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Economic Indicators

The United States

Although industrial production and the gross national product have increased substantially during the current economic expansion, the most impressive aspect of the expansion is probably the sharp decline in the unemployment rate. In December 1982, the unemployment rate stood at 10.8 percent; by November 1983, the rate was down to 8.4 percent, and total civilian employment had increased by 3.7 million. In the last two months, the unemployment rate declined from 9.3 to 8.4 percent, the most dramatic two-month improvement since 1958.

Industrial production rose 0.8 percent in October, the smallest increase in 7 months. Industrial production increased 1.3 percent in both August and September. Most experts were unconcerned about the small October increase and are still forecasting a strong fourth quarter in 1983.

The index of leading economic indicators rose 0.8 percent in October, its fourteenth consecutive monthly increase. The index increased 1.0 percent in September and 0.4 percent in August. The modest increase in the index in October suggests that the economic expansion will continue in the coming months, but at a more moderate pace than in the last 6 months.

Consumer prices rose 0.4 percent in October, bringing inflation during the last 12 months to 2.9 percent, its lowest level since 1967. In the last 3 months, however, consumer prices have increased at an annual rate of 5.5 percent. Most forecasters predict that consumer prices will increase between 4.5 and 5 percent next year.

Producer prices increased 0.3 percent in October. Lower energy prices were offset by higher food prices caused by the summer's drought. Over the last 12 months, producer prices increased 1.3 percent, the smallest 12-month increase since November 1967.

The money stock in November rose at a rate consistent with the Federal Reserve Board's target growth range of 5 to 9 percent. Since the Fed announced the target range in mid-year, the money stock has grown at about a 5-percent annual rate. Most analysts believe that the Fed is keeping money growth low because it fears that large increases in the money stock could overheat the resurgent U.S. economy and would ultimately lead to higher inflation.

Short-term interest rates inched up about a quarter of a percentage point in November, while long-term rates stayed at about the same levels they were in October. The yield on 3-month Treasury bills is currently 8.75 percent, while the yield on 30-year Treasury bonds is currently 11.75 percent.

The value of the dollar increased by about 1 percent against the major European currencies in November. Since the start of 1983, the value of the dollar has increased sharply against most European currencies and has increased slightly against most other major currencies. The dollar is up 24.4 percent against the French franc, 16.0 percent against the West German mark, 12.3 percent against the British pound, 2.5 percent against the Japanese yen, and 1.1 percent against the Canadian dollar.

The merchandise trade deficit in October reached a record $9.0 billion, far surpassing the previous record of $7.2 billion that was just set in August 1983. Imports (seasonally adjusted) in October increased by 11.7 percent from the previous month, while exports fell slightly. For the first 10 months of 1983, the trade deficit was $55.6 billion. For all of 1982, the deficit was $42.7 billion.

International Comparisons

Economic indicators reveal that recovery is proceeding at different rates in the major industrial countries. Canada's industrial production continues to increase, which suggests that Canada's recovery remains strong. Recovery in France is threatened by increased inflation. Although unemployment in the European Community (EC) remains high, it has not increased significantly since June, which signals a continued modest recovery in the EC.

Industrial production.--Statistics Canada reported that seasonally adjusted industrial production in Canada increased 1.8 percent from August to September. The September increase, the seventh consecutive monthly rise, was led by output from mines, quarries, and oil wells, which was up 8.5 percent. Manufacturing production increased 1 percent. Partly because of the September figure, the Canadian Finance Minister declined to increase Government stimulus to the Canadian economy.

Japan's Ministry of International Trade and Industry reported that industrial production in Japan increased 8.7 percent from October 1982 to October 1983.

Unemployment.--In West Germany, the Federal Labor Office reported that unemployment increased from 8.7 percent in October to 8.8 percent in November. Unemployment in West Germany was 8.4 percent in November 1982.

Japan's unemployment, seasonally adjusted, declined from 2.8 percent in September to 2.6 percent in October. The Prime Minister's Office noted that the decline was attributed to fewer housewives seeking work.

The Statistical Office of the European Community (EC) reported that unemployment in the EC, seasonally adjusted, increased from 10.4 percent in September to 10.5 percent in October. Unemployment was 9.8 percent in October 1982. The Statistical Office noted that, since June, unemployment in the EC has remained basically unchanged. Unemployment among men remained unchanged in October while unemployment among women increased slightly. Among EC members, Belgium, at 15.3 percent, and Ireland, at 15.5 percent, continue to have the highest unemployment rates. Greece, at 1.3 percent, and West Germany, at 8 percent, continue to have the lowest rates.

Current account balances.--Japan's current-account surplus, seasonally adjusted, declined from $1.96 billion in September to $1.56 billion in October. The Finance Ministry reported, however, that Japan's merchandise trade surplus increased from $1.34 billion in September to $1.41 billion in October. Exports increased 2.3 percent while imports increased 1.9 percent.

Britain's Central Statistics Office reported that Britain's current account, seasonally adjusted, recorded a $868 million surplus in the third quarter, substantially improved from a $246 million deficit in the second quarter, but down from a $1.8 billion surplus in the third quarter of 1982. The 1983 third quarter results received a boost from Britain's merchandise trade; the merchandise trade deficit improved from $963 million in the second quarter to $425 million in the third quarter.

The French Foreign Trade Ministry reported that France's merchandise trade account, seasonally adjusted, declined from a $39.4 million surplus in September to a $109 million deficit in October. Despite the October deficit, French officials expect the austerity plan imposed in March to reduce the 1983 trade deficit below the 1982 deficit. The Ministry reported that the trade deficit for the first 10 months of 1983 was $4.96 billion, down from $9.6 billion in 1982.

Prices.--The French National Statistics Institute reported that French retail prices increased 0.8 percent from September to October, and 10.4 percent from October 1982. Despite the higher October rate, which ended hopes for inflation levels of 8 percent in 1983, the French Government still expects to achieve its target inflation rate of 5 percent for 1984. As a part of this effort, the Finance Ministry announced that price controls will be extended through 1984. About two-thirds of French industrial prices are subject to controls, which require companies to negotiate price contracts with the government. Companies that fail to agree or that miss their targets will be subject to mandated prices.

International Trade Developments

U.S.-Canada negotiations on computer servcies and privacy?

The Chairman of the Royal Bank of Canada, Rowland C. Frazee, suggested in a speech last month that the Canadian Federal Government should open negotiations with the United States to ensure unhindered flows of trade in computer services across the border, and to harmonize rules for the protection of privacy in each country. He further outlined his proposals in a letter to Prime Minister Trudeau.

Mr. Frazee noted the lack of international agreements in the area of information flows and highlighted the economic prospects for information technologies in terms of job creation and wealth enhancement. He also acknowledged the potentially negative side of the new information technologies: "Every country in the world has very real concerns . . . on such crucial issues as privacy, access to data, and national sovereignty." As an example of the type of problem to be solved, he cited the case of a foreign subsidiary of a U.S. company which was prevented from fulfilling a contract with the Soviet Union during the Siberian natural gas pipeline embargo because the necessary technological data was stored in the head office of the U.S. company. "In the absence of international agreements that would allow nations to act together to alleviate each other's concerns, they will act alone," Frazee said. Thus the threat of protectionist barriers being erected in the information services sector provides an incentive for the negotiation of an agreement.

Mr. Frazee proposed U.S.-Canadian bilateral discussions as a first step toward an eventual multilateral agreement. He suggested that the talks aim at an open-ended bilateral agreement that would eventually allow for the participation of other nations. He added that if Canada can find a way to safeguard interests in this important area of trade and technology, "we will have provided at the very least the outlines of similar progress for many other countries."

Among the points that Canada's largest bank would like to see in the proposed agreement are the following: a package of rights ensuring suppliers and users in one country access to the markets or services available in the other; guarantees of national treatment for information services firms; an understanding defining those types of government assistance that would not be subject to countervailing duties; an agreement on the use of safeguard measures; and standards of privacy protection. Any agreement addressing the economic, legal and political complexities of the information services industry could only come about after several years of careful negotiation. "If any two countries can find a starting point, they are Canada and the United States. There is a clear rationale for support and involvement from virtually the entire private sector in both countries."

The proposal represents an initiative in the area of trade in information services and comes at a time when the United States is arguing that trade in services as a whole should come under the international discipline afforded by the General Agreements on Tariffs and Trade (GATT).

A recent surge in U.S. countervailing duty cases against Mexico affects commercial relations

A surge of U.S. countervailing duty (CVD) cases against products imported from Mexico is causing tension in commercial relations between the two countries. During January-November 1983, six countervailing petitions have been filed with the International Trade Administration (ITA) of the Commerce Department alleging that unfair subsidies were given on Mexican products shipped to the United States. These petitions involve Portland hydraulic cement, pork rind pellets, float glass, fresh flowers, and bricks. The most recent petition, filed in November by the U.S. Steel Corporation, affects Mexican carbon steel exports. This is the first year that Mexico has exported a major share of its steel production.

Because Mexico is not a signatory to the GATT Subsidies Code, and there is no equivalent bilateral agreement to limit subsidies on its exports to the United States, its products are not entitled to an "injury test" under U.S. countervailing duty law. As a result, these cases do not have to go to the U.S. International Trade Commission for an injury determination as is required in most other cases. Proof that certain imports from Mexico have indeed been subsidized requires the ITA to order countervailing duties on the products in question.

Mexico criticizes the U.S. practice, claiming that it is a selective application of the injury test. As it has in discussion of some other bilateral issues, Mexico takes the position that it should get special consideration from the United States for its needs as a developing country, and especially during its present debt crisis. The Mexican Government's current trade strategy includes a vigorous export promotion program, especially for items other than petroleum, natural gas, and derivatives. Mexico has long sought to lower its dependence on exports of energy items, which in recent years have accounted for almost four-fifths of the value of overall exports. New Mexican measures to boost exports include various financial incentives and relaxation of export controls and export taxes.

Some sort of an arrangement outside of the GATT which would give Mexico the benefit of an injury test in CVD cases was recently discussed between officials of the two countries, but no agreement has been concluded. The Trade Agreements Act of 1979 provides for application of the injury test in subsidy cases if the exporting country "has assumed obligations with respect to the United States which are substantially equivalent to obligations under the (GATT Subsidies) Agreement."

U.S. producers charge that Mexican exporters benefit from subsidies such as preferential tax credits and exemptions, preferential financing and loan guarantees, import duty reductions, coverage under an exchange risk program, tax rebates, and preferential pricing for natural gas.

Mexico also has a dual exchange-rate system that allegedly constitutes a potential subsidy by itself. The issue of subsidizing exports by exchange rate policy has arisen most recently in a CVD case against textiles imports from China (see IER, November 1983), but several other countries--particularly less-developed ones--also engage in multiple currency practices. In Latin America, for example, countries with two-tiered exchange rate systems include Brazil, Columbia, and Venezuela, as well as Mexico.

China moves to strengthen its international economic ties

In the past year, China has actively sought more involvement by the United States and other industrial nations in the modernization of its economy. Among the notable adjustments it has made to meet this objective is the rapid development of a legal system to accomodate the business operations of Western investors and traders in China. Recently, for example, China issued detailed regulations for the implementation of a 1979 law on joint ventures using Chinese and foreign investment. At the same time, it has also shown more willingness to assume the obligations involved in closer ties with international organizations. Two such developments were China's accession to the International Atomic Energy Agency (IAEA) in October and its request in November for admission to the Arrangement Regarding International Trade in Textiles, or Multifiber Arrangement (MFA).

China's decision to join the IAEA, which is under the aegis of the United Nations, appears to have been prompted by the decision to start an ambitious nuclear-power program based on cooperation with foreign partners. In 1982, China requested U.S companies, together with other Western firms, to submit bids for the first of these plants--an 1,800-megawatt power station to be built in Guandong province--but the United States and China could not reach a nuclear cooperation agreement. The conditions that the United States normally requires before making any nuclear supply commitment include permission for the plants constructed with U.S. equipment to be opened to periodic outside inspection and official assurance that neither U.S. nuclear technology nor nuclear materials produced in U.S.-built facilities will be exported to third countries. With U.S.-Chinese negotiations deadlocked over these issues, China signed nonbinding agreements with France and the United Kingdom to purchase the reactors and power-generating turbines for the Guangdong plant. Its accession to the IAEA appears, however, to have smoothed the way for reaching a United States-China nuclear agreement in the near future. In accepting the IAEA's principles and statutes, the Chinese demonstrated their commitment to its system of safeguards and to the principle of nonproliferation. They so far have refused to sign the agency's nuclear nonproliferation treaty, however, contending that it discriminates against developing countries by legitimizing the superiority of the superpowers. Since China announced that it would join the IAEA, negotiations on a bilateral agreement that will allow U.S. firms to participate in China's nuclear power program have progressed rapidly. Following a round of talks concluded on December 5, only a few points remain to be settled.

China's request to join the MFA, which is under the auspices of the General Agreement on Tariffs and Trade (GATT), may not be as beneficial to U.S. interests. China is one of the world's leading textile producers and the fourth largest supplier of textile products to the U.S. market, following Hong Kong, Taiwan, and South Korea. Nevertheless, China's willingness to join the MFA is contingent upon its being designated a developing country in textiles trade. This would mean that less restrictive conditions would apply to the growth of its textile exports than if it were admitted as an advanced country with respect to trade in textiles. Yet neither the United States nor other member countries have expressed opposition to its request to join, and China is expected to be admitted to the MFA at a meeting of the Textile Committee of the GATT to be held in mid-December.

Western demand for Soviet hydrocarbons clinches interdependence in Europe

The current chill in East-West political relations notwithstanding, West European economies and the nonmarket world to the east remain locked in a mutual and to a great extent involuntary economic interdependence. For instance, West Europeans must provide an export market for their nonmarket neighbors to enable them to keep up their debt payments, while Eastern Bloc nations must pay their debts if they wish to keep up the flow of imports of Western technology.

West European demand for Soviet oil and natural gas, and Soviet need for technical assistance in the economical exploitation of these resources, have created a new East-West link which may in the future raise economic interdependence to a new high on the Eurasian continent. Wary about their oil and gas supplies from the politically unpredictable Middle East, West Europeans have increased their dependence on the Soviet Union for these primary energy resources during the past few years. In 1980, European NATO countries were dependent on Soviet oil for 6.6 percent and on Soviet natural gas for 9.7 percent of their total primary energy consumption in these categories. The degree of dependence is higher now, and while estimates vary greatly, observers concur that it will increase again sharply when the Soviet-West European natural gas pipeline becomes operational some time in 1984.

The Soviet Union--the world's largest oil producer, possessing 41 percent of the world's proven natural gas reserves--is obligated by contract to increase natural gas sales to Western Europe regardless of whether or not the pipeline is completed on time. (U.S. dependence on Soviet petroleum products is nominal. U.S. imports of Soviet petroleum and natural gas products amounted to less than 0.3 percent of total U.S. imports of these products in January-September 1983.) If West European economies grow at the annual 4.3 percent rate that is projected for the 1980's, their demand for Soviet oil and natural gas will continue to grow.

The Soviet Union's dependence on the West as a market for its oil and natural gas is equally great. The country obtains 57 percent of its total hard currency revenues through the sale of these primary energy products to the West. The U.S.S.R. is, and will be in the foreseeble future, dependent on Western technical assistance to find and produce economically oil and natural gas in inhospitable Siberia. Beyond its poor intial endowment of technology, the Soviet Union is further hindered in the efficient exploitation of its natural resources by the country's rigid and outmoded central planning system. West European oil engineers, returning from their assignments in the Soviet Union, tell dismaying tales about waste, negligence and disorganization.

There is now an additional circumstance that makes it more pressing for the Soviets than hitherto to turn to Siberian fields, consequently raising the prospect of increased East-West technical cooperation. Recent research on Soviet oil has revealed that there is an accelerating process of flooding as a result of water injections used to speed up recovery in the Ural-Volga fields west of the Urals. More than half of the current estimated 600 million tons of annual Soviet oil production originates in this area. (Azerbaijan, which was formerly the center of Russian oil production, now provides about 14 million tons of oil production yearly.) Since production in the Ural-Volga fields is jeopardized as a result of flooding, the Soviets may be forced to speed the exploitation of their Siberian reserves, some of which lie north of the Artic Circle. West Europeans have already signed a contract for the development of Siberian oil and natural gas and to sell equipment to the Soviets for the so-called "Astrakhan oil project." Soviet dependence on Western technology to exploit the Soviet Union's oil and gas reserves is on the rise.

The logic of East-West cooperation in this area is so great that it is apparently impervious to ideological differences, and new spurts in the arms race. While the demand for Soviet oil and the desire to do business with the Eastern Bloc may dim Western European concern for security, this risk-taking may turn out to be positive in the long run. Through interaction with the West and a recognized dependence on it, overdue market-oriented economic reforms may finally get underway in the East. This process might in turn change the institutions and outlook of the nonmarket nations over the long haul.

A cameo of Third World troubles: Casablanca is crumbling

Many developing countries, struggling under the weight of massive debts accumulated in the inflationary seventies, have slammed the brakes on their domestic economies and tried, often unsuccessfully, to push their products in overseas markets. Recovery of demand in the industrialized world and continued access to loans are crucial to the improvement of their economic outlook. However, the policies of some industrialized countries, themselves trying to adjust to lower inflation and economic growth, have adversely affected the prospects of the poorer countries. The case of Morocco, a small nation in the Northwest tip of Africa, illustrates how some of these policies affect the third world.

With a per capita GNP of $900 in 1980, Morocco is considered a middle income LDC by the World Bank. Services, primarily tourism, account for half of its national income. Industry (including manufactures) accounts for another 32 percent of GNP and agriculture accounts for the remaining 18 percent. Processed food accounts for nearly a third of its value added in manufacturing.

Morocco's main crops are wheat, corn, cotton, soybeans, tomatoes, and oranges. It also produces sulphur, wine, phosphates and some other manufactured goods. However, restrictions in the industrialized world have limited its exports of agricultural products and wine. The members of the European Community strictly limit imports of fresh produce and wine, while Japan has strict quotas on imported oranges and high tariffs on certain wines. The United States does not formally limit imports of oranges, but quarantine and other health and sanitary regulations have stemmed the flow of imports from certain areas of the world. One item which has recently increased Morocco's foreign exchange earnings is phosphates, which the country sells to Spain for reexport to the Soviet Union.

Morocco depends heavily on tourism for needed foreign exchange. The country is a popular vacation spot for French tourists, but measures adopted by the French Government last spring have dramatically cut back spending by French citizens abroad. In April, the French Government imposed strict limits on the amount of foreign currency French citizens could obtain for foreign travel. Under the measure, adopted to prop up the franc in foreign exchange markets, French citizens were limited to approximately $280 in foreign currency and $135 in French currency per year. At the same time, the Government banned the use of credit cards abroad.

Meanwhile, Morocco's receipts from tourism have dropped to a fraction of last year's level, and the country has been forced to seek emergency assistance from the World Bank. The Bank recently extended a loan to the country, but its prospects for renewed economic growth are bleak. Foreign exchange earnings will probably have to come from exports of primary products, like phosphates, since other items are effectively limited and receipts from tourism are unlikely to revive in the near future. Debt service will account for a higher share of those earnings, further dampening the country's prospects for growth.

Industrial production
(Percentage change from previous period, seasonally adjusted at annual rate)

Country	1980	1981	1982	1982 III	1982 IV	1983 I	1983 II	1983 III	1983 May	1983 June	1983 July	1983 Aug.	1983 Sept.	1983 Oct.
United States	-3.6	2.6	-8.1	-3.4	-8.1	9.9	18.4	21.5	14.3	17.0	29.6	15.4	19.8	9.8
Canada	-1.5	0.9	-10.7	-11.0	-14.4	22.3	27.3		19.8	21.9	11.8	4.7		
Japan	4.7	1.0	0.4	6.5	-2.8	3.6	6.5	12.3	3.6	12.3	2.3	39.2	5.8	
West Germany	-0.8	-2.7	-3.1	-12.6	-5.4	5.1	8.1		-6.7	32.8	-11.9	14.8		
United Kingdom	-6.4	-5.1	1.5	2.1	0	4.8	0.7	6.2	12.2	-18.8	38.2	-3.5	1.2	
France	-0.7	-2.6	-1.5	-9.0	3.2	2.1	4.2		20.4	-24.3	20.3			
Italy	5.5	-2.4	-2.2	-31.3	9.0	-1.9	-10.4	-4.9	77.6	-19.8	8.1	-66.5	324.2	

Source: Economic and Energy Indicators, U.S. Central Intelligence Agency, Dec. 1983.

Consumer prices
(Percentage change from previous period, seasonally adjusted at annual rate)

Country	1980	1981	1982	1982 III	1982 IV	1983 I	1983 II	1983 III	1983 May	1983 June	1983 July	1983 Aug.	1983 Sept.	1983 Oct.
United States	13.5	10.3	6.2	7.6	2.0	-0.4	4.2	4.8	6.7	2.5	4.9	5.3	5.3	5.0
Canada	10.2	12.5	10.8	9.2	-1.2	3.0	4.2	6.5	-0.3	8.1	6.3	8.6	1.4	
Japan	8.0	4.9	2.6	2.4	3.2	0.6	1.1	0.3	6.4	-4.3	-0.1	3.2	-2.2	9.8
West Germany	5.5	6.0	5.3	4.5	2.8	0.5	1.4	5.1	3.7	3.3	5.1	7.1	5.6	2.2
United Kingdom	18.0	11.9	8.6	2.5	2.6	3.5	1.9	7.8	4.6	4.2	9.1	8.5	11.3	6.1
France	13.5	13.3	12.0	5.7	7.6	11.0	10.6	9.1	10.0	10.5	7.2	8.5	12.1	
Italy	21.2	19.3	16.4	18.1	19.9	13.4	14.2	12.6	14.7	12.1	13.7	10.7	9.7	19.8

Source: Economic and Energy Indicators, U.S. Central Intelligence Agency, Dec. 1983.

Unemployment rates
(Percent; seasonally adjusted; rates of foreign countries adjusted to be roughly comparable to U.S. rate)

Country	1980	1981	1982	1982 III	1982 IV	1983 I	1983 II	1983 III	1983 June	1983 July	1983 Aug.	1983 Sept.	1983 Oct.	1983 Nov.
United States	7.1	7.6	9.7	10.0	10.7	10.3	10.1	9.4	10.0	9.5	9.5	9.3	8.8	8.4
Canada	7.5	7.6	11.0	12.1	12.7	12.5	12.4	11.7	12.2	12.0	11.8	11.3	11.1	11.1
Japan	2.0	2.2	2.4	2.4	2.4	2.7	2.7	2.7	2.6	2.5	2.8	2.8		
West Germany	2.9	4.1	5.8	6.0	6.6	7.0	7.4	7.5	7.4	7.5	7.5	7.5	7.4	
United Kingdom	7.0	10.6	12.3	12.6	12.9	13.5	13.8	13.6	13.4	13.5	13.6	13.7	13.4	
France	6.5	7.7	8.4	8.7	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	
Italy	3.9	4.3	4.8	4.6	4.5	4.9	5.7	4.8		4.8				

Note.--Italian unemployment surveys are conducted only once a quarter, in the first month of the quarter. Therefore, data reported for a particular quarter are for the first month of that quarter.

Trade balances
(Billions of U.S. dollars, f.o.b. basis, seasonally adjusted at annual rate)

Country	1980	1981	1982	1982 III	1982 IV	1983 I	1983 II	1983 III	1983 Apr.	May	June	July	Aug.	Sept.	Oct.
United States-1/	-24.3	-27.5	-31.6	-43.2	-40.4	-32.4	-54.8	-65.2	-44.4	-70.8	-48.0	-63.6	-74.4	-57.6	93.7
Canada----------	7.5	6.2	14.8	14.8	16.4	13.2	16.8		19.2	15.6	14.4	13.2	12.0		
Japan-----------	1.6	20.1	18.4	22.8	17.6	27.6	31.6	33.2	33.6	37.2	24.0	38.4	34.8	13.2	
West Germany----	4.9	11.9	21.1	19.2	23.2	22.0	16.8	15.2	13.2	18.0	19.2	15.6	15.6	13.2	
United Kingdom--	3.0	6.4	3.6	2.8	8.4	1.2	-4.0	2.4	-7.2	-10.8	3.6	-6.0	-2.4	2.7	
France----------	-14.1	-9.3	-14.0	-17.2	-11.6	-14.0	-6.8	-1.6	-2.4	-12.0	-6.0	-4.8	0	0	
Italy-----------	-22.3	-15.9	-12.8	-11.2	-10.4	-11.6	-5.6		-10.8	2.4	-9.6	-6.0	-13.2		

1/ Exports, f.a.s. value; imports, customs value.

Source: Economic and Energy Indicators, U.S. Central Intelligence Agency, Dec. 1983.

U.S. trade balance, by major commodity categories and by selected countries
(Billions of U.S. dollars, customs value basis for imports, 1/ seasonally adjusted unless otherwise indicated 2/)

Item	1980	1981	1982	1982 III	1982 IV	1983 I	1983 II	1983 III	1983 May	June	July	Aug.	Sept.	Oct.
Commodity categories:														
Agriculture--------------	24.3	26.8	21.6	4.5	4.4	5.1	4.4	5.2	1.3	1.7	1.7	1.6	1.9	1.5
Petroleum and selected products, unadj---------	-71.9	-73.0	-54.6	-15.0	-14.0	-9.6	-11.3	-14.6	-4.4	-4.0	-4.6	-5.0	-5.0	-5.3
Manufactured goods------	18.6	11.5	-4.9	-1.7	-1.8	-4.1	-.7	-7.9	-3.0	-1.7	-2.7	-3.0	-2.2	-4.3
Selected countries:														
Western Europe-----------	20.9	13.5	7.6	1.6	.9	2.0	-0.6	-0.1	.1	3/	-0.1	.1	-.1	-.1
Canada-------------------	-6.1	-6.9	-12.6	-3.6	-3.2	-2.8	-4.1	-3.4	-1.2	-1.5	-1.4	-1.1	-.9	-1.3
Japan--------------------	-9.9	-15.8	-17.0	-4.6	-3.4	-4.7	-4.3	-4.4	-1.8	-1.4	-1.8	-1.6	-1.0	-2.0
OPEC, unadj--------------	-34.4	-27.9	-8.3	-2.5	-1.2	-.5	-1.1	-3.5	-.7	-.3	-.7	-1.5	-1.3	-1.7
Unit Value (per barrel) of U.S. imports of petroleum and selected products, unadj----------	$30.57	$34.28	$31.48	$31.36	$31.19	$29.77	$27.79	$28.49	$27.69	$28.17	$28.26	$28.60	$28.61	$28.76

1/ Effective January 1982, the Census Bureau replaced f.a.s. value with customs value in various reports on the U.S. trade balance. Data presented in this table for January 1982 and thereafter reflect the customs value for imports. Data presented for December 1981 and before reflect the f.a.s. value.

2/ Effective January 1981, an adjustment was made in U.S. "Census basis" import data, to include imports into the U.S. Virgin Islands. For 1980, the effect of this adjustment is to increase reported U.S. imports by $4.2 billion. These adjustments are not reflected in the data presented here for time periods before January 1981.

3/ Less than $50,000,000.

Money-market interest rates
(Percent, annual rate)

Country	1980	1981	1982	1982 III	1982 IV	1983 I	1983 II	1983 III	1983 June	July	Aug.	Sept.	Oct.	Nov.
United States	13.0	15.9	12.4	11.5	9.1	8.5	8.8	9.6	9.2	9.5	9.8	9.4	9.2	9.4
Canada	13.1	18.4	14.4	14.9	11.3	9.8	9.4	9.4	9.4	9.4	9.5	9.4	9.3	9.4
Japan	11.4	7.5	6.8	7.2	7.0	6.6	6.5	6.6	6.5	6.5	6.5	6.8	9.5	6.7
West Germany	9.4	12.1	8.8	8.8	7.1	5.7	5.3	5.7	5.5	5.5	5.7	5.8	6.1	5.8
United Kingdom	16.6	13.8	12.2	11.4	9.9	11.0	10.1	9.7	9.9	9.8	9.8	9.6	9.3	9.6
France	12.2	15.3	14.6	14.4	13.1	12.7	12.4	12.3	12.6	12.3	12.3	12.4	12.4	12.4
Italy	17.5	20.0	20.0	19.4	19.0	19.1	17.9	17.5	17.7	17.5	17.5	17.4	17.3	17.4

Note.--The figure for a quarter is the average rate for the last week of the quarter.

Weighted average foreign currency value of the U.S. dollar, unadjusted and adjusted for inflation differential
(Index numbers, March 1973=100; and percentage change from previous period)

Item	1980	1981	1982	1982 III	1982 IV	1983 I	1983 II	1983 III	1983 June	July	Aug.	Sept.	Oct.	Nov.
Unadjusted for inflation differential between United States and other countries:														
Index number	98.5	106.9	117.2	120.0	120.8	118.2	120.3	121.0	121.5	122.3	124.0	116.7	112.0	116.4
Percentage change	0.1	8.5	9.6	3.5	0.7	-2.2	1.8	0.6	1.7	0.7	1.4	-5.9	-4.0	3.9
Adjusted for inflation differential:														
Index number	97.9	108.6	117.3	119.8	121.3	117.3	117.9	118.3	118.7	118.3	120.8	115.8	114.8	114.7
Percentage change	1.7	10.9	8.0	4.0	1.3	-3.3	0.5	0.3	1.3	-0.3	2.1	-4.1	-.9	-.1

Note.--The foreign-currency value of the U.S. dollar is a trade-weighted average in terms of the currencies of 15 other major nations. The inflation-adjusted measure shows the change in the dollar's value after adding (subtracting) the excess (shortfall) of U.S. inflation compared with inflation in these other nations; thus a decline in this measure suggests an increase in U.S. price competitiveness.