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RFD 385

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Division of International Finance

REVIEW OF FOREIGN DEVELOPMENTS

September 25, 1962

Foreign Exchange Market and Reserves
Developments -- July and August

12 pages

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SUMMARY

Large balance of payments deficit in the United States and large surpluses in some Continental countries occurred during July and August. The French experienced a surplus of more than \$150 million in July and of \$132 million in August. Switzerland and the Netherlands both had substantial reserve gains in July, but their reserve accruals were reduced in August. The Canadian dollar was also strong in this period, and reserve accruals were heavy.

Net transfers to foreigners by the United States in July would have been around \$460 million had there not been advance debt payments by France and Italy. Only preliminary figures for August are available, but they suggest that the deficit will be at least \$400 million. To an appreciable extent, the U. S. deficit reflected an unwinding of previous positions taken against the Canadian dollar in the second quarter.

Sterling weakened gradually from mid-July through mid-September; but remained above par, despite heavy seasonal outpayments. At the end of July, the United Kingdom repaid the remaining \$512 million balance of the August 1961 drawing from the IMF. A reserve decline in August was entirely due to special official transactions. However, the trade deficit widened in both July and August.

Total exports of Common Market countries' increased in June over the May level, on a seasonally adjusted basis. Their collective imports remained roughly the same in June as in May, so the trade deficit of the entire group was reduced from \$164 million in May to \$69 million in June. (See Appendix, Table I.)

At the end of June, the official reserves of the Common Market countries together with German commercial bank foreign assets were some \$300 million greater than the U. S. official gold and foreign exchange reserves. The Common Market countries reached this position in March for the first time in the post-war period. Also at the end of June, the United States' liquid liabilities to foreigners including international institutions, exceeded \$26 billion, and were roughly one and a half times as large as U. S. reserves. This, of course, is the consequence of the dollar being a reserve currency. However, the United Kingdom's sterling liabilities at the end of June were more than two and three-fourths times larger than its official reserves.

Table 1

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

	1961	1962					Out- standing June 30
		Jan.- Mar.	Apr.- June	June	July	Aug.	
United States							
Official Gold and foreign exchange reserves	- 857	-190	+208	+363	-403	n.a.	17,081
Liquid liabilities to foreigners	+1,744	+354	+643	+502	-410	n.a.	26,405
United Kingdom							
Official Gold and foreign exchange reserves	+ 87	+134	- 19	- 92	-518	- 67	3,433
Sterling liabilities	+ 212	-548	+ 5	n.a.	n.a.	n.a.	12,079
European Economic Community:							
Official Gold and foreign exchange reserves							
Belgium	+ 235	+ 5	- 59	- 33	+ 28	a/- 6	1,603
France	+ 869	+282	+263	- 8	-152	+ 82	3,484
Germany	- 195	-454	+145	+151	- 24	a/+ 43	6,233
Italy	+ 339	-140	- 40	+ 35	- 87	n.a.	3,239
Netherlands	- 27	+ 30	+ 50	+ 9	+ 71	a/- 74	1,795
Total	+1,221	-277	+359	+154	-164	n.a.	16,354
Commercial bank foreign assets:							
Germany b/	+ 380	+601	-269	-256	+ 43	n.a.	1,027
Italy (net)	- 12	- 61	+ 12	+ 41	n.a.	n.a.	- 122
Other official gold and foreign exchange reserves:							
Canada	+ 227	-346	+100	+316	+306	+216	1,809
Japan	- 338	+ 76	+ 61	+ 12	+ 12	+ 13	1,623
Switzerland	+ 435	-151	+ 96	+127	- 17	- 53	2,705

a/ Figures derived from weekly balance sheets and are not entirely comparable with figures for earlier months. The figure for the Netherlands is the change in net reserves.
b/ Balances with foreign banks and money market investments abroad.

In recent months, it has been more than necessary to look beyond the usual month-to-month changes in official reserve holdings to find an adequate indicator of balance of payments surplus or deficit for European countries, since there have been a large number of special transactions which have been undertaken to ease the position of deficit countries and to rid surplus countries of an embarrassing accumulation of reserves. The Federal Reserve System's swap agreements

have swelled both the United States' and European countries' reserves. Advance debt payments have caused the reserve figures to understate the gains of the surplus countries making the payments and the losses of the deficit countries on the receiving side. The United Kingdom's repayments to the IMF have also brought about some fluctuations in reserves of Continental countries that are not indicative of a deficit or surplus position.

A comparison of the unadjusted (Table 1) with the adjusted reserve changes (Table 2) shows the extent of the compensatory transactions which have taken place in recent months. France, for example, shows reserve losses of \$8 million in June and \$152 million in July. However, after adjustment for special transactions, France shows gains of \$82 million and \$154 million respectively, for these two months. The United Kingdom's reserves after adjustment indicate a surplus position for the first quarter and an approximate balance for mid-summer; the gross changes in reserves show continuous losses. In Switzerland, adjustment for special payments transform the actual \$17 million loss of reserves in July into an adjusted increase of \$108 million.

Table 2

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

	<u>1961</u>	<u>Jan.- Mar.</u>	<u>Apr.- June</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>
Belgium	+ 274	- 10	-114	+ 16	- 63	+ 13	- 6
France	+1,414	+261	+380	+174	+ 82	+154	+132
Germany	+1,516	+ 72	- 89	+ 53	- 15	- 46	n.a.
Italy	+ 577	-158	- 22	- 52	+ 35	+ 66	n.a.
Netherlands	+ 119	- 15	+ 30	+ 32	- 11	+ 46	n.a.
Total Common Market	+3,900	+150	+185	+223	+ 28	+233	n.a.
Switzerland	+ 558	- 86	+127	- 2	+142	+108	- 2
United Kingdom	-1,670	+519	+171	+ 73	+ 8	- 6	- 17

a/ This table shows official gold and foreign exchange reserves after eliminating the effects of official transactions whose principal purpose is to affect the balance of payments and after eliminating the effects of changes in the IMF's holdings of a country's currency which results in a loss or gain in reserves.

The direction of the effect of the adjustment for some of the most important of the transactions is indicated by the algebraic sign in each case: Increase (+) in the gross IMF position; increases (-) in reciprocal balances between central banks; prepayments made (+) of official international debt.

RESERVE DEVELOPMENTS IN SELECTED COUNTRIES

North America

In the United States, the relatively low figure for net transfers to foreigners in July (see Table 3, below) is explained by the large debt prepayments received from France and Italy. In the absence of these payments, the July deficit would have been around \$460 million. Changes in total short-term U.S. banking claims were negligible in July. Claims on Canada alone increased by only \$12 million. This supports earlier market reports that the main reflux of funds to Canada in July took the form of unwinding earlier leads and lags in commercial payments, rather than of renewed U.S. bank lending activities in Canada. These activities may have become larger in August. U. S. exports, seasonally adjusted, declined sharply in July to the first quarter level while imports were little changed.

Preliminary indicators for August show a large U.S. deficit in international transactions. The decline in Treasury gold stock and the increase in foreign dollar holdings at Federal Reserve banks alone amounted to \$350 million. It is believed that the August deficit will amount to \$400 million or more.

Table 3

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

	1961		1962				
	Jan.- June	July- Dec.	Jan.- Mar.	Apr.- June	June	July	Aug.
Decline (+) in total U.S. gold stock	+201	+656	+304	+116	- 69	+345	a/+ 49
Decline (+) in U.S. official holdings of convertible foreign currencies	-186	+ 70	-114	-324	-294	+ 58	n.a.
Change in dollar holdings of foreign countries at F.R. banks b/	--	+324	-302	+579	+585	-288	+301
Other c/	+287	+1,115	+656	+ 64	- 83	-108	n.a.
Net transfers to foreigners	+302	+2,183	+544	+435	+139	+ 7	n.a.

a/ Treasury gold stock only.

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

c/ 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 increased by \$306 million in July and by \$216 million in August. The July figure includes a \$61 million advance debt payment from France.

Europe

The United Kingdom's reserves show decreases of \$518 million in July and \$67 million in August. However, \$512 million of the July decline represented the repurchase of sterling from the IMF (see the discussion of IMF transactions, below). In August, \$50 million of the decline represented the liquidation of the dollar-sterling swap arrangements with the Federal Reserve System. After taking into account these adjustments, reserves show decreases of \$6 million in July and \$17 million in August. However, one should also bear in mind that in August there was a \$28 million repayment of scheduled consolidated EPU debt. Exports failed to climb in July and fell substantially in August, even after seasonal adjustments. Imports in August were \$1,084 million just below the July figure, which was a record high for 1962.

Official German reserves declined by \$24 million in July, even though the United Kingdom repaid \$65 million of its earlier IMF drawings in DM, primarily because of commercial banks exports of capital amounting to \$43 million. It is believed that a considerable part of these exported funds flowed into the Euro-dollar market. After these adjustments, German reserves show a decline of \$46 million for July. Final reserve figures for August are not yet available. However, figures derived from the Bundesbank weekly balance sheets indicate an increase of \$43 million for the month. This is attributed partly to a repatriation of banking funds and to principal and interest received on outstanding EPU debt and on loans to the IBRD.

Commercial banks reduced their swap engagements in August by \$62 million net, but the exact total change in the commercial bank foreign exchange assets for August is not known. A continued repatriation of funds from abroad is expected during the first two weeks of September in order to satisfy the increased liquidity demands which the coming major tax date will occasion.

French reserves increased by \$154 million in July after adjustments for advance debt payments to the United States and Canada of \$356 million and for \$50 million of francs purchased by the United Kingdom for their IMF repayment. In August, reserves increased by \$82 million. During the month, the \$50 million swap with the Federal Reserve System was reversed, with a consequent downward effect on reserves. Adjusted for this swap reversal, reserves rose \$132 million, somewhat less than the adjusted gains in May, June and July.

Swiss National Bank gold and foreign exchange assets declined by \$17 million in July, 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 the equivalent of \$100 million of U. S. dollars each. 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, Swiss reserves increased by \$108 million in July.

In August, reserves decreased by \$52 million. However, \$10 million of the drop was caused by purchase of Swiss National Bank dollar assets by the Federal Reserve System with francs drawn under the July swap with the Bank for International Settlements. In addition, the Federal Treasury made additional short-term foreign investments, totalling approximately \$40 million. Adjusted reserves in August, therefore, declined by only \$2 million.

Italian official reserves declined by \$87 million in July. In that month, Italy prepaid \$178 million of debts to the United States, and the United Kingdom acquired \$25 million of lire in order to repay the IMF. Adjusted reserves in July, therefore, rose \$66 million.

Asia and Africa

Japanese reserves rose \$13 million in August, about the same as in July when they increased \$12 million. Only \$2 million of the July increase reflected special borrowings from the United States, the predominant factor being a surplus of \$22 million on current account, the first since December 1960. By the end of July, Japan had drawn down the \$125 million credit from U.S. commercial banks that was guaranteed by the Export-Import Bank.

Philippine reserves fell from \$142 million at the end of June to \$128 million in mid-August, largely reflecting the liquidation of foreign debt obligations. Reserves are expected to increase when the Philippines receives a \$73 million war claims payment recently approved by the United States. The Bank of Thailand's holdings of international monetary reserves at the end of June reached the record level of \$477 million, 18 per cent more than a year earlier. As imports have increased by more than exports during this period, the larger reserves probably reflect increased foreign exchange income from services and longterm borrowing by official and banking institutions. In Pakistan, the State Bank's holdings in gold and foreign exchange have declined steadily during July and August to \$230 million on August 24. Although the summer months are a period of seasonal weakness for the country's principal exports, the present reserve level is lower than in the corresponding period of the two previous years, due to a worsening of the trade balance.

GOLD MARKETS

There was a strong demand for gold in July, especially around the middle of the month. On the London gold market the fixing price was gradually raised from 35.113 dollars per ounce on July 6 to 35.143 dollars per ounce on July 23. However, the demand for gold abruptly diminished after President Kennedy's dramatic Telstar statement that the dollar will not devalue. Except for a minor burst of activity on August 9 and 10, the London gold market has remained quiet through mid-September.

Table 4

Gold Prices - London and Switzerland
(In U.S. dollars per fine ounce of gold)

	<u>London fixing price</u>	<u>Gold coin in Switzerland^{a/}</u>
July 6	35.113	36.75
13	35.122	37.75
20	35.143	38.25
27	35.116	37.25
Aug. 3	35.105	37.75
10	35.126	38.25
17	35.140	38.25
24	35.127	38.25
31	35.127	n.a.

a/ The "Vreneli" 20 franc piece.

In Switzerland, the price for gold coins increased gradually from early July through late August, when the price of the Vreneli 20 franc piece was at a record high for 1961 and 1962, making the price of gold there \$38-25 per ounce.

INTERNATIONAL MONETARY FUND TRANSACTIONS

In July, the United Kingdom repurchased \$512 million of sterling from the Fund with U.S. dollars and convertible Continental currencies. This repurchase, together with the drawings of sterling by India and Syria, repaid the remainder of last summer's drawing of \$1.5 billion by the United Kingdom. A \$25 million Indian drawing was made under the stand-by agreement. Also in July, Turkey drew \$15 million in U.S. dollars and in Austrian schillings. This is the first time Austrian currency has been drawn from the Fund. Ecuador drew \$2 million and Honduras \$1.3 million, both in U.S. dollars. Other repayments were made by Argentina (\$3.0 million), Turkey (\$9.5 million), Chile (\$0.1 million), Haiti (\$0.2 million), and Sudan (\$2.5 million).

In August, the Fund announced a drawing by Ghana of \$14.25 million, one half in U.S. dollars and one half in sterling. Ghana's balance of payments difficulties have been the result of declining world market prices for cocoa and rising domestic import demand. The Fund assistance is intended to provide time for measures aimed at reducing imports to take effect. As one condition of this drawing, Ghana has agreed to substitute global import quotas in place of the present import controls which discriminate in favor of Soviet bloc goods.

Table 5

IMF Exchange Transactions, January-June 1962^{a/}
(In millions of dollars)

	<u>Jan.- Mar.</u>	<u>Apr.-June</u>	<u>June</u>	<u>July</u>
Drawings				
Argentina	-	50.0	50.0	-
Canada	-	300.0	300.0	-
Ceylon	11.2	-	-	-
India	-	-	-	25.0
Indonesia	21.2	-	-	-
Philippines	28.3	-	-	-
Turkey	-	-	-	15.0
United Arab Republic	29.9	20.0	-	-
Other countries	<u>5.2</u>	<u>9.5</u>	<u>2.0</u>	<u>6.9</u>
Total	96.0	379.5	352.0	46.9
Repayments				
Argentina	12.0	29.0	-	3.0
Australia	175.0	-	-	-
Iran	17.5	-	-	-
South Africa	37.5	-	-	-
Turkey	-	-	-	9.5
United Arab Republic	7.5	2.5	-	-
United Kingdom	210.0	140.0	-	512.0
Other countries	<u>18.2</u>	<u>16.5</u>	<u>9.5</u>	<u>2.8</u>
Total	477.7	188.0	9.5	527.3
Net Drawings	-381.7	191.5	342.5	-480.4

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

In the second quarter of 1962 and in July, there has been a small net utilization of Fund holdings of gold and major convertible currencies in contrast to the substantial net return to the Fund of loanable currencies in the first quarter of the year.* (See Table 6.)

*The transactions of the United Kingdom and Canada are netted out in this table, because they affected the composition rather than the total of IMF holdings of major countries.

Table 6
Net Change in IMF Holdings of Gold and Major Currencies, 1962^{a/}
(In millions of dollars)

	Changes				Holdings	July 31, 1962
	June- Mar.	Apr.- June	June	July	Amount	Per cent of quota
Gold	+ 21	+ 11	+ 4	+ 27	2,136	
Currency of:						
United States	+237	+ 43	- 3	+303	3,019	73
Belgium	+ 15	- 5	- 20	+ 15	206	61
Canada	+ 10	+340	+300	--	688	125
France	+ 28	- 90	- 90	+ 50	349	44
Germany	+ 75	- 35	- 90	+ 65	256	32
Italy	+ 20	- 5	--	+ 25	67	25
Japan	--	--	--	--	320	64
Netherlands	+ 45	- 30	- 30	+ 25	210	51
Sweden	--	+ 5	--	+ 10	103	68
United Kingdom	-250	-255	-110	-541	1,463	75
Total	+202	- 21	- 39	- 21	8,816	

^{a/} Details may not add to totals due to rounding.

Net Fund financial assistance outstanding on July 31 has been made available almost exclusively through the currencies of Continental European countries. On that date, the Fund's holdings of sterling were 75 per cent of the United Kingdom quota and the holdings of dollars were 73 per cent of the U.S. quota--a neutral position vis-a-vis the Fund for Britain and very close to a neutral position for the United States. The Fund holdings of Belgian, French, German, Italian, and Dutch currencies were substantially less than 75 per cent of those countries' quotas, indicating that these countries enjoy substantial creditor position vis-a-vis the Fund.

EXCHANGE RATES

The Canadian dollar has showed substantial and continuing strength since the announcement of the emergency stabilization program in late June. The unwinding of leads and lags in commercial payments and a resumption in the movement of some investment funds into Canada have augmented commercial demand sufficiently to hold the market rate on the Canadian dollar above par while the Bank of Canada has added almost steadily to its reserves of U.S. dollars. The spot rate on the Canadian dollar was held at around 92.70 U.S. cents during the last half of July and rose to 92.81 by the end of August. From September 5 through 14, the spot rate was held steady at 92.84 U.S. cents.

Sterling weakened from the latter part of July through the month of August, mainly as the result of seasonal pressure. The spot rate fell from 280.78 cents on July 20 to 280.14 on August 31 and then remained firm during

the first week of September. The market was relatively thin during this period, and it was quick to react to small pressures, such as speculation on Bank rate changes, the Berlin situation, and the covering of short dollar positions.

Even though sterling was somewhat soft, a number of operators sold spot sterling short and purchased forward during the third week of August, because they believed that the spot rate was unnaturally high for this time of the year. This, of course, reduced the forward discount on sterling as well as further weakening the spot rate.

The Swiss franc declined from its upper limit of 23.175 cents in late July. On August 1, it was quoted at 23.12 cents. It rose above 23.14 on August 8, but again declined to 23.13 by the month's end. The rate rose in September, fluctuating around 20.14 in the middle of the month.

Table 7
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>								
June	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
	24	280.24	92.81	25.01	23.14	27.74	20.41	.1611
	31	280.14	92.81	25.00	23.13	27.74	20.41	.1611
Sept.	7	280.15	92.84	25.01	23.14	27.75	20.41	.1611
	14	280.09	92.84	25.00	23.14	27.75	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 deutsche mark weakened gradually during August, even though reserves showed a small increase during the month. On September 3, the rate slipped to 24.99 and remained just below par through September 5. This was the first time this year that the exchange rate has dipped below par for more than a day. Berlin tension was a dominant speculative market factor in the latter part of August. The forward premium on the DM decreased slightly during August. The three-months premium declined from 1.0 per cent in the first week of August to 0.7 per cent. There it stabilized during the last few days of August and during the first week of September.

The French franc and the Italian lira remained at or very close to their upper limits (20.41 and .1612 cents, respectively) throughout July, August and the first half of September. The Netherlands guilder remained close to its upper limit of 27.84 cents in the first half of July, but it declined from mid-July to mid-August, stabilizing afterwards at 27.74 cents.

In Asia, both the Hong Kong and the Bangkok foreign exchange markets indicate a continued weakening in the Pakistan rupee and a strengthening of the Thai baht during June. In Hong Kong, the monthly average rupee-dollar cross-rate strengthened from 21.85 to 21.65. In Bangkok, the rupee dropped from 6.80 to 6.90, and the baht rose from 21.00 to 20.60. In the Philippines, the Philippines peso remained stable in a range of ₱ 3.87 to 3.90 during July and August. Late in August, the central bank offered to provide commercial banks with forward exchange rate guarantees up to \$1 million per bank for import transactions.

On August 8 and September 1, the Argentine authorities suspended the 100 per cent advance deposit on import required since July and the 20 per cent surcharge on imports imposed in April. The tax on exporters also was revoked. This measure was announced in July but never applied and would have resulted in fixing the effective export rate at 110 pesos per dollar. Meanwhile, the Argentine peso depreciated during August, from 120 pesos to the dollar to 126 pesos to the dollar, remaining at this level in early September.

Continuing inflationary pressures in Brazil and Chile, were reflected in further depreciation of the free market rates. The Brazilian cruzeiro depreciated 33 per cent in the "curb market" in August, reaching a high of 735 cruzeiros per dollar at the end of August, after which the rate has been quoted at about 680 cruzeiros per dollar, with a black market rate as high as 785 cruzeiros on September 10.

The free market rate in Chile was 1.96 escudos to the dollar on September 11, about a 30 per cent depreciation since the free rate was introduced in January.

Table 1

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

	1961			1962				
	II	III	IV	I	II	May	June	July
<u>Belgium-Lux.</u>								
Imports c.i.f.	347	348	353	361	378	384	397	n.a.
Exports f.o.b.	336	339	337	359	365	341	395	n.a.
Balance	- 11	- 9	- 16	- 2	- 13	- 43	- 2	
<u>France</u>								
Imports c.i.f.	561	550	605	a/ 620	599	613	600	n.a.
Exports f.o.b.	609	633	595	630	606	613	599	n.a.
Balance	+ 48	+ 83	- 10	+ 10	+ 7	--	- 1	
<u>Germany</u>								
Imports c.i.f.	933	907	955	989	1,039	1,042	1,049	n.a.
Exports f.o.b.	1,078	1,061	1,060	1,101	1,119	1,113	1,073	n.a.
Balance	+145	+154	+ 98	+112	+ 80	+ 71	+ 24	
<u>Italy</u>								
Imports c.i.f.	437	449	446	488	480	489	460	n.a.
Exports f.o.b.	344	363	388	380	396	409	395	n.a.
Balance	- 93	- 86	- 58	-108	- 84	- 80	- 65	
<u>Netherlands</u>								
Imports c.i.f.	421	420	439	457	440	445	441	n.a.
Exports f.o.b.	351	365	361	376	387	348	416	n.a.
Balance	- 70	- 55	- 78	- 81	- 53	- 97	- 25	
<u>Total, Common Market</u>								
Imports c.i.f.	2,699	2,674	2,797	2,915	2,936	2,973	2,947	n.a.
Exports f.o.b.	2,720	2,762	2,741	2,846	2,873	2,809	2,878	n.a.
Balance	+ 21	+ 88	- 63	- 69	- 63	-164	- 69	
<u>Switzerland</u>								
Imports c.i.f.	217	229	232	259	253	254	258	n.a.
Exports f.o.b.	168	171	174	181	180	185	195	n.a.
Balance	- 49	- 58	- 58	- 78	- 73	- 71	- 63	
<u>United Kingdom</u>								
Imports c.i.f.	1,014	1,003	1,015	1,027	1,039	1,067	1,038	1,092
Exports f.o.b.	895	909	901	892	934	926	960	952
Balance	-119	- 94	-114	-135	-105	-131	- 78	-140
<u>Canada</u>								
Imports f.o.b.	446	480	501	494	n.a.	521	n.a.	n.a.
Exports f.o.b.	476	493	504	484	n.a.	546	n.a.	n.a.
Balance	+ 30	+ 13	- 3	- 10		+ 25		
<u>Japan</u>								
Imports c.i.f.	464	506	546	492	466	477	435	453
Exports f.o.b.	351	357	364	371	409	447	418	430
Balance	-113	-139	-182	-121	- 57	- 30	- 23	- 23
<u>United States</u>								
Imports f.o.b.	1,164	1,302	1,310	1,323	1,368	1,385	1,346	1,353
Exports f.o.b.	1,610	1,666	1,736	1,715	1,810	1,775	1,859	1,718
Balance	+446	+364	+426	+392	+442	+390	+513	+365

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.