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REVIEW OF FOREIGN DEVELOPMENTS

August 21, 1962

Foreign Exchange Market and Reserve
Developments -- June and July

11 pages

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and Division Staff

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SUMMARY

A dramatic change in the fortunes of the Canadian dollar took place after the adoption of emergency measures and the securing of foreign short-term assistance on June 24. The large losses of reserves before that date were reversed, and the Canadians have since been accumulating reserves rapidly. The exchange rate, which had been near the lower support limit during the first three weeks of June, moved above par late in June and has remained strong since then.

On July 31, the United Kingdom repaid \$512 million to the IMF, which together with drawings of sterling from the Fund by other countries, completed repayment of the entire \$1.5 billion drawing of last August. The British, however, are retaining a stand-by credit of \$1.0 billion for one year. Sterling has declined somewhat during June and July but still remains above par, which indicates strength for this time of the year.

The U.S. goldstock, after increasing somewhat in June, fell by more than \$300 million in July. The Common Market countries, on the other hand, continued to gain reserves. Adjusted for special government transactions, they added \$232 million to their reserves in the second quarter of 1962. (See Table 1.) France's adjusted reserve accumulation was \$440 million, and it was partly offset by German, Belgian and Italian losses. Switzerland's reserve position improved substantially in June and July. The United Kingdom's rate of reserve accumulation slowed down during the second quarter, and there was a small decline in the adjusted position in July.*

Table 1
Adjusted Changes in Official Reserves, Selected European Countries^{a/}
(In millions of dollars)

	1961	1962					
		Jan.- Mar.	Apr.- June	April	May	June	July
Belgium	+ 262	- 10	-104	- 57	+ 16	- 63	+ 17
France	+1,379	+261	+440	+123	+174	+143	+154
Germany	+1,515	+ 72	- 89	-127	+ 53	- 15	n.a.
Italy	+ 577	-160	- 35	- 5	- 65	+ 35	n.a.
Netherlands	+ 119	- 15	+ 20	+ 9	+ 32	- 21	b/- 14
Total Common Market	+3,852	+148	+232	- 57	+210	+ 79	n.a.
Switzerland	+ 546	- 87	+127	- 13	- 2	+142	+108
United Kingdom	-1,527	+519	+171	+ 90	+ 73	+ 8	- 6

(footnotes on following page.)

*Changes in the gross reserve position, Appendix, Table I.

Note: Actual unadjusted reserve changes and reserve holdings for these and other countries are found in Table I of the Appendix at the end of this paper.

a/ The effects on official reserves of the following types of transactions have been eliminated in this table; the direction of the effect of the adjustment on adjusted reserve changes is indicated by the algebraic sign in each case.

1. Prepayments of public international debt (+).
2. Changes in IMF position (+ or -).
3. Increases in reciprocal balances with the Federal Reserve System (-).
4. Increases in Germany commercial banks' balances with foreign banks and money market investments abroad (+).
5. Increases in Bundesbank loans to the IBRD (+).
6. French debt repayments scheduled for June 1962.
7. German indemnity payments to France and Belgium (France & Belgium -).

b/ Net Reserves

In Asia, Japan's reserves went up slightly, but India's and Ceylon's reserves continued to fall. India has secured short-term assistance from the IMF in an effort to bridge the current crisis without trimming the current five-year plan.

Table 2
Trade Balance
(In millions of U.S. dollars at seasonally adjusted monthly rates)

	1961				a/	1962			
	I	II	III	IV		I	April	May	June
Common Market	+ 18	+ 21	+ 88	- 63	- 69	+ 35	-164	n.a.	
Switzerland	- 55	- 49	- 58	- 58	- 78	- 86	- 71	- 63	
United Kingdom	-182	-119	- 94	-114	-135	- 94	-131	- 78	
United States	+546	+446	+364	+426	+392	+421	+390	+513	

a/ Imports are overstated at an average monthly rate of \$52 million. A change in French statistical procedures caused allocation to January 1962 of \$155 million of French imports actually effected in 1961.

The seasonally adjusted trade balance of the EEC countries showed a deficit in May, owing to the decline in the German trade surplus and the deficits of The Netherlands, Italy and Belgium-Luxembourg. In June, the German trade surplus continued to dwindle, more as the result of declining exports than increasing imports. The French show a trade surplus for June. The British and U.S. trade positions also improved in June.

Table 3
Exports

(In millions of U.S. dollars at seasonally adjusted monthly rates)

	1961				1962			
	I	II	III	IV	I	April	May	June
Common Market	2,625	2,720	2,762	2,741	2,846	2,913	2,809	n.a.
United Kingdom	897	895	909	901	892	917	926	960
United States	1,698	1,610	1,666	1,736	1,715	1,795	1,775	1,859
Switzerland	166	168	171	174	181	162	185	195
Canada	472	476	493	504	484	477	n.a.	n.a.

(Detailed foreign trade statistics of major countries are found in Appendix Table II on page 11.)

EXCHANGE RATES

The strength of the Canadian dollar was bolstered by a substantial return flow of funds, and has continued strong since the emergency stabilization program began on June 24. For a time after the adoption of the par value on May 2, the Canadian dollar remained weak. It was supported by the Bank of Canada at rates between 92.72 and 92.73. After June 24, when the stabilization program and the emergency foreign assistance were announced, the rate rose gradually to more than 92.80 on August 20. It reached 92.28 on June 25, 92.60 on July 6, fluctuated around 92.64 during the second week of July, and reached 92.75 on August 3, where it has since been held by Canadian official purchases of U.S. dollars.

Sterling was stronger than usual during June and July. The spot rate fluctuated between 280.70 and 280.96 during the month of June. During the last half of July, sterling fell from 280.71 on July 13 to 280.48 on July 31. In the first part of August, sterling was firm, fluctuating only between 280.50 and 280.55; but on August 10, the rate began to decline again, reaching 280.42 on August 20.

The market for the Swiss franc during the first three weeks of July was nervous and was dominated by psychological forces causing a movement into gold and Swiss francs. The Swiss franc held at its ceiling of 23.17 U.S. cents through most of July. Later in the month and during the first three weeks of August, it was firm at 23.14. After President Kennedy's remarks about defending the dollar which were relayed to Europe by Telstar, the franc fell to 23.143 on July 24 and then to 23.128 cents on July 31.

The deutsche mark strengthened early in July in spite of large exports of funds by German commercial banks. Foreign participation in the Federal Government bond issue was a factor behind the demand for DM. The rate reached its peak of 25.118 cents on July 9. It then dropped gradually during the last half of the month, reaching 25.015 cents on August 1. In early August, the DM strengthened slightly with the rate ranging from 25.025 to 25.038 cents.

Table 4
Spot Foreign Exchange Rates against the Dollar a/
(In U.S. cents per unit of foreign currency)

		<u>U. K.</u>	<u>Canada</u>	<u>Germany</u>	<u>Switzer- land</u>	<u>Nether- lands</u>	<u>France</u>	<u>Italy</u>
Parity		280.00	b/92.50	25.00	22.87	27.62	20.26	.1600
Official limits:								
Buying		278.00	b/91.575	24.81	c/22.47	27.42	20.10	.1588
Selling		282.00	b/93.425	25.19	c/23.28	27.84	20.41	.1612
<u>Date</u>								
May	25	281.13	91.80	25.03	23.15	27.83	20.41	.1611
June	1	280.95	91.73	25.02	23.17	27.83	20.41	.1611
	8	280.79	91.72	25.03	23.17	27.77	20.41	.1611
	15	280.93	91.73	25.04	23.17	27.80	20.41	.1611
	22	280.90	91.85	25.06	23.17	27.83	20.41	.1611
	29	280.84	92.45	25.06	23.17	27.83	20.41	.1611
July	6	280.67	92.60	25.10	23.17	27.83	20.41	.1611
	13	280.71	92.66	25.12	23.17	27.83	20.41	.1611
	20	280.78	92.70	25.10	23.17	27.83	20.41	.1611
	27	280.52	92.72	25.05	23.14	27.80	20.41	.1611
Aug.	3	280.53	92.75	25.04	23.14	27.78	20.41	.1611
	10	280.46	92.75	25.03	23.14	27.75	20.41	.1611
	17	280.46	92.79	25.02	23.14	27.74	20.41	.1611

a/ Certified noon buying rates in New York for cable transfers.

b/ Effective May 3, 1962.

c/ Legal limits. Since early March 1961, the Swiss National Bank has not allowed the Swiss franc to rise above approximately 23.17 U.S. cents.

The forward premium on the DM increased almost continuously during July. The three-months premium rose from 0.4 per cent in early July to 1.0 per cent on August 1. The premium stabilized at that level during the first week of August.

The French franc and the Italian lira remained at or very close to their upper limits (20.41 and .1612 cents respectively) from June through early August. The Netherlands guilder remained close to the upper limit of 27.84 cents from mid-June until mid-July. In the latter part of July, the guilder began to fall slightly, reaching 27.72 cents on August 14.

In the Philippines, the spread between the buying and selling rates for the Philippine peso, which had been four centavos during recent months, was narrowed to only one centavo on July 31. In the first week of August, the spot selling and buying rates remained at ₱ 3.87-1/4 and ₱ 3.88-1/4 to the dollar, respectively. The Cambodian riel continues to weaken. It has depreciated by 18 per cent since the beginning of the year in the Bangkok and Hong Kong foreign exchange markets.

The Argentine peso strengthened from 128 pesos per dollar to about 116 pesos per dollar in early August. Continuing inflationary pressures were reflected in a further depreciation of the Brazilian cruzeiro. On August 16, the Bank of Brazil's official exchange rate was devalued 11.2 per cent, and export proceeds, other than for coffee and cocoa, were shifted to the free market. Initial quotations in the new free market rate were 510 cruzeiros per dollar, compared with a black market rate of up to 600 cruzeiros per dollar in early August. There remains a spread of about 20 per cent between the new free rate and the new official rate. Along with the devaluation, the banks were allowed to deal more freely in foreign exchange than previously. While exchange controls were tightened, the advance import deposit requirements were substantially relaxed.

INTERNATIONAL MONETARY FUND TRANSACTIONS

The most significant Fund transaction in June was the \$300 million Canadian drawing of sterling (\$100 million), deutsche marks and French francs (\$80 million each), and Netherlands guilders and Belgian francs (\$20 million each). Argentina drew \$50 million, divided equally between U.S. dollars, deutsche marks, French francs, Netherlands guilders, and sterling. Guatemala drew \$2 million of U.S. dollars. Repayments of drawings in June were made by Argentina (\$3 million), Bolivia (\$0.2 million), Chile (\$0.6 million), Ecuador (\$3 million), Haiti (\$0.2 million), Iceland (\$2.0 million), and Paraguay (\$0.5 million).

Table 5
IMF Exchange Transactions, January-June 1962 a/
(In millions of dollars)

	Jan.-Mar.	Apr.-June	June
Drawings			
Argentina	-	50.0	50.0
Canada	-	300.0	300.0
Ceylon	11.2	-	-
India	-	-	-
Indonesia	21.2	-	-
Philippines	28.3	-	-
Turkey	-	-	-
United Arab Republic	29.9	20.0	-
Other countries	5.2	9.5	2.0
Total	96.0	379.5	352.0
Repayments			
Argentina	12.0	29.0	-
Australia	175.0	-	-
Iran	17.5	-	-
South Africa	37.5	-	-
United Arab Republic	7.5	2.5	-
United Kingdom	210.0	140.0	-
Other countries	18.2	16.5	9.5
Total	477.7	188.0	9.5
Net Drawings	-381.7	191.5	342.5

a/ Details may not add to totals due to rounding.

In July, the major Fund transaction was the repurchase of \$512 million made by the United Kingdom, which reduced the Fund's holdings of sterling to 75 per cent of the British quota. The repurchase was in U.S. dollars (\$312 million), French franc (\$50 million), deutsche marks (\$65 million), Netherlands guilders (\$25 million), Belgian francs (\$15 million), Italian lira (\$25 million), and Swedish kronor (\$10 million). Also in July, India drew \$25 million in sterling under a \$100 million standby.

At the end of June, Fund holdings of gold and major currencies totaled \$8.8 billion. Sterling and Canadian dollars held by the Fund exceeded 75 per cent of the United Kingdom and Canadian quotas. In July, when the British repurchase lowered the Fund's holdings of sterling to the 75 per cent level, the Fund's holdings of dollars were raised to 73.2 per cent of the U.S. quota.

Table 6
Net Change in IMF Holdings of Gold and Major Currencies, 1962
(In millions of dollars)

	Net Change				Holdings Amount	June 30, 1962 Per cent of quota
	June- Mar.	Apr.- June	June	July a/ July		
Gold	+ 21	+ 11	+ 4	n.a.	2,110	--
Currency of:						
United States	+237	+ 43	- 3	+322	2,716	66
Belgium	+ 15	- 5	- 20	+ 15	191	53
Canada	+ 10	+340	+300		688	125
France	+ 28	- 90	- 90	+ 50	299	38
Germany	+ 75	- 35	- 90	+ 65	191	24
Italy	+ 20	- 5	--	+ 25	42	16
Japan	--	--	--		320	64
Netherlands	+ 45	- 30	- 30	+ 25	185	45
Sweden	--	+ 5	--	+ 10	92	62
United Kingdom	-250	-255	-110	-537	2,003	103
Total Fund <u>b/</u>	+202	- 21	- 39	n.a.	8,837	

a/ United Kingdom and Indian transactions only.

b/ Details may not add to totals due to rounding.

RESERVE DEVELOPMENTS IN SELECTED COUNTRIES

North America

The over-all deficit in the U.S. balance of payments diminished further in the second quarter of 1962, though not by as much as preliminary indicators had suggested. The second quarter deficit is now estimated at a seasonally adjusted annual rate of \$1.0 billion, compared with \$1.9 billion in the first quarter and \$2.5 billion for the year 1961.

Much of the improvement from the first quarter to the second reflected the temporarily favorable effects of uncertainties about the Canadian dollar. While those effects cannot be accurately measured, they were clearly visible in reported capital flows and in a bulge in U.S. exports to Canada, and they may also have affected other accounts. They are now being rapidly reversed in the wake of the Canadian stabilization program announced at the end of June.

In transactions with other countries, there was an encouraging rise in merchandise exports in the second quarter, mainly to Western Europe. Imports also rose, but they remained significantly lower in relation to gross national product than in 1959 (3.0 per cent compared with 3.2 per cent).

In July, there was a decline in the U.S. gold stock of more than \$300 million, which was partly offset by a decline in foreign dollar holdings with the Federal Reserve Banks.

Table 7
Changes in U.S. International Liquidity
(In millions of dollars)

	1961			1962			
	Jan.- June	July- Sept.	Oct.- Dec.	Jan.- Mar.	May	June	July
Decline (+) in total U.S. gold stock	+201	+146	+510	+304	+ 61	- 69	<u>a/</u> +287
Decline (+) in U.S. official holdings of convertible foreign currencies	-186	+124	- 54	-114	- 17	<u>b/</u> -305	n.a.
Change in dollar holdings of foreign countries at F.R. Banks <u>c/</u>	--	+405	- 63	-302	+196	+585	-288
Other <u>d/</u>	+287	+233	+882	+656	-228	n.a.	n.a.
Net transfers to foreigners	+302	+908	+1,275	+544	+ 12	n.a.	n.a.

a/ Treasury gold stock only.

b/ Federal Reserve System holdings only.

c/ Deposits and holdings of U.S. Government securities.

d/ Official holdings outside Federal Reserve Banks, holdings of international institutions (at F.R. Banks and commercial banks) and all private foreign holdings reported by banks.

Canadian reserves fell by \$393 million from June 1 to 24, reflecting speculative pressure against the Canadian dollar. During the last week of June, reserves increased \$709 million, reflecting in part the IMF drawing (\$300 million), the reciprocal balance arrangement with the Federal Reserve System (\$250 million), and the credit from the Bank of England (\$100 million). The adjusted increase from June 24 to the end of the month, reflecting reserves gained from the market, was \$59 million. In July, reserves increased by an additional \$306 million. This figure includes a \$61 million advance debt payment from France.

Europe

The United Kingdom's reserves in June decreased by \$92 million. However, they should be adjusted upwards for the \$100 million foreign exchange cost of the United Kingdom's assistance to Canada. In July, U.K. reserves declined by \$518 million, \$512 of which was the repayment to the IMF. Therefore the adjusted reserve movements for June and July was an increase in June of \$8 million and a decrease in July of \$6 million. The trade balance in July worsened, and this must have been offset by an improvement in invisibles and in capital movements.

Official reserves in Germany rose by \$151 million in June even though Canada drew \$80 million of deutsche mark from the IMF, mainly because commercial banks liquidated foreign assets in June in response to tighter domestic money market conditions. When adjusted for the IMF transaction in DM and for the fall in commercial banks foreign assets, reserves show an increase of \$143 million in June. The gross official reserve figure for July is not available at this time, but the figure for net official reserves shows a decline of \$19 million. The exact amount of the change in commercial bank foreign exchange and money market investments abroad in July is not known, but it is believed that the commercial banks exported a large amount of funds, primarily into the Euro-dollar market, early in July and then repatriated some of the funds later in the month.

French reserves show a decline of \$8 million in June, but this figure reflects the scheduled \$71 million payment of interest and principal on the debts to the U.S. and Canada and the conversion into U.S. dollars of the \$80 million of francs drawn by Canada from the IMF. In July, official reserves declined by \$152 million. This figure includes special advance debt payments to the U.S. and Canada totaling \$356 million and \$50 million of francs purchased by the United Kingdom for their IMF repayment. The adjusted reserve changes for France, therefore, show an increase of \$143 million in June and an increase of \$154 million in July.

Swiss National Bank gold and foreign exchange assets increased by \$127 million in June, mainly as the result of window-dressing operations by Swiss banks and speculation against the Canadian dollar. Taking account of a \$15 million foreign investment by the Swiss Treasury, the adjusted reserve gain was \$142 million. In July, reserves show a decline of \$17 million, but this figure should be adjusted upwards for transactions resulting from reciprocal currency arrangements with the Federal Reserve System. Under swap arrangements with the Swiss National Bank, and the Bank for International Settlements, the Federal Reserve System acquired \$100 million of Swiss francs and each of these institutions acquired 50 million of U. S. dollars. The Swiss National Bank sold the

dollars it acquired to Swiss commercial banks under a repurchase agreement. The Federal Reserve System used the Swiss francs it acquired to reduce the Swiss National Bank's dollar assets by \$100 million. Also in July, the Swiss Federal Treasury purchased an additional \$25 million from the Swiss National Bank to add to its short-term investments abroad. Adjusted for these special transactions, the Swiss reserves increased by \$108 million in July.

In June, Belgian reserves showed an adjusted decline of \$63 million, after adjustment for the \$20 million Canadian drawing of Belgian francs from the IMF and the \$50 million reciprocal currency agreement with the Federal Reserve System. In July, adjusted reserves increased by approximately \$17 million after an adjustment for \$15 million of Belgian francs repaid by the United Kingdom to the IMF. Almost all of the increase took place in the first week of the month, when the dollar was weak.

Asia and Africa

Reserve gains by Japan in June (\$37 million) and July (\$12 million) brought the level of reserves at the end of July to \$1,635 million. However, \$30 million of the June increment and \$2 million of the July increment reflects drawings against the \$125 million credit arranged with seven American banks last January. The credit now is exhausted.

On August 1, the waiting period for remittance of capital by foreign investors was reduced from two years to six months. This move is expected to encourage further foreign purchases of Japanese securities, which totaled about \$50 million in the first half of this year.

The Reserve Bank of India's holdings of reserves fell to \$444.4 million on July 20, the lowest level in India's history and just above the statutory minimum of \$420 million. Since the beginning of the year, the reserves have declined by over \$100 million. The falling reserves essentially reflect India's ambitious development program. Rather than check the decline by scaling down her planned targets, the Government has both intensified controls over imports and other foreign payments and has arranged for a \$100 million stand-by credit with the IMF. \$25 million was drawn under this credit in July.

Ceylon's reserves also have continued to decline, reaching the lowest level of the past 20 years at the end of June. Preliminary data indicate an improvement in the trade account. Therefore, the declining reserves probably indicate a deterioration in services or in capital account transactions.

Philippine reserves remained relatively unchanged in June at a level of \$142 million, but they dipped during July to \$135 million.

South African reserves increased by \$20 million in July, reaching \$594 million on July 27. There is considerable public pressure for a relaxation of import controls.

APPENDIX

Table I

Changes in Official Gold and Foreign Exchange Reserves, Selected Countries
(In millions of dollars)

	1961	1962					Total holdings, July 31
		Jan.- Mar.	Apr.- June	May	June	July	
Belgium	+ 235	+ 5	- 59	+ 16	- 33	a/+ 32	a/ 1,635
France	+ 869	+282	+263	+174	- 8	-152	3,332
Germany: Official	- 195	-454	+145	+ 49	+151	b/- 19	b/ 6,801
Commercial banks ^{c/}	+ 380	+601	-269	+ 24	-256	n.a.	n.a.
Italy: Official	+ 339	-140	- 40	- 70	+ 35	n.a.	d/ n.a.
Authorized banks ^{e/}	- 12	- 61	n.a.	- 45	n.a.	n.a.	n.a.
Netherlands	- 27	+ 30	+ 50	+ 32	+ 9	f/- 54	f/ n.a.
Total Common Market	+1,589	+263	n.a.	+180	n.a.	n.a.	n.a.
Switzerland	+ 435	-151	+ 96	- 17	+127	- 17	2,688
United Kingdom	+ 87	+134	- 19	+ 53	- 92	-518	2,915
Canada	+ 227	-346	+100	-102	+316	+306	2,114
Japan	- 338	+ 76	+ 61	+ 27	+ 37	+ 12	1,635
South Africa	+ 149	+ 86	+ 95	+ 36	+ 34	g/+ 20	g/ 594
Venezuela	- 27	- 28	- 12	- 60	- 21	n.a.	n.a.

a/ Staff estimate.

b/ July figures are from the Bundesbank's weekly balance sheet and are not entirely comparable with figures for earlier months.

c/ Balances with foreign banks and money market investments abroad.

d/ Reserves end June were \$3,239 million.

e/ Net foreign assets in foreign currencies and lire.

f/ End June reserves were \$1,795 million. The change shown for July is in the net reserves from June 30 to July 30 and is not entirely comparable with figures for earlier months.

g/ As of July 27.

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APPENDIX

Table II

Seasonally-Adjusted Foreign Trade, Selected Countries
(In millions of dollars; monthly average or month)

	1961				1962			
	I	II	III	IV	I	Apr.	May	June
<u>Belgium-Lux.</u>								
Imports c.i.f.	352	347	348	353	361	354	384	n.a.
Exports f.o.b.	303	336	339	337	359	358	341	n.a.
Balance	- 49	- 11	- 9	- 16	- 2	+ 4	- 43	
<u>France</u>								
Imports c.i.f.	538	561	550	605	a/620	579	613	606
Exports f.o.b.	588	609	633	595	630	606	613	625
Balance	+ 50	+ 48	+ 83	- 10	+ 10	+ 27	--	+ 18
<u>Germany</u>								
Imports c.i.f.	852	933	907	955	989	1,021	1,047	1,053
Exports f.o.b.	1,047	1,078	1,061	1,060	1,101	1,169	1,111	1,070
Balance	+195	+145	+154	+ 98	+112	+148	+ 64	+ 17
<u>Italy</u>								
Imports c.i.f.	434	437	449	446	488	491	484	n.a.
Exports f.o.b.	324	344	363	388	380	384	405	n.a.
Balance	-110	- 93	- 86	- 58	-108	-107	- 79	
<u>Netherlands</u>								
Imports c.i.f.	431	421	420	439	457	433	445	n.a.
Exports f.o.b.	364	351	365	361	376	396	339	n.a.
Balance	- 67	- 70	- 55	- 78	- 81	- 37	-106	
<u>Total, Common Market</u>								
Imports c.i.f.	2,607	2,699	2,674	2,797	2,915	2,878	2,973	n.a.
Exports f.o.b.	2,625	2,720	2,762	2,741	2,846	2,913	2,809	n.a.
Balance	+ 18	+ 21	+ 88	- 63	- 69	+ 35	-164	
<u>Switzerland</u>								
Imports c.i.f.	221	217	229	232	259	248	256	258
Exports f.o.b.	166	168	171	174	181	162	185	195
Balance	- 55	- 49	- 58	- 58	- 78	- 86	- 71	- 63
<u>United Kingdom</u>								
Imports c.i.f.	1,079	1,014	1,003	1,015	1,027	1,011	1,067	1,038
Exports f.o.b.	897	895	909	901	892	917	926	960
Balance	-182	-119	- 94	-114	-135	- 94	-131	- 78
<u>Canada</u>								
Imports f.o.b.	469	446	480	501	494	454	n.a.	n.a.
Exports f.o.b.	472	476	493	504	484	477	n.a.	n.a.
Balance	+ 3	+ 30	+ 13	- 3	- 10	+ 23		
<u>Japan</u>								
Imports c.i.f.	427	464	506	546	492	482	477	435
Exports f.o.b.	343	351	357	364	371	361	447	418
Balance	- 84	-113	-149	-182	-121	-121	- 30	- 23
<u>United States</u>								
Imports f.o.b.	1,152	1,164	1,302	1,310	1,323	1,374	1,385	1,346
Exports f.o.b.	1,698	1,610	1,666	1,736	1,715	1,795	1,775	1,859
Balance	+546	+446	+364	+426	+392	+421	+390	+513

a/ Imports for January-March are overstated at an average monthly rate of \$52 million. Because of a change in statistical procedures, the January 1962 imports figure includes \$155 million of imports actually effected in 1961

Sources: For the United States, U.S. Census Bureau; for all other countries, OECD.