues have been raised. Many European governments have indicated a growing concern about the handling of LDC demands in the MTN, especially now that a number of new consumer/producer conferences on raw materials and energy problems are to be held. In addition, Paris and Rome have again raised the problem of how to integrate discussions of international monetary reform with the trade negotiations.

The most difficult debates lie ahead. Discussions on major substantive issues are unlikely to begin until at least this fall, after the United States completes the public hearings required by the Trade Act of 1974. The gloomy economic atmosphere will become more of an obstacle as the MTN moves into substantive matters. Even if recovery begins in late 1975, worldwide unemployment rates will drop only slightly at best, and international trade will remain in the doldrums at least through this year and probably into 1976. [redacted] 25X1

PROGRESS AT THE MTN

The Multilateral Trade Negotiations (MTN) -- sponsored by GATT and participated in by 73 of 102 full or *de facto* GATT members and 17 non-GATT countries -- are beginning to move from procedural issues into the negotiating phase. At its February meeting, the Trade Negotiations Committee (TNC) established six groups to conduct detailed talks on tariffs, non-tariff measures, sectors, safeguards, agriculture, and tropical products. All of these groups have met at least once, and the groups dealing with non-tariff measures and agriculture have set up subgroups to deal with specific items of interest.

As expected, agriculture has proved the most contentious issue thus far. The primary difficulty centers around the handling of the agricultural talks. The EC originally wanted all agricultural negotiations conducted in the agriculture group, while the United States wanted agricultural issues integrated into the overall structure of the discussions. An accord was reached in early May when the EC acknowledged that agricultural questions could be taken up in other groups in return for US agreement to negotiations in the agriculture group. The agriculture group also established negotiating subgroups for grains, meat, and dairy products. Fundamental differences remain, however, and agreements with the Community on agricultural questions in forums other than the agriculture group will be difficult to achieve. In addition, the EC has shown no indication of being willing to discuss variable levies, which its members use to restrict agricultural imports.

In contrast, discussions on certain non-tariff measures are going well. The subgroup on quantitative restrictions has agreed on procedures for bilateral or multilateral consultations between countries maintaining restrictions and countries having a trade interest in these restrictions. In addition, the subgroup on product standards has agreed to base its work on the draft GATT standards code. A broad concensus has emerged favoring early conclusion of a binding code.

The tariff discussions are moving toward substantive issues. At its last meeting, the tariff group considered a general approach to the negotiations that would take account of LDC interests and would improve Generalized System of Preferences (GSP) schemes. Several delegations have tabled specific tariff reduction formulae, ranging from linear reduction proposals to harmonization proposals, which would provide larger cuts of high tariffs. These formulae, along with developed/less developed country issues, exemptions, and timing of cuts will be taken up later this month.

The tropical products group has established a mechanism for the LDCs to submit request lists to the developed countries for products to be liberalized on a priority basis. Some agreements should be reached before yearend, as the developed countries are anxious to avoid a confrontation with the LDCs, particularly during the early stages of the negotiations. A problem could arise if the LDCs include many temperate-zone products (such as tobacco and grains) in their request lists.

Progress has been slower in the safeguards and sector groups. Various studies are under way, with little substantive progress to show so far.

Some participants want to reach early agreements in the MTN. They believe that rapid progress in selected areas is needed to give impetus to the talks as a whole. Furthermore, substantive agreements could be used to counteract rising protectionist pressures growing out of the current world economic situation. The EC and Japan, however, are less enthusiastic about seeking agreement on a "mini-package" in early 1976. The EC opposes a specific target date because failure to meet a deadline would have disruptive consequences, and time pressures could lead to lower quality negotiations. The Japanese, for their part, stress the difficulty of achieving balance on concessions in a series of limited agreements. 25X1

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FALTERING WORLD TRADE

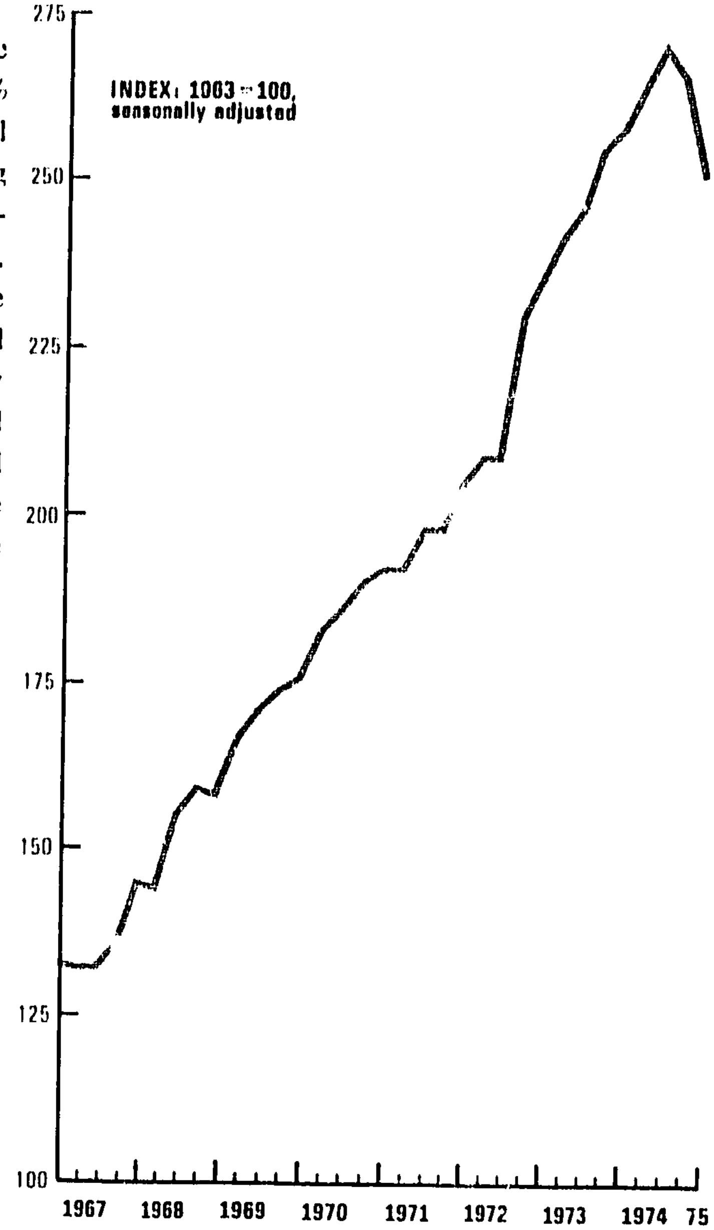
The volume of world trade turned down in late 1974 and dropped sharply in the first quarter of 1975 as the recession took its toll. In the second quarter the decline probably continued, although at a reduced rate. Trade activity has fallen to the level of mid-1973, in the largest and most pervasive slide since the early 1950s. The economic downturn hit most markets simultaneously.

Even when economic growth does revive, the initial impact on trade will be blunted. The slight recovery in domestic demand in the major developed countries that is expected for the remainder of 1975 can be partly met from existing inventories. A noticeable pickup in foreign sales is improbable before 1976.

This outlook does not augur well for substantial progress in the Multilateral Trade Negotiations over the short-term. Many negotiators are struggling against domestic pressures for industry protection. They can also see that, until demand picks up, export growth in one country will mean an export decline for another country. Each negotiator is going to be careful not to weaken his country's competitive position.

Trade Trends

Trend in World Trade Volume



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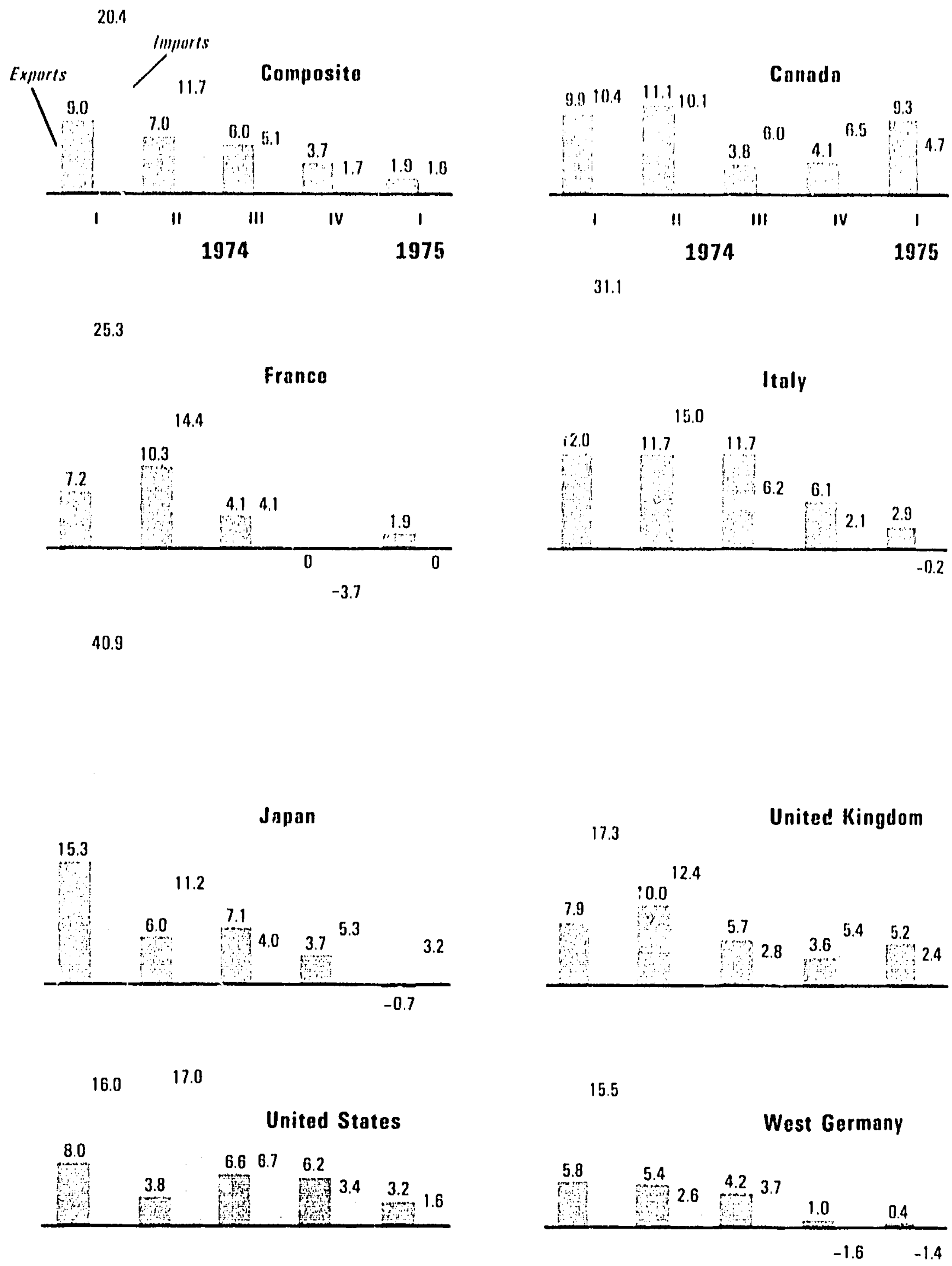
World trade volume declined at annual rates of 7% in the last quarter of 1974 and 21% in the following quarter—the steepest six-month drop in recent decades. This slump was all the more striking because it followed eight quarters of unusually rapid growth. From the third quarter of 1972 to the third quarter of 1974, the volume of trade grew at an annual rate of 14%, compared with the 8% average of the preceding 12 years. The pace slackened only a little in the first nine months of 1974 despite the economic slowdown; volume continued to expand because speculative buying was fed by fears of shortages, expectations of still-higher prices, and hopes for an early resurgence of economic activity.

This anomalous growth of trade in the first three quarters set the stage for the sharp reversal in succeeding quarters. With economic activity contracting, firms in many industrial countries built up excessive inventories of both raw materials and finished goods. The stock overhang considerably worsened the world trade slump, once it came.

Increases in export prices of the major developed countries, which had hit annual rates of 40% or more in early 1974, have slowed considerably with the dwindling of trade volume. Prices of many raw materials have fallen sharply since mid-1974, when the speculative fever began to fade. Moreover, the quadrupling of oil costs had largely worked its way through the price structure by late 1974.

DEVELOPED COUNTRIES: Trends in Export and Import Prices

Percent Change from Preceding Quarter, Seasonally Adjusted



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Although the pass-through of reductions in commodity prices took time and many workers won large wage increases, the rise in export prices in the Big Seven subsided to annual rates of 16% in fourth quarter 1974 and 8% in first quarter 1975.

The continued rise in prices more than offset the decline in volume in late 1974, pushing the value of world trade to a new high. In the fourth quarter, world exports reached an annual rate of $900 billion, up 6% from the preceding quarter and an extraordinary 56% from the 1973 average. In first quarter 1975, when prices increased less than volume fell, the value of trade dropped below an annual rate of $800 billion.

Developed Countries

The deepening recession in major developed countries is the primary reason for the recent fall-off in trade. The Big Seven – Canada, France, Italy, Japan, the United Kingdom, United States, and West Germany – account for nearly half of world trade. Their combined import volume declined at a 28% annual rate in first quarter 1975, as economic activity continued its downward course and as businesses began to draw heavily on their huge inventories instead of buying more goods.

First-quarter export volume also declined for five of the major countries, notably West Germany (34% annual rate) and Japan (26%). Exports by the Big Seven to one another fell at a 25% annual rate, while exports to non-oil LDCs stagnated for the first time in many years. The drop for the seven countries as a group was held to a 16% annual rate as the result of gains in sales to OPEC and Communist nations.

Because import demand fell off more than foreign sales and because terms of trade improved, the overall trade balance of the Big Seven brightened considerably in early 1975. Their trade account showed a $7.9 billion surplus in January-March, compared with a $0.9 billion surplus in fourth quarter 1974 and a $1.6 billion deficit in the third. Only the United Kingdom and Canada were in the red. These trends continued in April and May of 1975.

The ***United States*** experienced a $2.6 billion swing in its trade account in the first quarter, to a $2.1 billion surplus, as imports fell 8% and exports held steady. The trend continued in April-May, when the trade account showed a $1.6 billion surplus.

In *France*, the trade balance shifted in the first quarter from a $600 million deficit to a $400 million surplus. An export drive boosted sales by $1.3 billion, while slack domestic demand held the rise in imports to $300 million. The improvement continued in April-May, when France had an $800 million surplus.

Japan's trade surplus grew slightly, to $2.0 billion, in the first quarter. Exports declined by 8% and imports by 10%. A $1.2 billion surplus was chalked up in April-May.

In *West Germany*, the quarterly surplus continued at $5.6 billion in early 1975, with both imports and exports falling sharply.

Italy had its first trade surplus in more than two years – albeit only $10 million – in January-March. Reduced demand for raw materials slowed imports, while exports held up well.

Britain's first-quarter trade deficit reached only $1.6 billion, compared with $3.4 billion in the preceding period. Exports were surprisingly strong; indeed the United Kingdom was the only country to boost export volume. Although export volume slumped in April-May, a similar drop in import volume and an improvement in the terms of trade held the deficit to $700 million.

Canada moved against the trend in the first quarter; its trade deficit deepened to $600 million, from $400 million in the preceding period.

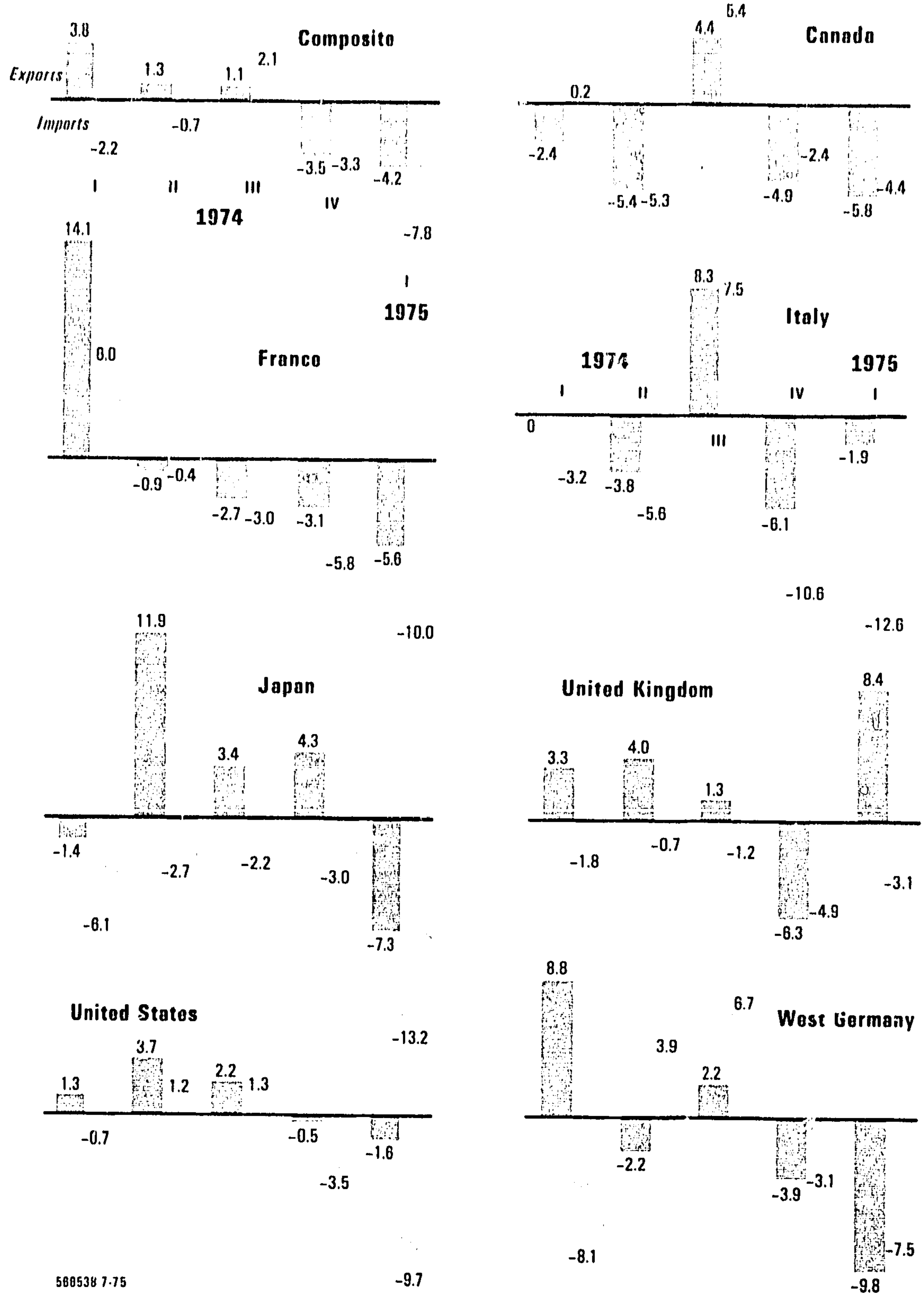
Trade of the smaller industrial countries has fared much better than for the Big Seven. In the first quarter of 1975, exports of the smaller OECD members increased 5% in value, compared with 1-1/2% for the Big Seven. Imports, which fell in the Big Seven, increased by 3% in these smaller countries. Sweden's trade was the most dynamic, showing increases of 10% in exports and 16% in imports. The combined trade deficit of the smaller industrial countries narrowed to $4 billion, down from $5 billion in the fourth quarter of last year. Australia and Belgium/Luxembourg accounted for most of this improvement.

OPEC Countries

The export volume of OPEC members dropped by 11% in the first quarter because of falling demand for oil and a reduction in the bulging inventories of

DEVELOPED COUNTRIES: Trends in Export and Import Volume

Percent Change from Preceding Quarter, Seasonally Adjusted



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the international companies. Meanwhile, imports continued to rise, although at a more moderate pace than in 1974. The OPEC trade surplus for the quarter fell by $5 billion, to an estimated $13-1/2 billion.

Other Less Developed Countries

Scattered data suggest that the volume of exports by non-oil LDCs has been declining at an accelerating rate in recent months. Sales of raw materials and such light manufactures as textiles and electronics have dropped sharply. Imports, which continued to climb through late 1974, probably have flattened out this year because of weakening demand and balance-of-payments problems. The combined trade deficit of non-oil LDCs jumped from about $6 billion in the third quarter of 1974 to an estimated $8-1/2 billion in the first quarter of 1975.

Communist Countries

Even though the soft world market for raw materials depressed exports by Communist countries in early 1975, their demand for foreign goods – especially machinery and equipment – continued to rise. To finance a widening trade gap, these countries are drawing on accumulated hard currency earnings and additional credits.

Outlook

We expect world trade to be sluggish in the second half of 1975 and in early 1976. The six major foreign countries can expect little economic growth through the end of this year; recovery thereafter probably will be slower than from other post-World War II recessions. Furthermore, many firms will draw down inventories of foreign goods rather than step up their purchases in the initial stages of recovery.

Inflation and payments problems are still inhibiting government expansionary action in France, Canada, the United Kingdom, and Italy. Bonn and Tokyo also are moving cautiously despite foreign and domestic pressures to reflate. Realistically or not, most governments appear to be waiting for others – particularly the United States – to initiate expansionary measures that will prod their recovery.

OPEC and Communist countries are the only markets fairly sure to expand in coming months. In 1975, OPEC imports are expected to grow by one-third in volume and one-half in value. The import volume of Communist countries will rise moderately. Because these nations account for only about 15% of world imports, the expected increase in their imports will have only a small effect on the level of world trade. 25X1

OECD TRADE PLEDGE: A PROGRESS REPORT

At the ministerial meeting in May, OECD countries pledged for another year to refrain from taking artificial measures to improve current account balances at the expense of other nations. The negotiations leading up to the signing were characterized by much wrangling over the obligations and recent actions of member countries. The British, in particular, took the occasion to assail countries with payments surpluses for not reflating enough to sustain international trade. Agreement nonetheless was possible because most governments are acutely aware of the dangers of a trade war. Discriminatory measures to improve trade balances probably will continue to be taken only as a last resort.

Recent Moves

Since April 1974, several governments have taken steps – reluctantly – to control imports or expand exports. These moves were moderate, considering the change in trade balances that followed the huge price increase for oil. Of the 24 countries that signed the pledge in May 1974, only Italy, Iceland, and Finland have taken broad measures to correct payments problems; and Italy and Iceland acted a few weeks before signing the pledge. Rome responded to rapid deterioration in the balance of payments by requiring 50% six-month deposits on nearly half of imports. This restriction was gradually reduced in scope and then removed on 31 March 1975. Iceland required 25% three-month deposits on about 60% of its imports. The restriction was lifted at the end of 1974. In March 1975, Helsinki imposed a deposit requirement of 15% to 30% on about half of all imports. This scheme is scheduled to remain in effect for one year.

Other countries have taken more limited measures to hold down imports.

Australia Concerned about the evaporation of the trade surplus, Canberra has introduced higher tariffs or quotas on 20 classes of goods since December 1974. Products affected include steel sheets, footwear, clothing, and appliances. Imports of the controlled items amounted to $1 billion, or 9% of total imports, in 1974. Action on other categories of imports still is under consideration.

Turkey In February, Ankara limited imports from the United Kingdom in response to London's curb on imports of Turkish cotton yarn.

France In late March 1975, Paris banned the import of inexpensive Italian wines to protect the domestic industry. The ban was lifted three weeks later, when the EC granted the French a $60 million subsidy to turn their excess wine into industrial alcohol.

New Zealand The government recently announced that the number of licenses granted for imports of automobiles, textiles, tires, and glassware will be reduced, starting 1 July. Balance-of-payments difficulties forced Wellington to borrow from the IMF last year.

Canada Ottawa has just informed the United States that it plans to shift to fixed quotas to slow imports of US eggs and turkeys instead of imposing restrictions only when domestic prices fall below target.

Import monitoring also has picked up. To cite just a few examples, London, Tokyo, and Ottawa are closely watching imports of textiles and various other products; Canberra is carefully checking imports of selected products not on its current list of controlled items; and the EC Commission is keeping a running record of imports of steel and several consumer goods. Not a trade restriction in itself, import monitoring is often used to encourage exporters to agree to "voluntary restraints" in place of formal controls.

Countries that have enacted import restrictions defend their moves by asserting that the actions were taken in response to domestic problems. As justification, they cite GATT rules – specifically Article 19, which permits import restrictions to protect domestic industries or to help correct balance-of-payments difficulties.

In addition, a number of countries have tried to improve trade balances or accommodate influential domestic groups by stimulating exports, directly or indirectly.

France In early 1975, Paris increased its credit subsidy for export-oriented investment by 75%. This measure could assist more than $2 billion worth of investment by small and medium-sized firms.

United Kingdom In March, London introduced an insurance scheme that will help to keep exporters' planned profits from being eaten up by cost increases. Exporters selling on credit will be reimbursed for 85% of cost increases that average more than 10% but less than 20% annually over the period of the export contract. Cash sales are protected for 90% of losses, and the upper limit on cost increases is 25%. Contracts must extend over at least two years and be valued at more than $4.7 million. London estimates that the scheme will cover about 5% of exports. The government will also provide about $235 million in investment funds to export-oriented industries.

Switzerland In April the Swiss National Bank persuaded commercial banks to provide preferential export credit for the watch, textile, and shoe industries.

European Community On 1 June the EC Commission began subsidizing chicken exports to selected markets.

Prospects for the Second Year

The OECD pledge probably will be honored at least as well in its second year as in the first. In general, governments should be under less pressure than before to improve trade balances through broad restrictive actions. Portugal, an exception, refused to sign the trade pledge this year. A few days later, Lisbon introduced import surtaxes ranging as high as 30% on a wide variety of goods.

Although broad restrictions on imports should be less in evidence during the second year of the pledge, various governments no doubt will continue to appease powerful domestic interests through selective import restraints or subtle means of export promotion. Japan is considering measures designed to promote exports of machinery and equipment to LDCs. Under the program, Tokyo would allow exporters a 25% tax break on exports of investment goods valued at more than $30 million. In addition, Tokyo and Ottawa are under pressure from business interests to adopt a British-style insurance scheme to give exporters some protection against increases in domestic costs. 25X1

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THE GRAIN RESERVE ISSUE

Recent world food shortages and precariously low grain stocks have led to demands for an international grain reserve system. Governments differ sharply on the use of such reserves, their location, their financing, the mechanism for release, and the quantity and kinds of grains to be included.

At the UN World Food Conference (WFC) in Rome last November, general resolutions were passed calling for:

- Voluntary adoption of national policies to maintain a minimum world level of basic food stocks.

- An improved system for gathering and disseminating information on the world fo'd situation.

- Expansion and coordination of assistance to developing countries so that they could participate more effectively in the system.

The United States initiated efforts to develop a reserve agreement in the 11-member International Wheat Council (IWC), which represents major grain exporters and importers – including the USSR. The IWC working group took up discussions in February and May on reserves; another meeting is scheduled for July. The European Community (EC) was uncooperative at the February and May meetings, contending that any reserve scheme must include price stabilization and that these should be agreed upon only in the MTN. The EC did agree to discuss the concept of reserves under the IWC, but only if discussions on grain proceed simultaneously in the MTN Agricultural Group at Geneva. No decision has been reached on how to integrate the results of the MTN and IWC negotiations.

The procedural debate has been temporarily papered over by having the grain reserves issue discussed in all three interested organizations – the FAO, the IWC, and the grains subgroup established under the Agriculture Group of the MTN.

Views and Positions

While the debate has been moving forward on procedural issues, most of the principal participants have been re-examining their substantive views on international grain reserves and firming up their negotiating positions.

United States

The preliminary US proposal, set forward at the February IWC meetings, calls for developing an international reserve of up to 60 million tons of grains (including rice and feedgrains) not counting pipeline or working stocks. This global target – the size of which is still under discussion – would be divided into national stocks to be held by participating countries and to be managed according to agreed procedures. Food aid scheduled under existing or future agreements would not be included. No part of the reserve would be designated for "emergency" use; instead, a priority claim for additional food aid could be part of any arrangement. Grain would be released or accumulated during any one year depending on the volume change in world grain output as projected in November of that year. Thus, price would not trigger changes in the size of the reserve. Although, *ceteris paribus*, prices would be more stable under a reserve system, that is not the stated objective of the US proposal. The agreement would include specific reserve targets for all participants, guidelines for achieving these targets and for release and replenishment of reserves, and a system of information exchange and consultation among all participants.

The European Community

The EC favors a national system of grain reserves. Through the GATT Secretariat, the Commission has said that, while it does not intend to liberalize its grain trading system, it is willing to assume responsibility for "comparatively large" grain reserves. The Commission believes that prices must be used to trigger changes in stocks and has also insisted that any concessions in this area must be made in the MTN. So far, the EC has presented a united front on this issue. The French are calling the shots and the others have not presented dissenting views.

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Less Developed Countries

In general, the LDC's support building international grain reserves, including wheat, rice, and coarse grains. They want the UN and FAO to assume leadership. Individual LDC's exhibit a variety of attitudes, however, on how large reserves should be and how they should be built and operated.

> ***Bangladesh*** formally proposed establishing a World Food Security Council under the UN General Assembly and a (non-financial) World Food Bank to maintain emergency and food aid reserves at strategic points.

> ***Mexico*** also formally proposed to the WFC in Rome that a separate new world food bank be created, with all members contributing what they can. The new organ would be administered democratically by a council representing developed and less developed countries.

> ***Brazil*** prefers that reserves be used strictly for emergencies and not to control price. Brazilian leaders are afraid that politics may influence the management of any new reserves management.

> ***Israel*** plans to support, in principle, measures to establish world food reserves and an international food security agreement but is not able to contribute to it.

> ***Pakistan***, as a deficit country, says it cannot afford to set aside part of its wheat production for reserves so long as it is a net importer.

> ***Venezuela*** supports the idea of a food reserve but does not favor creating new food organizations.

> ***Zaire***, which also does not want new institutions, is ready to support ***ad hoc*** initiatives to get coordinated action on food problems.

The USSR and China

The USSR unexpectedly announced at the beginning of the May IWC meeting that it favored negotiating a new 1976 wheat agreement to include price and stock provisions. In effect, this counters US efforts to eliminate price as a trigger and also undercuts the EC attempt to deny the IWC a role in a stock system and place it solely under MTN. The USSR does not participate in the MTN. Soviet officials had been only observers at the February IWC meeting. Moscow has also indicated that it wanted the UN to handle reserves, although it preferred commodity agreements, state-owned reserves, and price stability.

The People's Republic of China is not represented in any of the forums. Peking refused an invitation to the London meeting and expressed doubt that a reasonable food reserve system could be devised. Besides the problem of infringement on national sovereignty, the Chinese see problems with financing the reserves and with the power that a reserve system would give food exporters over the market.

International Organizations

Even before the IWC, the FAO Secretariat had estimated that a "safe" world carryover of all types of grains would be 230 million tons, including working stocks and food aid requirements. The FAO Director General proposed that the composition and location of the stocks be determined by governments during regular intergovernmental consultation. For the UN to deal with emergencies, he recommended a reserve containing 500,000 tons of cereals and other foods be created and maintained by developed countries, with a portion prelocated in areas of need. He also proposed that donor countries agree to long-term food aid -- at least 10 million tons annually arranged three years in advance, with an agreed share channeled through the World Food Program. The FAO plan is vague on the role that price would play -- nations holding reserves are to make "supplies available for export at reasonable terms" in periods of acute shortage.

The UN Trade and Development Organization (UNCTAD) at its meeting in Geneva in February emphasized the urgent need to build buffer stocks of at least 20 major raw materials. UNCTAD proposes that 36 million tons of wheat and rice should be held in stockpiles. Financing of the stocks should be through a common fund supported by both exporting and importing countries. The schemes would operate like international commodity arrangements, with special consideration given to protecting the developing countries. Two more UNCTAD meetings are planned for this year on commodity issues, and grain reserves are likely to be discussed.

Position Assessment

Despite common features in the various proposals, negotiating a unified agreement suitable to all will be most difficult. The United States, for example, seems isolated on its proposal that the trigger mechanism for accumulating reserves not be linked to price. Most countries view price stabilization as a primary goal. US proposals to collect and exchange information on a global basis also met with serious objection from many countries. The adoption of the EC proposal to discuss grain reserves in the MTN could result in a long delay in implementing a scheme and will place an additional obstacle in the way of attempts to resolve US-EC differences over how to negotiate agricultural trade at the MTN. Although the FAO plan is liked by many observers, the organization is handicapped by the lack of Soviet and Chinese membership, its cumbersome deliberating procedures, and the diverse aims of the numerous FAO members.

In sum, a US-EC compromise is likely to form the nucleus for any general agreement. Other countries and organizations have diverse stands on the issue. Nonetheless, other important countries, with the exception of the USSR and China, will likely accept whatever plan the United States and the EC agree upon, so long as price is an input. The USSR and China almost certainly will not participate in any tightly controlled international reserve plan. 25X1

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International Tin Agreement

Members of the International Tin Council on 20 June reached a compromise on the key issue of financing buffer stocks and signed an agreement replacing the present 5-year pact on 1 July 1976. Under the new agreement, the compulsory buffer stock contribution of producer countries remains at 20,000 tons – about 10% of world consumption. If additional stockpiling is needed to support prices, the consumer members will be asked to finance the purchase of up to 20,000 tons more. Consumers previously were under no obligation to contribute, although the Netherlands and France did so voluntarily. 25X1

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OPEC Current Account Balance in 1975

OPEC states had an estimated current account surplus of $10 billion in the first quarter of 1975. The surplus is expected to remain at $10 billion in the second quarter and then edge up in the third and fourth quarters. For the full year, the countries should have a surplus of $45 billion, compared with $71 billion in 1974. Since lags in actual oil receipts will not be significant in 1975, the OPEC investable surplus also is expected to amount to $45 billion, down from $58 billion last year. By the end of 1975, the foreign reserves of OPEC countries probably will exceed $110 billion.

OPEC Current Account

Billion US $

	1974	Projected 1975	Preliminary 1st Qtr 1975
Trade balance	84.3	56.9	13.7
Exports (f.o.b.)	119.8	110.9	26.3
Oil	113.9	103.8[1]	24.6
Non-oil	5.9	7.1	1.7
Imports[2] (f.o.b.)	35.5	54.0	12.6
Net services and private transfers	-9.3	-9.1	-2.2
Freight and insurance	-4.3	-6.5	-1.5
Investment income	4.1	7.7	1.7
Other	-9.1	-10.3	-2.4
Grants	-4.2	-2.6	-1.5
Current account balance	70.8	45.2	10.0
Adjustment for lags in oil receipts	-12.7	Negl.	1.3
Investable surplus	58.1	45.2	11.3

1. If oil prices are raised in the fourth quarter, the value of exports will go up but payments will not increase significantly until 1976.
2. Including military items.

We estimate that OPEC export earnings will slip by 7% in 1975, mainly because the global recession has reduced the demand for oil. At the same time, import expenditures are expected to rise by 52%, compared with the 73% gain in 1974. This slowdown is fully attributable to the easing in inflation; growth in import volume is projected to continue at about 35% annually. 25X1

APPENDIX A

GATT MEMBERSHIP AND MTN PARTICIPANTS

I. GATT Members

A. *Contracting Parties to the GATT* (83)

Argentina
Australia
Austria
Bangladesh
*Barbados
Belgium
Brazil
Burma
*Burundi
*Cameroon
Canada
*Central African Republic
*Chad
Chile
Congo
Cuba
*Cyprus
Czechoslovakia
Dahomey
Denmark
Dominican Republic
Egypt
Finland
France
Gabon
*Gambia
Germany, Federal Republic of
Ghana
Greece
*Guyana
Haiti
Hungary
Iceland
India
Indonesia
Ireland
Israel
Italy
Ivory Coast
Jamaica
Japan
Kenya
Korea, Republic of
*Kuwait
Luxembourg
Madagascar
Malawi
Malaysia
*Malta
*Mauritania
Mauritius
Netherlands
New Zealand
Nicaragua
*Niger
Nigeria
Norway
Pakistan
Peru
Poland
Portugal
*Rhodesia
Romania
*Rwanda
Senegal
*Sierra Leone
Singapore
South Africa
Spain
Sri Lanka
Sweden
Switzerland
Tanzania
Togo
Trinidad and Tobago
Turkey
Uganda
United Kingdom
United States
*Upper Volta
Uruguay
Yugoslavia
Zaire

B. *Acceded provisionally* (countries which, while accepting GATT membership, do not apply all the provisions of GATT) (2)

Philippines
Tunisia

C. *De facto Members* (countries which apply the GATT rules but are not formal members of the Agreement) (17)

Algeria
*Bahamas
*Bahrein
Botswana
*Equatorial Guinea
*Fiji
*Grenada
*Khmer Republic
*Lesotho
*Maldives
*Mali
*Qatar
Swaziland
*Tonga
*United Arab Emirates
*Yemen, People's Democratic Republic of
Zambia

II. Non-GATT Countries Participating in the MTN (17)

Bolivia
Bulgaria
Colombia
Costa Rica
Ecuador
El Salvador
Ethiopia
Guatemala
Honduras
Iran
Iraq
Mexico
Panama
Sudan
Thailand
Venezuela
Vietnam

* GATT countries not participating in MTN.

APPENDIX B

CALENDAR OF MTN AND MAJOR RELATED TRADE MEETINGS

Date and Place	Meeting	Comments
7-8 July 1975 (Geneva)	MTN: Tariffs Group	The Tariffs Group will continue discussions on a tariff-cutting formula and other technical aspects of the negotiations.
9 July 1975 (Geneva)	MTN: Agriculture Group	The Agriculture Group will review progress made in three subgroups and consider establishing additional subgroups.
15 July 1975 (Geneva)	MTN: Trade Negotiations Committee (TNC)	The TNC will review the work of the negotiating groups and establish negotiating guidelines for the next few months.
28-30 July 1975 (London)	International Wheat Council (IWC); Preparatory Group	Members will hold the third round of talks on an international grain reserve scheme.
20 October 1975 (Geneva)	MTN: Tropical Products Group	The Tropical Products Group will consider requests from LDCs for the inclusion of particular products in the negotiations.

APPENDIX C

STATISTICAL TABLES AND CHARTS

World Trade

Developed Countries: Direction of Trade

Developed Countries: Trade by Major Commodity Groups

Developed Countries: Exports to OPEC

Market Shares of OPEC Imports, 1974

Value of Foreign Trade

Volume of Foreign Trade

Foreign Trade Prices in US $

World Trade[1]

Billion US $

	1965	1970	1971	1972	1973	1974
			Exports (f.o.b.)			
World	188	314	351	418	578	840
United States	28	43	44	50	71	99
Canada	8	17	18	21	26	34
Japan	9	19	24	29	37	56
European Community	65	113	128	155	212	276
United Kingdom	14	19	22	24	31	39
France	10	18	21	27	37	46
West Germany	18	34	39	47	69	89
Italy	7	13	15	19	22	30
Other developed	[illegible]	34	39	46	64	83
Less developed	36	54	62	73	109	220
OPEC	10	16	22	26	34	120
Other	25	38	40	48	75	96
Communist	22	34	36	44	58	74
			Imports (c.i.f.)			
World	199	330	367	432	589	857
United States	23	42	48	59	73	108
Canada	9	14	17	20	25	35
Japan	8	19	20	24	38	62
European Community	69	117	130	155	216	293
United Kingdom	16	22	24	28	39	55
France	10	19	21	27	38	53
West Germany	18	30	34	40	55	69
Italy	7	15	16	19	28	41
Other developed	30	46	50	56	79	106
Less developed	37	57	64	72	97	167
OPEC	6	10	11	13	18	40
Other	30	47	53	58	79	127
Communist	24	36	38	46	61	85

[1] Because of rounding, components may not add to the totals shown.

Developed Countries: Direction of Trade

Million US $

	Exports To (f.o.b.)						Imports From (c.i.f.)					
	World [1]	Major Countries	Other Developed	OPEC [2]	Other LDCs	Communist	World	Major Countries	Other Developed	OPEC [2]	Other LDCs	Communist
United States												
1974												
1st Qtr	22,761	10,070	3,900	1,159	5,916	720	22,089	11,180	2,153	1,006	7,101	256
2d Qtr	25,297	11,716	4,437	1,521	6,783	560	27,086	13,749	2,775	3,913	6,050	209
3d Qtr	23,307	10,575	3,919	1,700	6,611	189	28,527	13,087	2,651	1,470	7,170	219
4th Qtr	27,135	12,503	4,524	2,270	7,028	483	29,328	14,716	3,033	1,185	7,120	274
1975												
1st Qtr	27,164	12,101	4,818	2,425	7,172	618	26,270	12,897	2,581	1,785	5,717	266
Japan												
1974												
1st Qtr	10,317	3,940	959	795	4,068	555	13,934	4,300	1,720	3,769	3,456	683
2d Qtr	13,741	4,705	2,003	1,182	4,920	922	16,776	5,133	1,862	4,938	4,036	807
3d Qtr	14,071	5,162	2,196	1,453	5,141	1,021	15,172	4,528	1,829	4,737	3,576	802
4th Qtr	16,512	5,294	2,319	1,864	5,650	1,417	15,738	4,710	1,886	5,311	2,998	824
1975												
1st Qtr	12,986	4,860	1,762	1,874	3,091	1,399	14,129	4,297	1,765	5,125	2,164	777
West Germany												
1974												
1st Qtr	20,138	7,100	8,713	760	2,033	1,160	15,074	5,220	5,662	1,887	1,068	637
2d Qtr	22,813	8,510	9,360	950	2,472	1,449	17,025	6,224	6,760	2,121	1,075	842
3d Qtr	21,988	7,350	9,306	1,070	2,522	1,506	17,124	5,944	6,116	2,181	2,033	820
4th Qtr	24,209	7,738	10,130	1,455	2,185	2,700	18,844	6,374	7,211	2,182	2,167	910
1975												
1st Qtr	22,514	...	....	....	....	....	18,006	....	....	....	....	...
France												
1974												
1st Qtr	10,402	4,521	3,494	554	1,616	420	12,158	5,209	3,339	1,765	1,501	344
2d Qtr	11,848	5,164	3,978	684	1,587	432	13,964	5,854	3,661	2,109	1,969	371
3d Qtr	10,903	4,510	3,558	759	1,608	468	12,878	5,318	3,246	2,281	1,633	400
4th Qtr	12,744	5,150	4,215	963	1,802	554	13,820	5,659	3,628	2,373	1,728	432
1975												
1st Qtr	13,494	....	....	....	....	....	14,156	....	....	....	....	...
United Kingdom												
1974												
1st Qtr	8,186	2,574	3,623	464	1,258	267	12,175	4,114	4,070	1,798	1,795	398
2d Qtr	10,102	3,066	4,501	605	1,641	289	14,503	4,809	4,696	2,226	2,300	472
3d Qtr	10,005	3,036	4,280	703	1,682	304	13,715	4,549	4,004	1,862	2,228	472
4th Qtr	10,491	3,089	4,602	790	1,673	337	14,117	4,800	4,883	2,060	1,867	507
1975												
1st Qtr	10,793	3,107	4,266	976	2,138	306	13,879	4,930	4,551	2 744	1,266	387
Italy												
1974												
1st Qtr	6,245	3,028	1,620	410	841	343	9,275	4,129	1,725	1,898	1,036	487
2d Qtr	7,258	3,410	1,922	520	1,003	403	10,376	4,598	1,750	2,386	1,191	448
3d Qtr	8,222	3,699	2,124	695	1,208	496	10,822	4,684	1,815	2,632	1,140	551
4th Qtr	8,526	3,659	2,015	791	1,582	470	10,504	4,530	1,926	2,352	1,178	458
1975												
1st Qtr	8,083	....	....	....	....	....	9,031	....	....	....	....	....
Canada												
1974												
1st Qtr	7,010	6,015	402	84	411	98	7,146	5,862	337	482	399	66
2d Qtr	8,494	7,149	521	104	502	218	8,614	6,912	416	681	519	56
3d Qtr	8,'13	6,652	510	171	562	218	8,268	6,500	470	691	538	69
4th Qtr	8,751	7,276	571	188	591	125	9,281	7,423	551	734	507	66
1975												
1st Qtr	7,468	....	....	....	....	...	7,935	....	....	....	....	....
Other OCED												
1974												
1st Qtr	30,947	16,331	9,530	906	2,774	1,460	33,446	19,628	8,973	2,885	575	1,385
2d Qtr	36,110	18,938	10,993	1,084	3,603	1,799	41,719	22,707	10,514	4,333	2,486	1,679
3d Qtr	34,129	18,277	9,701	1,170	3,339	1,788	37,975	21,831	9,822	2,130	2,366	1,826
4th Qtr	38,362	20,157	11,282	1,451	4,198	1,504	40,623	23,234	10,984	1,349	2,984	2,075
Total OECD												
1974												
1st Qtr	116,006	51,776	32,331	5,141	18,720	5,038	125,897	59,642	28,285	16,090	17,624	4,256
2d Qtr	135,656	62,688	37,721	6,653	22,522	6,072	151,563	70,616	32,434	22,710	21,429	4,974
3d Qtr	131,698	59,261	35,684	7,730	22,673	6,350	145,081	67,041	30,883	20,984	20,984	5,189
4th Qtr	146,760	64,956	39,658	9,769	24,778	7,509	152,255	71,515	34,102	20,546	20,546	5,546

[1] Because of the exclusion of "unspecified" trade, components may not add to the totals shown. Data are unadjusted.

[2] Excluding Gabon.

Developed Countries: Trade by Major Commodity Groups

Million US $

	Exports (f.o.b.)						Imports (c.i.f.)					
	Total	Food	Raw Materials	Fuels	Machinery and Equipment	Other Manu-factures	Total	Food	Raw Materials	Fuels	Machinery and Equipment	Other Manu-factures
Total of seven countries												
1974												
1st Qtr	85,059	8,551	7,520	3,240	31,763	33,985	92,451	12,305	11,407	20,319	18,399	30,021
2d Qtr	99,546	8,736	8,354	4,538	37,040	40,878	109,844	13,427	13,348	26,689	21,332	35,048
3d Qtr	97,569	8,482	7,394	4,672	35,077	41,944	107,106	12,265	12,474	27,610	19,139	35,618
4th Qtr	108,398	9,862	8,048	4,933	41,660	43,895	111,632	14,273	11,854	28,201	21,457	35,847
Total	390,572	35,632	31,316	17,382	145,539	160,703	421,033	52,270	49,084	102,819	80,327	136,534
United States												
1974												
1st Qtr	22,761	3,869	3,232	484	8,626	6,550	22,689	2,946	1,536	5,110	6,023	7,074
2d Qtr	25,290	3,653	3,491	813	9,722	7,701	27,686	3,012	1,926	7,181	6,972	8,595
3d Qtr	23,367	3,373	2,555	976	8,969	7,494	28,527	2,748	1,957	7,602	6,463	9,757
4th Qtr	27,135	4,345	3,193	1,166	10,881	7,550	29,328	2,870	1,842	7,463	6,607	10,546
Total	98,553	15,241	12,381	3,439	38,197	29,295	108,230	11,576	7,261	27,356	26,065	35,972
1975												
1st Qtr	27,164	4,588	3,124	1,094	7,948	10,410	26,279	2,565	1,622	7,290	6,168	8,634
Japan												
1974												
1st Qtr	10,317	205	245	28	4,999	4,840	13,934	1,787	3,586	4,870	1,047	2,644
2d Qtr	13,741	200	282	35	6,496	6,728	16,776	2,177	4,028	6,462	1,121	2,988
3d Qtr	14,971	217	327	74	6,496	7,857	15,472	1,873	3,526	6,555	1,005	2,512
4th Qtr	16,542	230	344	116	7,436	8,416	15,738	2,335	3,302	7,105	1,144	1,852
Total	55,571	852	1,198	252	25,427	27,842	61,920	8,172	14,441	24,992	4,317	9,997
1975												
1st Qtr	12,986	77	225	79	6,048	6,557	14,429	2,248	3,033	6,377	1,056	1,715
West Germany												
1974												
1st Qtr	20,138	802	644	653	8,694	9,345	15,074	2,008	1,903	2,917	2,180	6,066
2d Qtr	22,813	822	752	744	9,716	10,779	17,925	2,440	2,300	3,410	2,846	6,929
3d Qtr	21,988	799	700	835	8,826	10,828	17,424	2,049	2,165	3,515	2,282	7,413
4th Qtr	24,209	869	689	846	10,736	11,069	18,844	2,546	2,258	3,508	2,940	7,592
Total	89,148	3,292	2,785	3,078	37,972	42,021	69,267	9,043	8,627	13,350	10,248	28,000
1975												
Jan	7,341	339	230	313	3,144	3,315	5,749	798	729	1,006	875	2,341

France												
1974												
1st Qtr	10,402	1,908	679	267	2,720	4,828	12,158	1,121	1,275	2,327	2,423	5,012
2d Qtr	11,848	1,869	774	356	3,186	5,663	13,964	1,187	1,473	2,945	2,733	5,626
3d Qtr	10,903	1,750	601	293	2,941	5,318	12,878	1,030	1,313	3,214	2,367	4,954
4th Qtr	12,744	1,930	681	293	3,778	6,062	13,820	1,335	1,307	3,321	2,628	5,229
Total	45,897	7,458	2,736	1,209	12,625	21,870	52,820	4,673	5,367	11,807	10,151	20,821
1975												
Jan	4,123	595	230	114	1,305	1,879	4,510	484	477	93	774	2,682
United Kingdom												
1974												
1st Qtr	8,186	537	352	320	3,000	3,977	12,175	1,968	1,324	2,356	2,106	4,421
2d Qtr	10,102	615	388	500	3,594	5,005	14,503	2,256	1,614	3,039	2,395	5,199
3d Qtr	10,005	659	318	494	3,629	4,905	13,715	2,191	1,635	2,661	2,212	5,016
4th Qtr	10,491	684	298	491	3,990	5,028	14,117	2,440	1,479	2,881	2,451	4,866
Total	38,784	2,496	1,356	1,803	14,212	18,917	54,510	8,856	6,053	10,937	9,163	19,501
1975												
1st Qtr	10,793	781	331	381	4,439	4,861	13,879	2,442	1,328	2,615	2,591	4,903
Italy												
1974												
1st Qtr	6,245	455	899	480	1,750	2,661	9,275	1,931	1,420	2,130	1,220	2,574
2d Qtr	7,258	561	941	657	2,197	2,902	10,376	1,704	1,588	2,708	1,317	3,059
3d Qtr	8,222	659	1,082	723	2,324	3,434	10,822	1,716	1,497	3,130	1,319	3,160
4th Qtr	8,526	742	1,051	645	2,455	3,633	10,504	1,943	1,281	2,929	1,389	2,962
Total	30,251	2,417	3,973	2,505	8,726	12,630	40,977	7,294	5,786	10,897	5,245	11,755
1975												
1st Qtr	8,083	....	....	....	....	....	9,031	....	....	....	....	....
Canada												
1974												
1st Qtr	7,010	775	1,469	1,008	1,974	1,784	7,146	544	363	609	3,400	2,230
2d Qtr	8,494	1,016	1,816	1,433	2,129	2,100	8,614	651	419	944	3,948	2,6[illegible]
3d Qtr	8,113	1,025	1,811	1,277	1,892	2,108	8,268	658	381	933	3,490	2,806
4th Qtr	8,751	1,062	1,792	1,376	2,384	2,137	9,281	804	385	994	4,298	2,800
Total	32,368	3,878	6,888	5,095	8,379	8,128	33,309	2,656	1,549	3,480	15,137	16,487
1975												
Jan-Feb	4,997	607	958	943	1,296	1,193	5,620	434	249	752	2,472	2,714

Developed Countries: Exports to OPEC[1]

Million US $

	Algeria	Ecuador	Indonesia	Iran	Iraq	Kuwait	Libya	Nigeria	UAE and Qatar	Saudi Arabia	Venezuela	Total
United States												
1974	**315.1**	**325.8**	**529.3**	**1,734.2**	**284.8**	**268.5**	**139.4**	**289.8**	**223.6**	**835.1**	**1,768.1**	**6,653.7**
1st Qtr	85.1	50.5	121.2	236.6	39.1	35.8	21.4	39.2	44.7	138.4	337.9	1,158.9
2d Qtr	67.4	82.0	119.2	315.7	33.4	40.1	31.5	81.7	42.4	214.4	456.9	1,523.6
3d Qtr	64.3	84.8	132.4	451.5	106.5	44.7	36.0	82.7	69.3	229.2	405.4	1,700.8
4th Qtr	98.3	99.5	156.5	700.4	111.8	70.0	50.5	86.2	67.2	253.1	567.8	2,270.3
1975												
1st Qtr	124.7	110.3	180.6	745.1	89.1	74.5	74.2	116.0	100.0	273.1	537.4	2,425.0
Japan												
1974	**154.5**	**113.5**	**1,452.5**	**1,014.3**	**473.4**	**279.3**	**234.2**	**285.0**	**207.6**	**677.4**	**398.8**	**5,290.6**
1st Qtr	20.7	14.3	258.8	149.3	24.1	46.5	46.8	33.1	35.7	99.5	65.9	791.7
2d Qtr	34.7	20.7	358.2	216.0	87.4	68.0	59.4	56.0	47.2	146.1	88.6	1,182.3
3d Qtr	35.1	33.8	386.4	287.0	145.1	79.3	65.0	83.0	55.8	181.3	101.3	1,453.1
4th Qtr	64.6	45.0	448.9	362.0	216.8	85.5	63.0	112.9	68.9	250.5	143.0	1,860.5
1975												
1st Qtr	63.7	38.8	436.8	392.2	199.6	73.5	70.5	111.0	119.6	272.5	95.6	1,873.8
West Germany												
1974	**482.3**	**82.3**	**324.3**	**1,140.9**	**373.5**	**160.0**	**402.4**	**346.0**	**324.4**	**285.9**	**331.0**	**4,253.0**
1st Qtr	82.8	14.7	66.2	213.2	28.0	29.6	78.2	61.4	85.1	47.0	62.3	768.5
2d Qtr	102.7	16.1	83.2	258.6	48.2	42.1	102.0	70.3	77.5	67.5	81.5	949.7
3d Qtr	133.7	29.4	86.2	288.5	72.2	36.5	109.0	91.3	65.1	79.7	87.8	1,079.4
4th Qtr	163.1	22.1	88.7	380.6	225.1	51.8	113.2	123.0	96.7	91.7	99.4	1,455.4
1975												
Jan	51.9	8.0	28.7	90.6	82.6	15.8	43.1	33.4	14.8	24.9	23.5	417.3
France												
1974	**1,296.5**	**18.4**	**103.9**	**257.4**	**214.3**	**63.9**	**362.5**	**175.0**	**207.4**	**120.1**	**141.0**	**2,960.4**
1st Qtr	212.3	4.5	22.3	49.9	40.5	11.1	82.1	25.3	54.5	21.1	30.2	653.8
2d Qtr	277.4	4.5	33.3	57.6	59.8	17.4	87.0	32.6	43.1	30.2	41.3	684.2
3d Qtr	354.9	4.7	19.3	68.6	49.7	12.6	89.3	45.8	47.7	34.8	32.0	759.3
4th Qtr	451.9	4.7	20.0	81.3	64.3	22.8	104.1	71.3	62.1	34.0	37.5	963.1
1975												
Jan	182.9	1.8	7.2	28.4	26.6	4.8	42.3	35.9	21.8	14.4	8.8	374.9
Feb	160.4	1.6	12.9	44.5	27.5	12.4	36.2	44.3	16.2	12.5	10.7	379.2
United Kingdom												
1974	**128.9**	**31.9**	**109.5**	**628.9**	**143.0**	**139.6**	**147.2**	**522.4**	**311.3**	**282.3**	**117.6**	**2,562.6**
1st Qtr	26.4	6.4	23.4	92.1	25.6	20.9	27.7	98.8	68.8	52.5	21.8	464.4
2d Qtr	28.5	5.3	25.0	148.7	25.6	28.5	37.4	117.5	87.4	73.7	27.1	604.7
3d Qtr	41.8	8.1	31.6	179.4	43.3	40.9	40.3	135.5	74.9	72.2	35.4	703.4
4th Qtr	32.2	12.1	29.5	208.7	48.5	49.3	41.8	170.6	80.2	83.9	33.3	790.1
1975												
1st Qtr	45.7	10.0	44.9	235.3	64.7	46.9	56.1	244.9	105.3	86.6	35.7	976.1
Italy												
1974	**325.4**	**25.7**	**57.9**	**282.2**	**95.9**	**65.5**	**854.3**	**131.0**	**234.6**	**133.4**	**211.3**	**2,417.2**
1st Qtr	51.0	4.0	8.2	48.0	15.5	9.8	156.1	21.0	41.8	22.8	31.9	410.1
2d Qtr	60.6	3.8	10.0	58.5	21.8	11.2	192.6	23.9	53.8	38.1	45.9	520.2
3d Qtr	99.3	9.6	23.3	91.2	24.1	17.2	233.6	34.4	73.0	35.1	55.1	695.9
4th Qtr	114.5	8.3	16.4	84.5	34.5	27.3	272.0	51.7	66.0	37.4	78.4	791.0
1975												
Jan	27.4	3.6	5.9	31.8	16.6	4.8	88.2	17.5	17.2	11.9	15.6	240.5
Feb	39.9	3.3	15.6	28.6	17.3	9.0	93.4	28.4	19.8	18.4	22.7	296.4
Canada												
1974	**155.5**	**11.8**	**55.1**	**64.1**	**18.0**	**5.0**	**6.0**	**19.9**	**27.4**	**18.3**	**166.1**	**547.6**
1st Qtr	11.6	2.0	7.0	9.7	1.1	1.0	0.4	3.1	8.0	3.7	36.8	84.4
2d Qtr	16.4	3.3	16.7	12.6	2.6	1.0	0.5	3.0	7.0	4.1	37.1	104.3
3d Qtr	77.6	2.0	17.1	13.1	5.3	1.1	2.5	6.6	6.3	3.4	35.9	170.9
4th Qtr	49.9	4.6	14.4	28.7	9.0	2.0	2.6	7.2	6.1	7.1	56.4	188.0
1975												
Jan	24.4	2.1	7.7	13.2	0.5	0.4	0.4	3.3	2.1	1.3	17.4	72.8
Feb	7.5	1.5	5.8	4.5	7.7	0.5	0.7	2.7	0.2	1.3	21.2	53.6

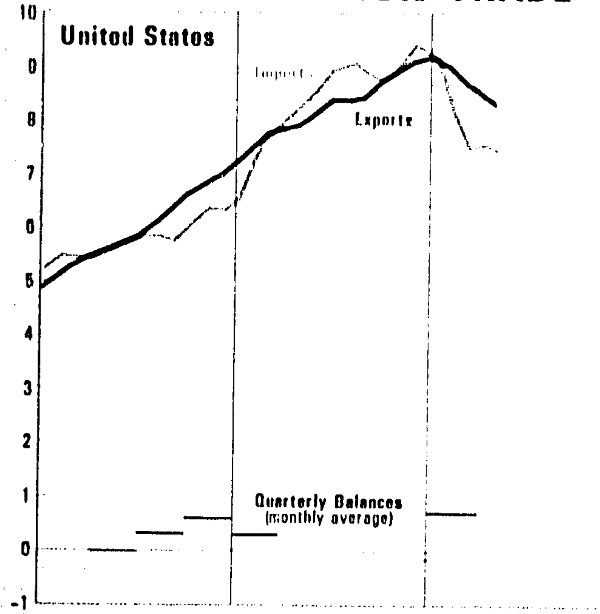
[1] Excluding Gabon.

Market Shares of OPEC Imports
1974

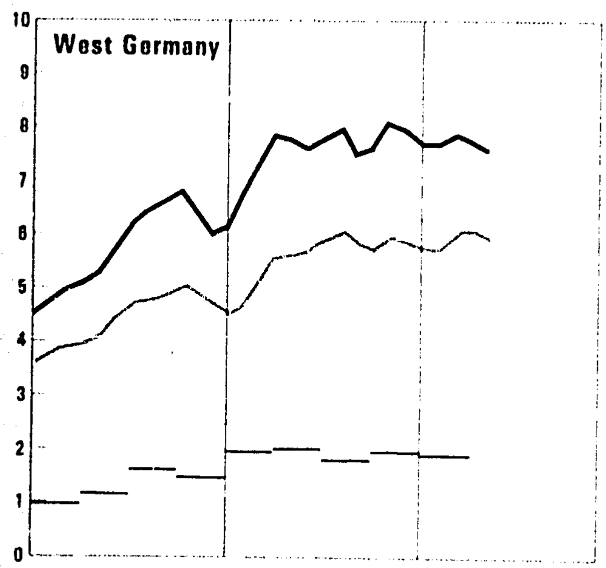
		Percent of Total									
		Big Seven									
	Total (Billion US $)	Total	United States	Japan	West Germany	France	United Kingdom	Italy	Canada	Other Developed	Non-OECD
Total OPEC[1]	35.5	70	19	15	12	8	7	7	2	13	17
Algeria	3.7	77	9	4	13	35	3	9	4	14	9
Ecuador	0.8	76	41	14	10	2	4	3	1	10	14
Indonesia	3.8	69	14	38	9	3	3	2	1	12	19
Iran	7.2	71	24	14	16	4	9	4	1	11	18
Iraq	2.6	62	11	18	14	8	6	4	1	13	25
Kuwait	1.8	51	12	16	9	4	8	4	Negl.	12	37
Libya	3.1	69	4	8	13	12	5	28	Negl.	16	15
Nigeria	2.7	66	11	11	13	6	19	5	1	13	21
Qatar and UAE	1.7	90	13	12	19	12	18	14	2	10	....
Saudi Arabia	3.6	65	23	19	8	3	8	4	1	12	23
Venezuela	4.5	70	39	9	7	3	3	5	4	8	22

[1] Excluding Gabon.

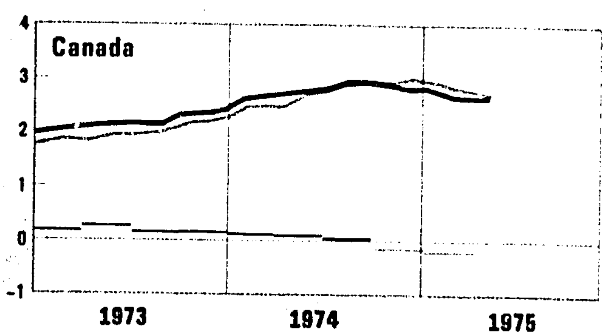
VALUE OF FOREIGN TRADE[1] BILLION US$, seasonally adjusted



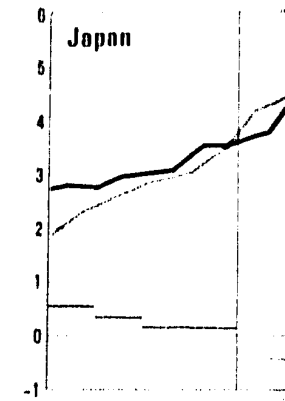
	LATEST MONTH Million US$	Percent Change from Previous Month	AVERAGE ANNUAL GROWTH RATE SINCE 3 Months Earlier	1 Year Earlier[2]	CUMULATIVE (MILLION US$) 1975	1974	Change
May 75	8 145	5.0	22.0	0.4	43 631	38 085	14.6
Balance	1,052				3,090	240	3,450

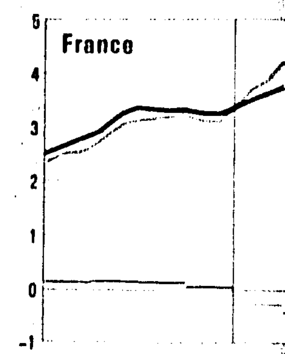


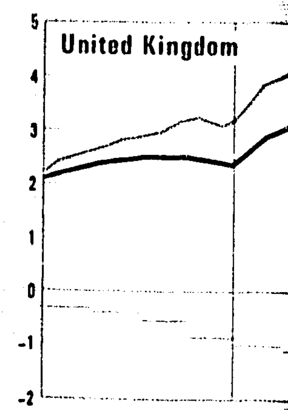
	LATEST MONTH Million US$	Percent Change from Previous Month	AVERAGE ANNUAL GROWTH RATE SINCE 3 Months Earlier	1 Year Earlier[2]	CUMULATIVE (MILLION US$) 1975	1974	Change
May 75	7 037	14 2	6 3	12 2	37 966	35 760	6 2
Balance	1,704				9,008	10,315	-1,307

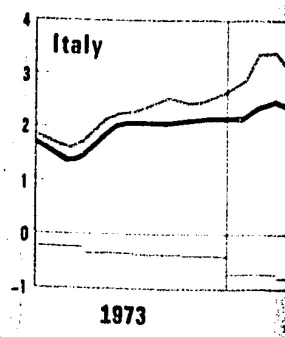


	LATEST MONTH Million US$	Percent Change from Previous Month	AVERAGE ANNUAL GROWTH RATE SINCE 3 Months Earlier	1 Year Earlier[2]	CUMULATIVE (MILLION US$) 1975	1974	Change
May 75	2 570	1 5	22 2	9 6	13 264	12 970	2 3
Balance	-99				-800	745	-1,545







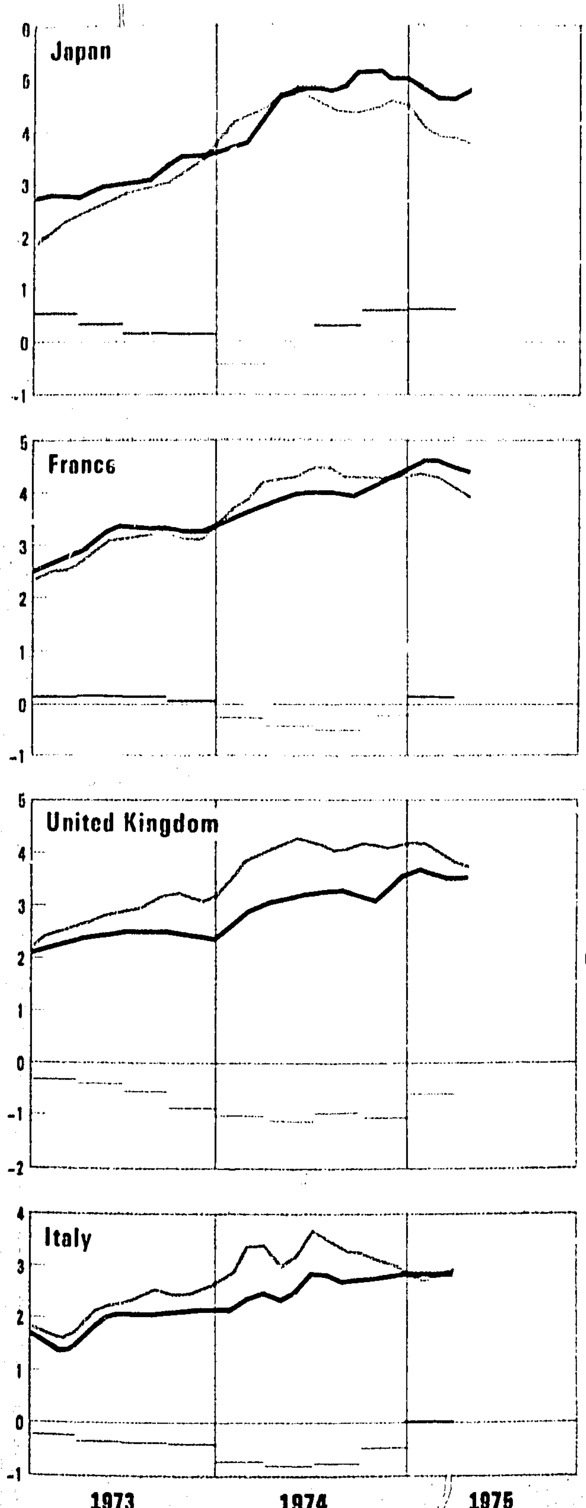


[1]*Data are f.o.b. Export and import plots are based on five-month weighted moving a*

[2]*Average for latest 3 months compared with average for previous 3 months.*

...sonally adjusted

...cent Change from ...vious ...nth	AVERAGE ANNUAL GROWTH RATE SINCE: 3 Months Earlier	1 Year Earlier[2]	CUMULATIVE (MILLION US$): 1975	1974	Change
...0	22.0	0.4	43,031	38,085	14.0%
...1.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
			3,690	240	3,450
...2	6.3	12.7	37,968	35,760	6.2%
...9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
			9,008	10,315	-1,307
...6	-22.2	9.6	13,264	12,970	2.3%
...8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
			-800	745	-1,545



LATEST MONTH	Million US$	Percent Change from Previous Month	AVERAGE ANNUAL GROWTH RATE SINCE: 3 Months Earlier[2]	1 Year Earlier	CUMULATIVE (MILLION US$): 1975	1974	Change
May 75	4,678	1.6	23.0	2.0	23,727	19,971	18.8%
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Balance	1,041				3,022	-1,424	5,046
May 75	4,384	3.8	5.4	14.1	22,622	18,161	24.0%
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Balance	440				1,274	-1,716	2,990
May 75	3,072	13.4	11.6	19.9	17,807	13,759	29.4%
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Balance	-37				-2,351	-5,086	2,735
Apr 75	2,811	-1.6	13.8	12.6	11,270	9,010	25.1%
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Balance	-48				-38	-3,270	3,233

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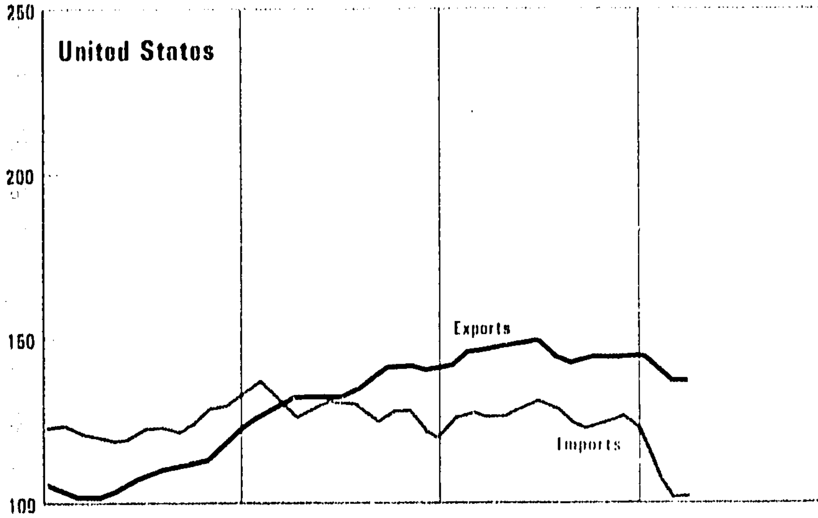
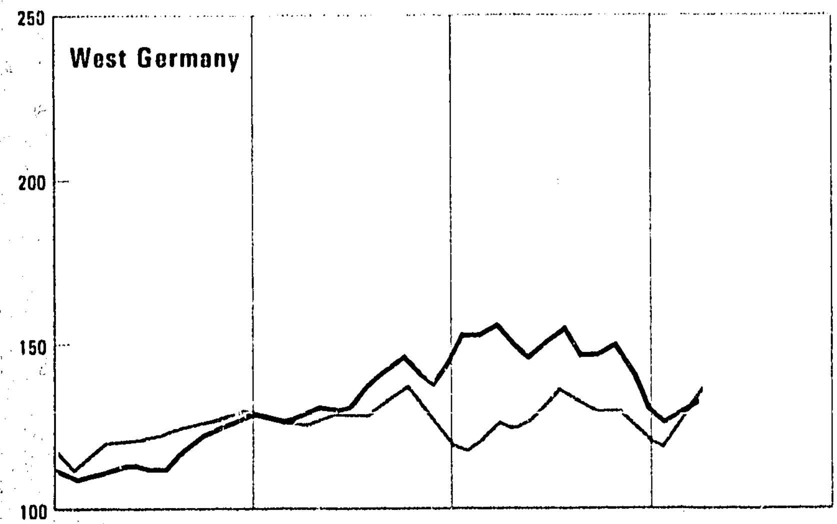
[1] Data are f.o.b. Export and import plots are based on five-month weighted moving averages.

[2] Average for latest 3 months compared with average for previous 3 months.

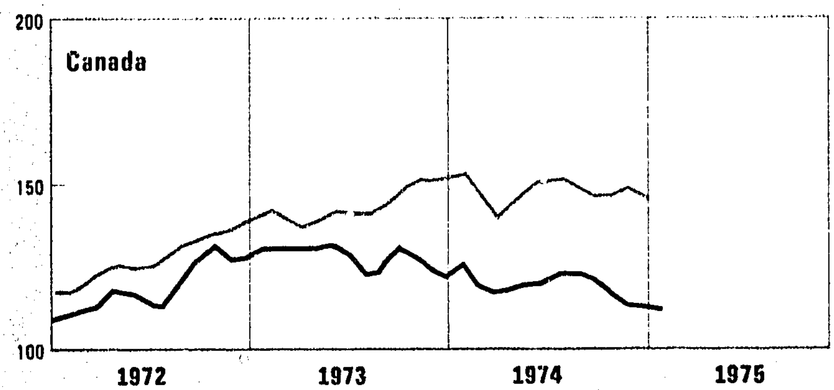
VOLUME OF FOREIGN TRADE[1] INDEX: 1970=100, seasonally adjusted



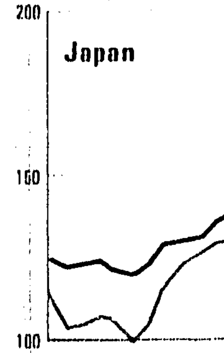
LATEST MONTH		Percent Change from Previous Month	AVERAGE ANNUAL GROWTH RATE SINCE 3 Months Earlier[2]	AVERAGE ANNUAL GROWTH RATE SINCE 1 Year Earlier
Apr 75	137.1	0	18.0	9.0
Apr 75	105.5	5.4	51.9	15.5

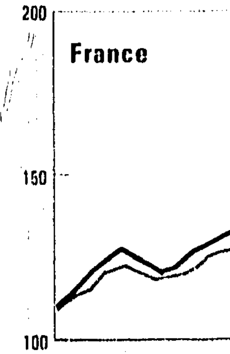


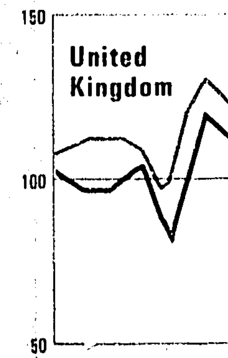
LATEST MONTH		Percent Change from Previous Month	AVERAGE ANNUAL GROWTH RATE SINCE 3 Months Earlier[2]	AVERAGE ANNUAL GROWTH RATE SINCE 1 Year Earlier
Apr 75	139.3	13.0	26.9	-8.4
Apr 75	142.4	20.1	10.3	14.2

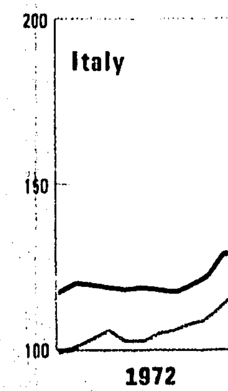


LATEST MONTH		Percent Change from Previous Month	AVERAGE ANNUAL GROWTH RATE SINCE 3 Months Earlier[2]	AVERAGE ANNUAL GROWTH RATE SINCE 1 Year Earlier
Feb 75	110.0	-5.8	-24.3	-9.9
Jan 75	145.[illegible]	1.9	1.0	2.6







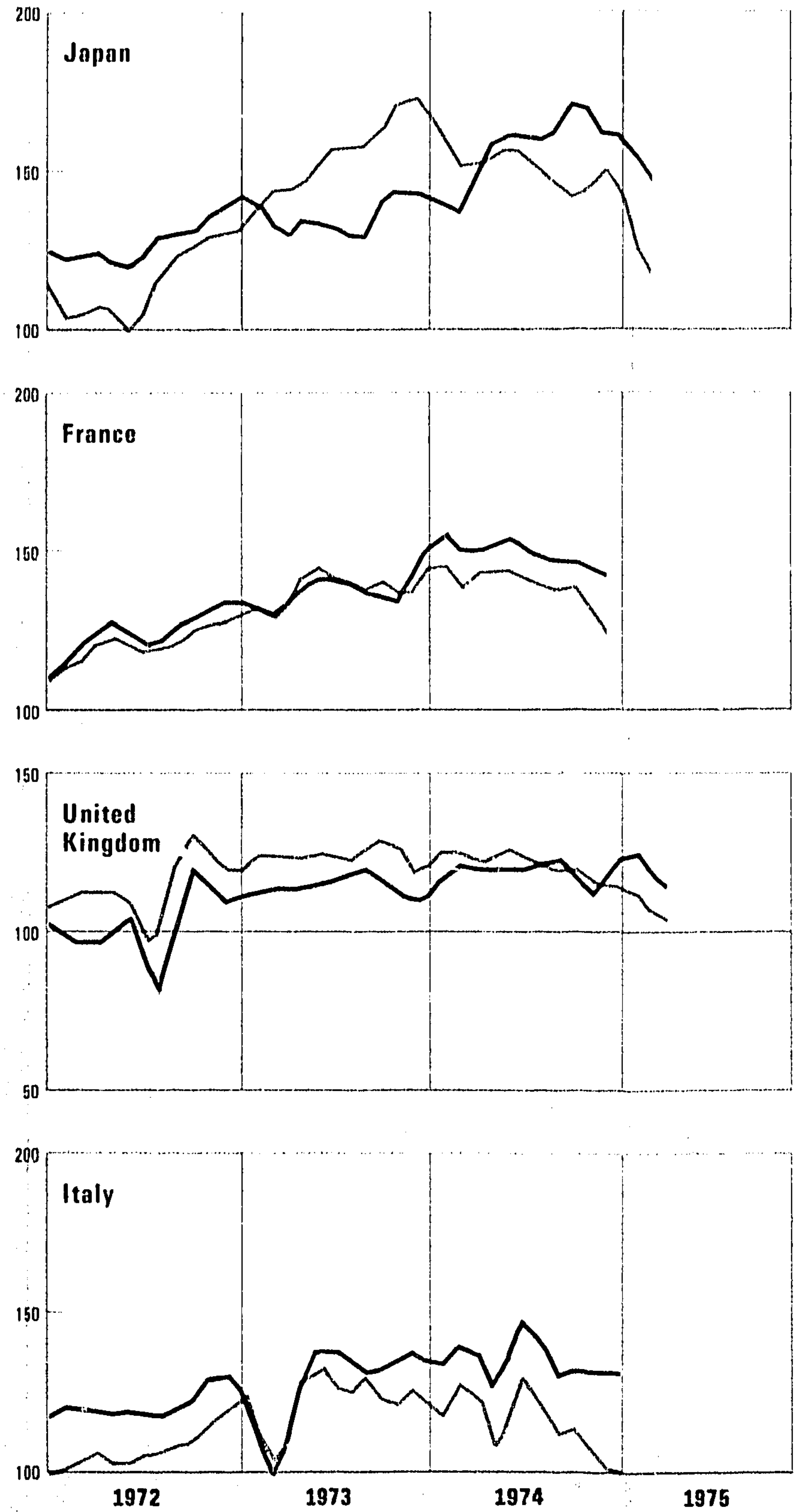


[1] Export and import plots are based on five-month weighted mov

[2] Average for latest 3 months compared with average for previ

00, seasonally adjusted

LATEST MONTH		Percent Change from Previous Month	AVERAGE ANNUAL GROWTH RATE SINCE 3 Months Earlier[2]	AVERAGE ANNUAL GROWTH RATE SINCE 1 Year Earlier
Apr 75	137.1	0	18.0	9.0
Apr 75	105.5	5.4	51.9	15.5
Apr 75	139.3	13.0	-26.9	-8.4
Apr 75	[illegible]	20.1	10.3	14.2
Feb 75	110.0	-5.8	-24.3	-9.9
Jan 75	135.6	1.9	4.8	7.6



LATEST MONTH		Percent Change from Previous Month	AVERAGE ANNUAL GROWTH RATE SINCE 3 Months Earlier[2]	AVERAGE ANNUAL GROWTH RATE SINCE 1 Year Earlier
Mar 75	144.8	8.2	27.0	7.7
Mar 75	120.3	1.3	40.1	[illegible]
Dec 74	140.4	6.9	11.9	4.4
Dec 73	124.4	5.8	[illegible]	[illegible]
Apr 75	108.7	13.0	4.9	10.6
Apr 75	[illegible]	[illegible]	[illegible]	[illegible]
Jan 75	129.4	-4.8	-6.5	-7.7
Jan 75	[illegible]	[illegible]	[illegible]	[illegible]

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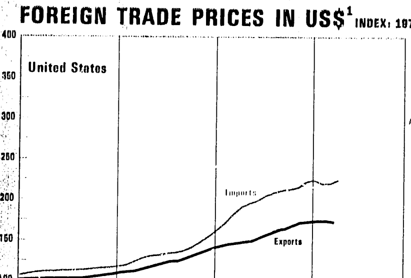
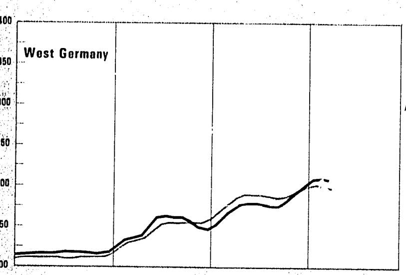
[1] *Export and import plots are based on five-month weighted moving averages.*

[2] *Average for latest 3 months compared with average for previous 3 months.*

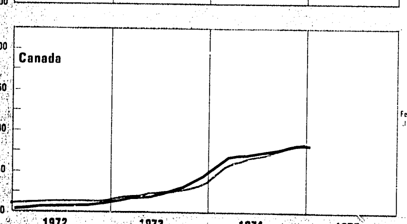
FOREIGN TRADE PRICES IN US$[1] INDEX: 1970=100, seasonally adjusted



LATEST MONTH		Percent Change from Previous Month	AVERAGE ANNUAL GROWTH RATE SINCE 3 Months Earlier[2]	1 Year Earlier
Apr 75	175.5	1.7	2.3	16.1
Apr 75	[illegible]	1.7	[illegible]	[illegible]

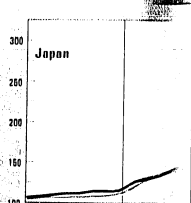


LATEST MONTH		Percent Change from Previous Month	3 Months Earlier[2]	1 Year Earlier
Apr 75	200.5	2.0	33.6	18.6
Apr 75	[illegible]	[illegible]	[illegible]	[illegible]

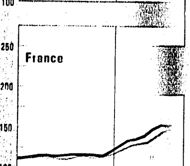


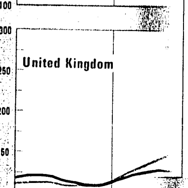
LATEST MONTH		Percent Change from Previous Month	3 Months Earlier[2]	1 Year Earlier
Feb 75	182.6	0.4	11.9	19.6
Jan 75	[illegible]	[illegible]	23.7	[illegible]

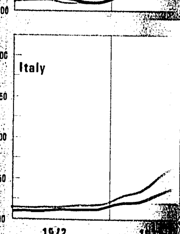
1970=100, seasonally adjusted

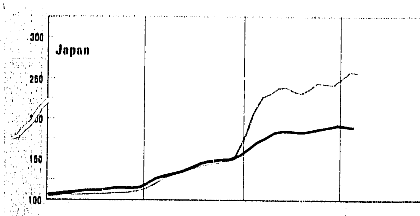


LATEST MONTH		Percent Change from Previous Month	AVERAGE ANNUAL GROWTH RATE SINCE 3 Months Earlier[2]	1 Year Earlier
Apr 75	175.5	1.7	2.3	16.1
Apr 75	200.5	2.0	33.6	18.6
Feb 75	182.6	0.4	11.9	19.6

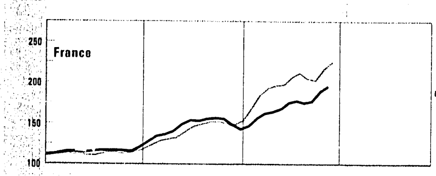




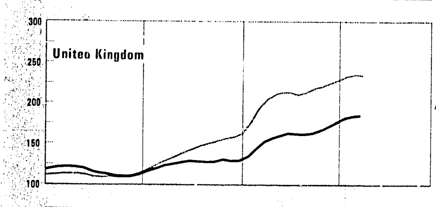




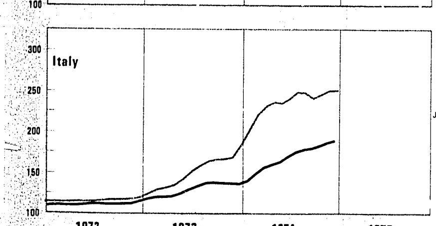
LATEST MONTH		Percent Change from Previous Month	AVERAGE ANNUAL GROWTH RATE SINCE 1 Month Earlier[2]	1 Year Earlier
Mar 75	191.0	2.2	6.3	10.7
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]



LATEST MONTH		Percent Change from Previous Month	1 Month Earlier[2]	1 Year Earlier
Dec 74	204.1	8.7	28.9	32.2
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]



LATEST MONTH		Percent Change from Previous Month	1 Month Earlier[2]	1 Year Earlier
Apr 75	188.6	0.1	32.8	20.8
Apr 75	[illegible]	[illegible]	[illegible]	[illegible]



LATEST MONTH		Percent Change from Previous Month	1 Month Earlier[2]	1 Year Earlier
Jan 75	194.5	2.6	19.9	39.0
Jan 75	[illegible]	[illegible]	[illegible]	[illegible]

[1] Export and import plots are based on five-month weighted moving averages.
[2] Average for latest 3 months compared with average for previous 3 months.

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