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Current Economic Developments in Western Europe

Mutual Security Agency
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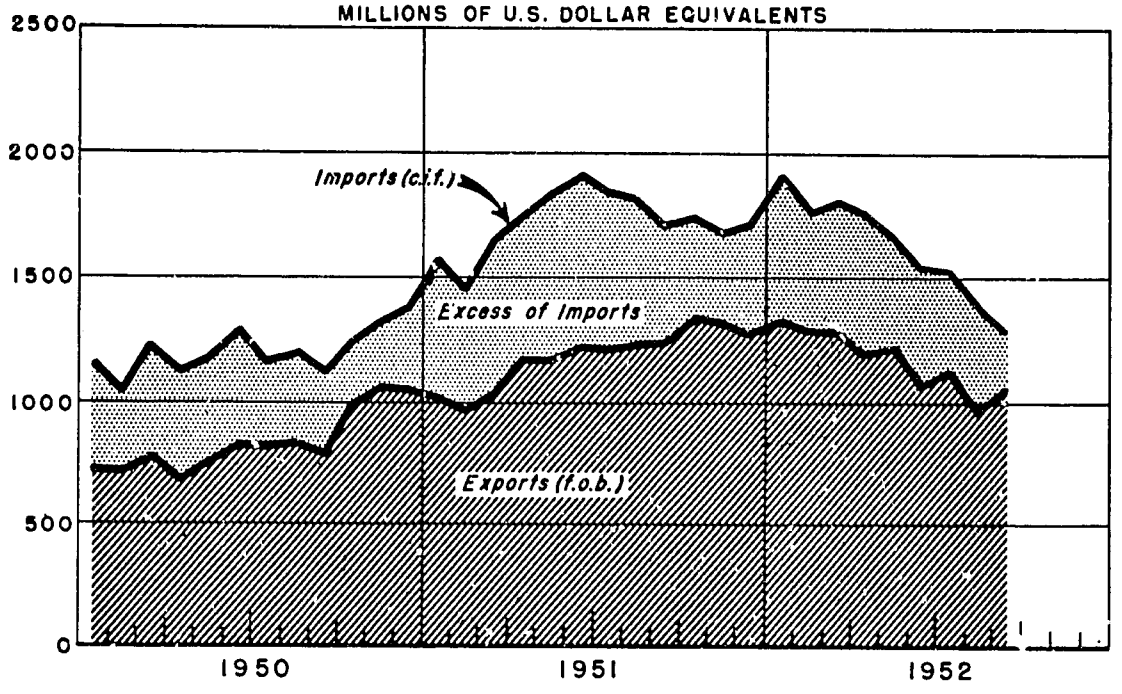
TRADE OF OEEC COUNTRIES WITH REST OF WORLD*



*Includes trade with overseas territories. Excludes trade with metropolitan areas

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This summary of current economic developments in Western Europe is based primarily on the data contained in the *OEEC 'General Statistical Bulletin' (Nov.) and the OEEC 'Foreign Trade Statistical Bulletin' (Nov.)* and the supplements thereto. The charts and tables contained in these two publications should be consulted for further detail.

ECONOMIC CONDITIONS IN WESTERN EUROPE IN THE FALL OF 1952 WERE BETTER THAN HAD APPEARED POSSIBLE SIX MONTHS EARLIER.... Conflicting currents struggling for mastery when the year began resolved favorably for a continuation of Western European progress.... INDUSTRIAL PRODUCTION showed a strong recovery from the summer lull. October output was the highest for any October on record.... PRICES were stable.... UNEMPLOYMENT generally low.... THE TRADE GAP shrank progressively as the year advanced.... The terms of trade improved.... HARD CURRENCY RESERVES of the OEEC countries have begun to show material improvement during recent months.

THE FOREIGN TRADE DEFICIT of Western Europe fell to $278 million in September and will probably be equally as low in October. In September and October a year ago the trade deficit averaged two-thirds higher -- $440 million per month — and in the first quarter of 1952, more than twice as high — $535 million per month.

HARD CURRENCY RESERVES continued to rise — the over-all increase since March 1952 had reached almost a billion dollars by the end of October.

INDUSTRIAL PRODUCTION SHOWED ONLY THE USUAL SEASONAL DECLINE in July and August. The recovery in September and October was more than seasonal — chiefly as a result of the rise in GERMAN output to a new high, the recovery in UNITED KINGDOM output to last year's level, and the continued high level of FRENCH production.

HARVESTS ON THE WHOLE WERE BETTER THAN A YEAR AGO. Current reports indicate a new postwar high in agricultural output.

THE DECLINE IN THE COST OF RAW MATERIAL IMPORTS has largely restored the purchasing power of Western European exports to their mid-1950 position.

THE PRICE RISE that followed the outbreak of the Korean war has been brought to a halt.... WHOLESALE PRICES in almost all countries were below the level of December 1951 in October 1952.... Moreover, the COST OF LIVING INDEXES, too, were not much higher. BASIC RAW MATERIAL PRICES in November 1952 averaged almost 30 percent lower than at the peak in February-March 1951.

THE VOLUME OF UNEMPLOYMENT, though substantially higher percentagewise than a year ago in every country except Germany, remained low in all countries except Italy.

THE CONTINUED expansion in the output of heavy industry, achieved in the face of a serious decline in textile and consumer goods output, is the most important economic development of the current year.... The record output of METALS AND METAL PRODUCTS, the high level of chemical production, plus the continued growth in CONSTRUCTION, in DEFENSE SPENDING and in CAPITAL CONSTRUCTION, proved sufficient to reverse the contraction in consumer goods industries.... The total

industrial output of the OEEC countries as a whole in September and October 1952 was higher than in the fall of 1951 (the previous peak), with the heavy industries ahead and consumer goods output behind the exceptionally high levels a year ago. Only in the United Kingdom was the level of output less than a year ago — and there the gap appears to be closing.

THE TRADE AND PAYMENTS DEFICIT has declined sharply since January 1952.... EXPORTS have held up better than was expected, while the continued improvement in the terms of trade has reduced the cost of imports.... THE TRADE DEFICIT FOR THE THIRD QUARTER was the smallest in the postwar period except for the third and fourth quarters of 1950, and preliminary figures for October indicate that the trade deficit for that month will be equally as low.

INTRA-EUROPEAN SETTLEMENTS, too, have improved. The Sterling Area deficit in EPU has been converted into a surplus, and the surpluses of Belgium, Italy and Germany cut sharply.... The positions of France and Turkey, however, continue difficult.

WESTERN EUROPE'S HARD CURRENCY RESERVES, after rising $330 million in the second quarter and $410 million in the third, showed an additional rise of $160 million in October. This improvement, however, was not uniform. The reserves of the United Kingdom and France showed only small increases; Germany, Belgium and the Netherlands have been the chief beneficiaries from the recent gains.

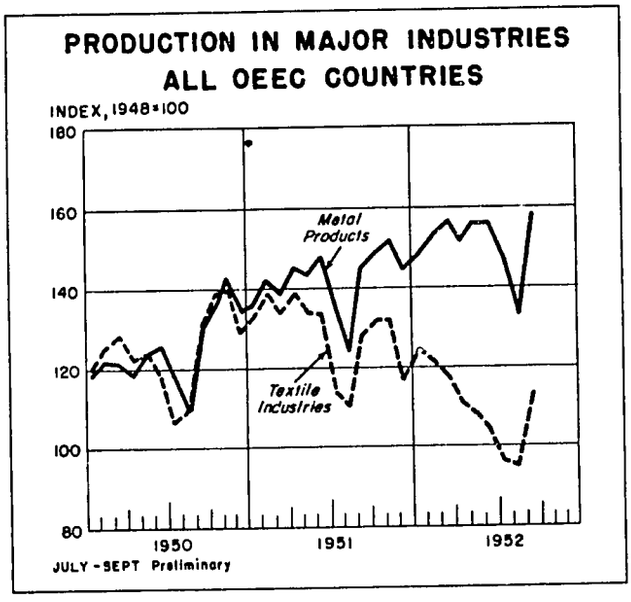
THUS THE INFLATIONARY FORCES HAVE ABATED AND NO LONGER PRESENT THE THREAT TO ECONOMIC STABILITY AND STEADY EXPANSION THEY DID A YEAR AGO.... INCREASED OUTPUT, GOOD HARVESTS, THE MEASURES TAKEN TO CONTROL INFLATION, AND THE RESTRAINT OF CONSUMERS, HAVE OVERCOME THE SERIOUS INFLATIONARY THREAT THAT FOLLOWED ON THE OUTBREAK OF THE KOREAN WAR.

INDUSTRIAL PRODUCTION

INDUSTRIAL ACTIVITY IN WESTERN EUROPE APPEARS TO HAVE RESUMED ITS UPWARD MOVEMENT AFTER THE USUAL SEASONAL SLOWDOWN in July and August.... By October, production had increased to 145 (1948 = 100), only 1 point less than the postwar peak registered in November 1951 and 3 points higher than in October a year ago.... In July and August, total output was still less than a year earlier; in September and October, production was again higher than in the previous year.... THE INCREASE over 1951 was due largely to the rise of 10 percent in German output.... Although production in Denmark, France, and apparently in Italy was larger than a year earlier, the increase was small. For most countries the level of output was about the same as last year.

THE SUMMER AND FALL OF 1952, LIKE THE PRECEDING MONTHS, WAS THUS LARGELY A PERIOD OF CONSOLIDATION — one during which the rapid gains of the earlier period were digested and during which the groundwork for renewed advance was laid.... Resources devoted to the expansion of production and the improvement of productivity were larger than ever before.... Construction continued at record levels.... Electric power capacity continued to expand.... THE FAILURE OF PRODUCTION TO SHOW LARGE GAINS OVER THE PRECEDING YEAR WAS NOT DUE TO A FAILURE TO EXPAND CAPACITY, OR TO A SHORTAGE IN RAW MATERIALS OR OF LABOR — all of which, indeed, continued to grow — but was almost entirely the result of a decline in the demand for con-

sumer goods for domestic consumption and for export.... IN ONLY ONE COUNTRY, BELGIUM, DID THE OUTPUT OF HEAVY INDUSTRY DECLINE — as a consequence of the easing in export demand and of the measures taken by some of the EPU partners to cut their persistent payments deficit with Belgium.



As in the preceding months, there were diverse currents. Textile output fell to the lowest levels since June 1950 in July-August, but then showed a more than seasonal rise in September. The output of metal and metal products rose to the highest level on record in September and October.

SEPTEMBER AND OCTOBER GAVE EVIDENCE THAT THE BOTTOM OF THE DECLINE IN CONSUMER GOODS DEMAND HAD PASSED. Both sales and output showed signs of recovery and indications of a further rise in consumer goods output.... Such an increase in consumer goods output when combined with the rise in the output of heavy industry and in construction would raise Western Europe's production index to a new high. The recent gains in consumer goods production were particularly marked in Germany, where output, already high during the summer months, showed a spectacular increase in September, but improvement was also evident in the United Kingdom and the Netherlands.

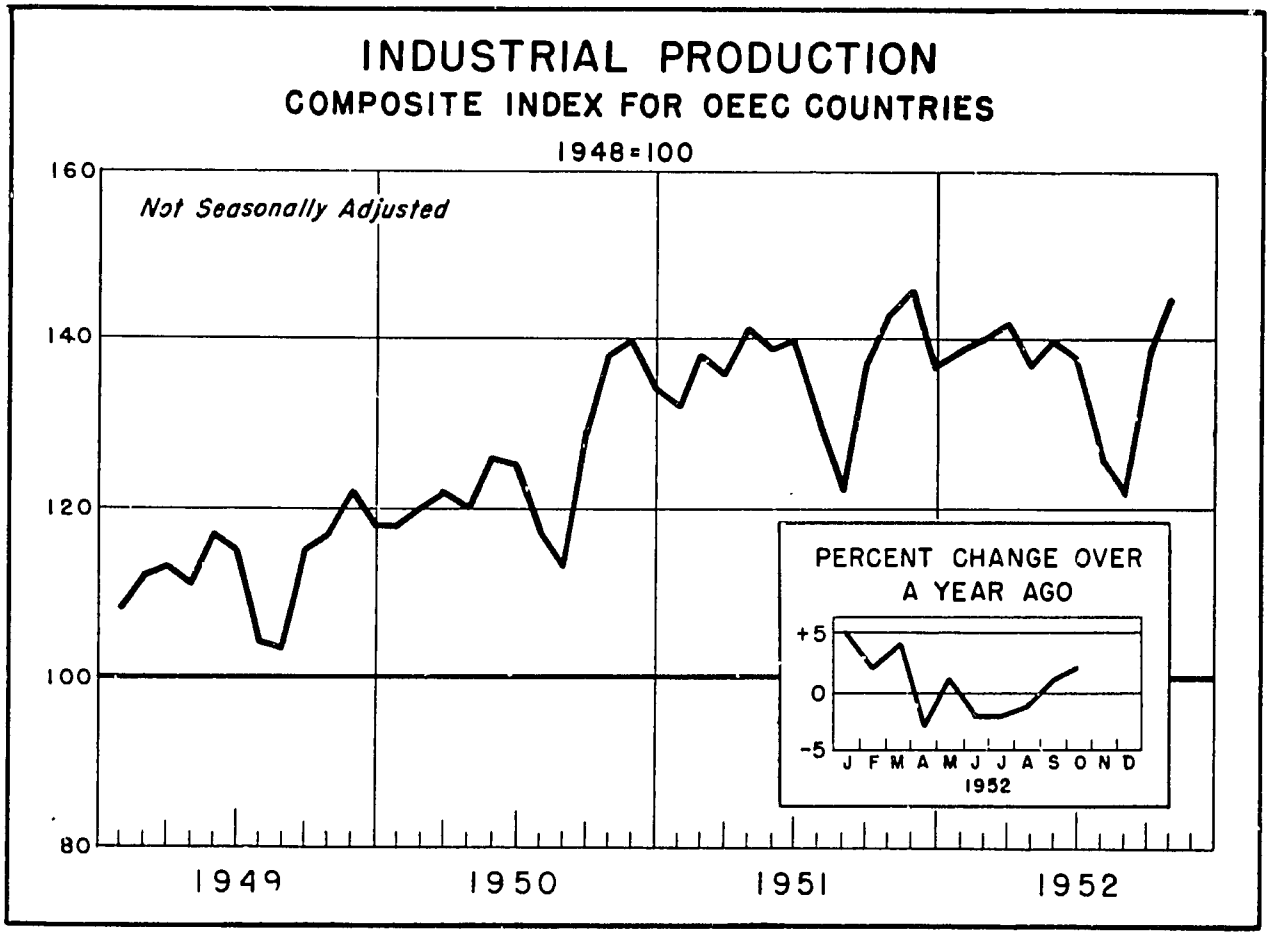
FURTHERMORE, THE DECLINE IN DEMAND FOR CONSUMER GOODS THAT BEGAN IN THE SUMMER OF 1951 HAS NOT BEEN WITHOUT ITS FAVORABLE ASPECTS.... The decline served to reduce inflationary pressures when they appeared to be getting out of hand.... helped

INDEXES OF INDUSTRIAL PRODUCTION
1948 = 100

Country	1951			1952		
	July-Aug.	Sept.	Oct.	July-Aug.	Sept.	Oct.
Belgium-Luxembourg	111	117	119	103	113	na
Denmark	103	124	123	100	122	124
France	111	123	129	115	128	132
Germany	208	218	230	222	241	253
Italy	137	147	154	135	153	na
Netherlands	117	131	131	121	134	135
Norway	107	125	128	102	124	125
Sweden	97	117	119	90	115	118
United Kingdom	109	125	124	102	116	122
Total (All OEEC)	126	138	142	124	139	145**

na Not available.
** Partly estimated.

improve the balance of payments by reducing import requirements.... released labor and materials for capital investment and defense.... and, finally, the decline showed that the efforts being devoted to defense and investment are not beyond the means or the capacity of the participating countries.... It had not involved a reduction in the standard of living — as was feared. THE ECONOMIC ADVANCE ACHIEVED UNDER THE MARSHALL PLAN BY THE PEOPLES OF WESTERN EUROPE HAS NOT BEEN DISSIPATED BY THE DEMANDS OF THE DEFENSE PROGRAM. A BROADENED PRODUCTION BASE IS AVAILABLE FOR FURTHER EXPANSION.



THE RECORD OF WESTERN EUROPEAN OUTPUT HAS THUS BELIED THE FEAR that the leveling off in output noted during the final months of 1951 and early in 1952 was a forerunner of depression.... ON THE CONTRARY, THE OUTPUT OF HEAVY INDUSTRY HAS CONTINUED TO RISE, CONSTRUCTION ACTIVITY has continued to make new postwar highs, and income from trade and services, particularly tourism, has risen to new postwar highs.... THE OUTPUT OF CONSUMER GOODS could not but respond to such underlying strength.

THE SUPPLY OF RAW MATERIALS, about which so many fears centered two years ago when Korean hostilities broke, has continued to grow.... Only copper and aluminum among the nonferrous metals, the scarce metals (cobalt, etc.), and some

chemicals remain in short supply — and even here definite signs of improvement have been noted.... THE CONTINUED DECLINE in basic material prices throughout the summer and fall of 1952 has brought them to within 10 percent of their pre-Korean level.... AGRICULTURAL OUTPUT IN THE CROP YEAR 1952/53 WAS AT A RECORD HIGH IN THE WESTERN WORLD. Supplies of cotton, wool, leather, foodstuffs, fats and oils are at record levels. The output of minerals, too, has continued to increase as new sources of supply were opened up and old workings were improved.

STEEL

STEEL PRODUCTION declined seasonally during July and August — falling to 4,875,000 tons per month from the postwar high of 5 million tons per month achieved during the first half of 1952.... July-August output, though lower than in the preceding six months, was 7 percent greater than in July-August 1951.... IN SEPTEMBER AND OCTOBER (table below) steel OUTPUT ROSE TO A NEW ALL-TIME HIGH — 5.5 million metric tons per month, a gain of 12 percent over output in September-October 1951.... All principal OEEC countries except Belgium showed gains in steel output over the previous year.... The largest increases were reported by France and Germany.

	Sept.-Oct. 1951	Sept.-Oct. 1952	Percent Increase
Belgium (Incl. Luxembourg)	705	702	- 1
France (Incl. Saar)	1,067	1,216	+ 16
Germany (Fed. Rep.)	1,198	1,420	+ 20
Italy *	268	na	na
United Kingdom	1,337	1,473	+ 7
Total (all OEEC countries)	4,882	5,450**	+ 12**

* Not available, included in total. ** Partly estimated.

THE STEEL INDUSTRY OF THE UNITED KINGDOM APPEARS TO HAVE BROKEN THE BOTTLENECK TO INCREASED OUTPUT which resulted from the reduction in the supply of German scrap. UNITED KINGDOM OUTPUT in the third quarter of 1952 and in October exceeded output in the corresponding months not only of 1951, but also of 1950, the previous high year.... New furnaces and increased supplies of high-grade iron ore and coke have resulted in an increase of only a million tons in pig iron output. The United Kingdom supply of scrap (both imported and home) also appears to have increased during recent months.

GERMANY RECOVERED HER PREWAR POSITION AS THE LARGEST PRODUCER OF CRUDE STEEL IN WESTERN EUROPE DURING THE THIRD QUARTER OF 1952. Output in September and October was at an annual rate of more than 17 million metric tons per annum — somewhat higher than United Kingdom output for those two months and within 5 percent of Western Germany's 1938 production in 1938. German output in October 1952 — 1,462,000 tons — was within 2 percent of the 1938 rate — 1,492,000 tons.... ITALIAN OUTPUT continued to make new highs. September output totaled 310,000 metric tons, a gain of 20 percent over output in September 1951 and almost 45 percent higher than output in September 1950.

PROSPECTS FOR CONTINUED HIGH LEVELS OF STEEL OUTPUT REMAIN GOOD.... NEW STEEL-MAKING and fabricating capacity undertaken several years ago with Marshall Plan funds continues to come into production.... THE LABOR SUPPLY is more ample than

a year ago.... SUPPLIES OF STEEL-MAKING MATERIALS such as high-grade iron ore, coal and coke, and scrap are easier to come by despite the rise in production. FURTHERMORE, THE DEMAND FOR STEEL FOR DEFENSE, FOR HEAVY CONSTRUCTION AND FOR CONSUMERS' DURABLES CONTINUES HIGH.

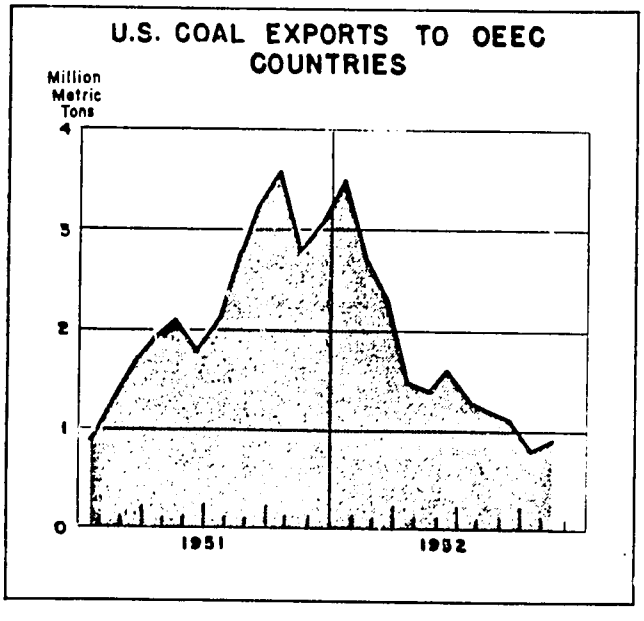
COAL

COAL PRODUCTION DECLINED SEASONALLY in July and August of 1952 BUT RECOVERED IN SEPTEMBER.... Output for the three months averaged 38.0 million metric tons per month, an increase of about 3.6 percent over production in the third quarter a year ago.... For the first half of 1952 the gain had averaged about 2 percent. The largest gains in third quarter output over a year ago, as shown by the table below, were registered in France and Germany.... The increase in UNITED KINGDOM OUTPUT, though small, was at a rate somewhat higher than that scheduled at the beginning of the year — about 2 percent. The gain for the third quarter averaged about 1.5 percent, and for the first half, about 2 percent.

FRANCE AND GERMANY SHOWED a better comparison with the previous year in the third quarter than in the first half — 6 percent as against 3 and 2 percent, respectively, during the preceding six months.

COAL PRODUCTION
(Monthly averages in millions of metric tons)

Country	1951 1st Half	1951 3rd Qtr.	1952 1st Half	1952 3rd Qtr.	% Increase 3rd Q. 1952 / 3rd Q. 1951
Belgium	2.5	2.3	2.6	2.3	+ 2.9
France (Incl. Saar)	5.9	5.5	5.9	5.7	+ 6.1
Germany (Fed. Rep.)	9.8	9.7	10.1	10.4	+ 6.2
Netherlands	1.0	1.0	1.0	1.1	-
United Kingdom	19.1	17.5	19.5	17.8	+ 1.5
Total (all OEEC)	39.1	36.6	39.8	38.0	+ 3.6

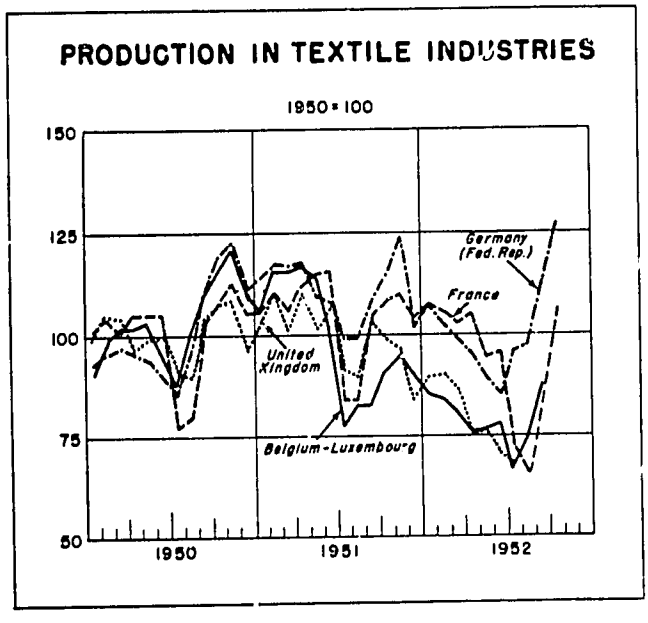


COAL STOCKS WERE SUBSTANTIALLY HIGHER IN SEPTEMBER 1952 THAN A YEAR EARLIER.... UNITED KINGDOM STOCKS — distributed and at the mine — at the end of the third quarter totaled almost 24 million tons as against 15.5 million tons a year earlier. Stocks were also higher in other producing countries as well as in importing countries. As a result of the improving fuel situation, Western Europe has been able to cut heavily into the large dollar burden arising from the import of American coal — the cost of the coal itself as well as the heavy ocean freight charges.

THE GAIN IN THE OVER-ALL WESTERN EUROPEAN FUEL SITUATION, HOWEVER, CONTINUED FAR BETTER THAN THE GAIN IN COAL PRODUCTION WOULD INDICATE. The milder winter of 1951/52 and the leveling off in the over-all industrial output combined with the continued increase in the efficiency of fuel consumption and the increasing supply of substitute fuels to make for a very substantial improvement in the fuel situation.

TEXTILES

Textile output, after declining to a post-Korean low in the summer, showed a more THAN SEASONAL RECOVERY IN SEPTEMBER AND OCTOBER. This fall recovery marks the REVERSAL OF AN EXTENDED DOWNWARD MOVEMENT from the boom level of production in the winter of 1950/51. Total output in September-October was higher than the production rate in the second quarter of this year when output was being curtailed, but output was fully 10 percent below September-October 1951 when in most countries production was still extraordinarily high.



The recovery in GERMAN production has been spectacular -- rising almost 50 percent from July to October to establish a new record. As the accompanying chart shows, there were sharp recoveries in September in FRANCE and BELGIUM.... Complete data for the UNITED KINGDOM for the third quarter are not available; however, preliminary reports indicate a sizable recovery. IN ITALY September production rose sharply to the highest figure for 1952. DENMARK, SWEDEN and NORWAY also reported September production above any other month of 1952 -- though still well below the post-Korean peaks.

THE OUTPUT OF RAYON YARN AND STAPLE ROSE SUBSTANTIALLY between June and September. STAPLE OUTPUT showed a particularly sharp rise -- from about 18 to about 24,000 ton per month. September output was, however, still a third below the peak.... The recovery in filament yarn output was smaller, only about 10 percent from June to September. A year ago, however, there was a decline of about 10 percent over the same period.

THE RECOVERY IN the output of cotton yarn lagged, as might be expected, behind the output of cloth.... THE OUTPUT OF COTTON YARNS in July and August, the latest months for which figures are available, was still at a post-Korean low, 25 percent less than in the corresponding months last year.... The sharpest declines were as in previous months in the United Kingdom and Belgium where output was down by half.

THE OUTPUT OF WOOLEN YARNS held up much better than did that of cotton or rayon.... Production in the second quarter was only 25 percent below the peak.... Scattered figures for July and August indicate that output during those two months will probably not fall much below the second quarter level.

UNEMPLOYMENT

EMPLOYMENT HELD AT A HIGH LEVEL IN ALL OEEC COUNTRIES THROUGH THE THIRD QUARTER OF 1952.... THE VOLUME of Western European unemployment, as the table below shows, was, except for the Federal Republic of Germany, sharply higher than in September 1951, when it was extraordinarily low.... HOWEVER, THE LEVEL of unemployment remains low (relative to the working population, except in Italy and Belgium) despite the sharp rises shown percentagewise.

UNEMPLOYMENT
(thousands)

Country	Sept. 1950	Sept. 1951	Sept. 1952	Percent Change Sept. '52 from Sept. 1951
Austria.....	na	68	116	+ 71
Belgium.....	170	194	197	+ 2
Denmark.....	36	39	62	+ 59
France.....	129	93	119	+ 28
Germany.....	1,272	1,235	1,051	- 15
Italy.....	1,442	1,668	1,829 (July)	+ 9 1/
Netherlands.....	55	79	111	+ 41
Norway.....	5	5	7	+ 40
United Kingdom.....	308	241	434	+ 80

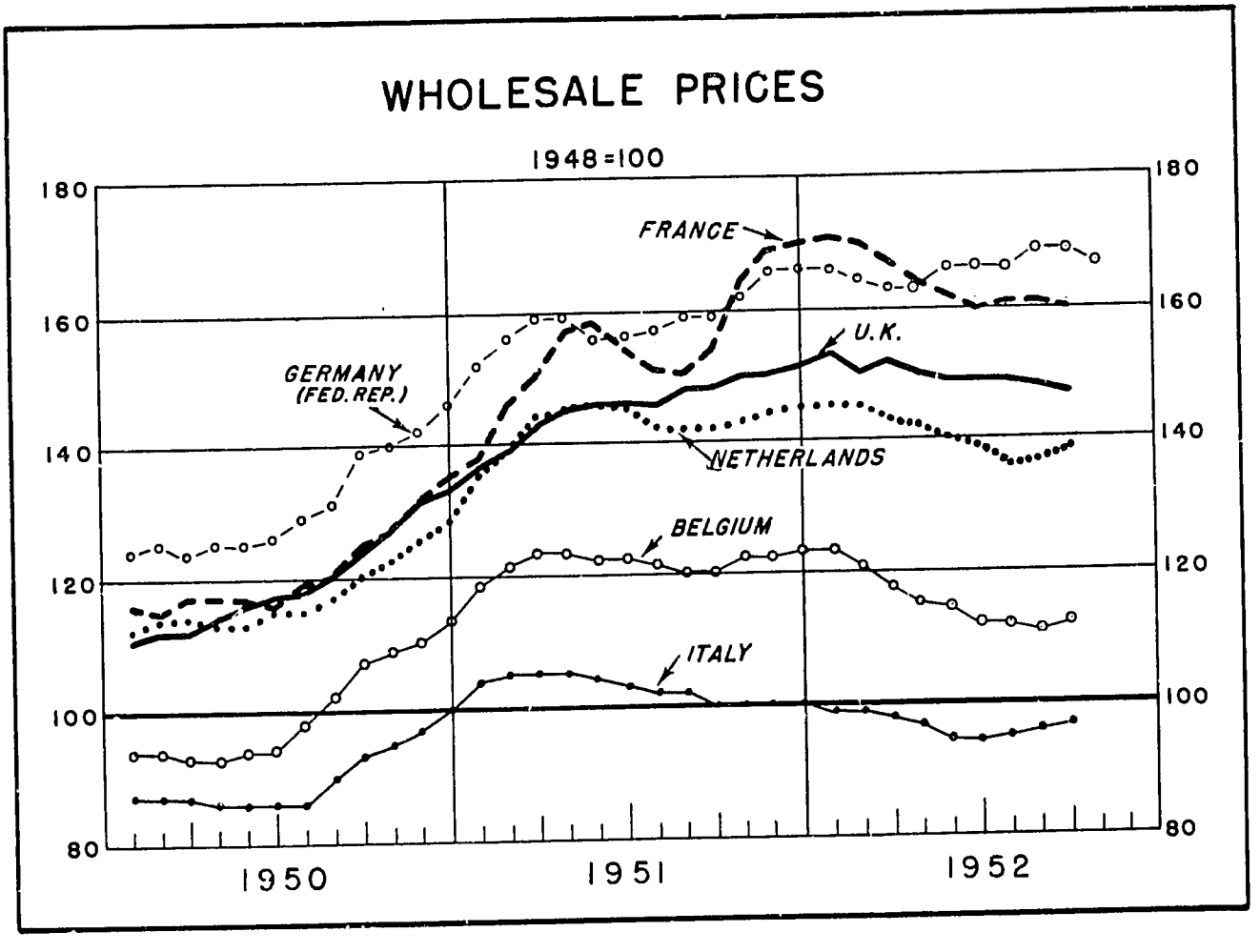
1/ July 1952 compared with July 1951.

AS IN THE SECOND QUARTER, almost all of the increase in unemployment over a year ago was concentrated in the textile trades, in the sectors of the economy producing consumer goods, and in distribution.... Employment in heavy industry, in the metal trades, in mining, construction, and the chemical industries continues at a peak -- and in most instances was still rising in September.

THE INCREASE IN THE VOLUME OF UNEMPLOYMENT, though unfortunate, has not been all loss.... ON THE CREDIT side is the fact that it has facilitated the recruitment of labor for the expansion of the basic defense-supporting industries.... This is particularly true of coal mining, where it had previously been almost impossible to recruit additional labor without the use of governmental authority.... Furthermore, it has facilitated the expansion of the defense program by dissipating the fear that severe labor shortages would result.

THE EASIER LABOR SUPPLY HAS ALSO MADE POSSIBLE A MORE RAPID INCREASE IN PRODUCTIVITY THAN COULD HAVE BEEN HOPED FOR OTHERWISE. Employers have been able to be more selective in choosing their staffs and have been able to devote more time to training new employees.... Almost all of the increase in employment in coal mines, for instance, has been in the category "in training." Little in the way of increased output has as yet come from this rise in the working force.... AN INCREASE IN OUTPUT AND IN PRODUCTIVITY CAN THEREFORE BE LOOKED FORWARD TO IN THIS AND OTHER INDUSTRIES WHEN THE TRAINEES ENTER INTO ACTIVE PRODUCTIVE OPERATIONS.

THE MOVEMENT OF WESTERN EUROPEAN PRICES SINCE JANUARY 1952 HAS CONTINUED TO REFLECT CHANGES IN THE ECONOMIC PATTERN. The slowing down in production that began toward the end of 1951 was followed first by a halt in the rise in wholesale prices and then by a slow decline.... THE QUICKENING in industrial activity in the fall of 1952 was accompanied by a firming up of the wholesale price structure in almost all countries.... BASIC COMMODITY PRICES, after dropping almost 10 percent between January and July 1952, showed no further decline to the end of the year. Some further decline in agricultural prices was compensated by a recovery in the nonferrous metals, hides, and rubber.... COST-OF-LIVING indexes — which always lag in the economic procession — continued to drift slowly upward during the year, though the rise in most instances was small. Cost-of-living indexes were generally at peaks in September and October 1952.



WHOLESALE PRICES were 2 to 10 percent below the January levels in almost all countries in September-October 1952. The only exceptions were Germany, where wholesale prices were about 1 percent higher, and Norway, where they were about 5 percent higher.... THE GERMAN PRICE RISE can be attributed to the same intense pressures that forced industrial output in that country up another 10 percent during 1952 — a year when most other Western European countries were unable to maintain output at the 1951 level.... THE RISE IN NORWEGIAN PRICES was part of a

policy program designed to bring that country's economic position into balance with the rest of the world.... In ITALY and the NETHERLANDS, wholesale prices, though lower in September than in January, were higher than in June - thus reversing the downward trend in these countries since the early months of 1951.

In FRANCE, where runaway inflation had threatened in the closing months of 1951, the decline in wholesale prices that began in January 1952 — after the Piney reforms — continued through November. The November figure — 157 (1948 = 100) — was 8 percent less than in January and represents a return to the level of April 1951 — 20 months earlier.

PRICES
1948 = 100

	Wholesale				Cost of Living			
	June 1950	Jan. 1952	Oct. 1952	Percent Change Jan-Oct. 1952	June 1950	Jan. 1952	Oct. 1952	Percent Change Jan-Oct 1952
Austria.....	155	257	251	- 2	141	220	216	- 2
Belgium.....	94	123	111	- 10	93	108	106	- 2
Denmark.....	111	151	140	- 7	106	122	124	+ 2
France.....	116	171	157	- 8	107[a]	146[a]	145[a]	- 1
Germany (Bizone).....	126	166	167	+ 1	95[a]	107[a]	104[a]	- 3
Greece.....	115	156	143[b]	- 8	119	146	144[c]	- 1
Italy.....	86	99	97	- 2	100	111	116	+ 5
Netherlands.....	115	145	138*	- 5	115	128	128*	0
Norway.....	113	150	158	+ 5	105	129	136*	+ 5
Portugal.....	101	117	116*	- 1	101	101	101*	0
Sweden.....	104	150	146	- 3	103	127	130	+ 2
Switzerland.....	90	105	101	- 4	97	105	105	0
Turkey.....	92	106	100[c]	- 6	104	107	109[c]	+ 2
United Kingdom.....	117	153	149	- 4	106	123	128	+ 4

* September. a/1949=100. b/July. c/August.

THE DECLINE IN WHOLESALE PRICES since January has been enough in most instances to bring the indexes to a level below that in October a year earlier.... In only one country (Norway) were prices as much as 7 percent higher; in four countries, they were up between 2 and 4 percent. In all others they were lower than a year ago.

COST-OF-LIVING INDEXES were at or close to their post-Korean peaks (as the accompanying table shows) in October 1952.... Of the five countries whose cost-of-living indexes registered lower in October than in January, only one (Germany) showed a decline of as much as 3 percent; in the other four, the decline totaled only 1 or 2 percent.... THE EFFECT OF THE DECLINE IN RAW MATERIAL PRICES that began more than a year and a half ago AND IN WHOLESALE PRICES GENERALLY since the beginning of the year has so far only served to slowdown or bring to a halt the rise in the cost of living.

TRADE AND PAYMENTS

THE TRADE AND PAYMENTS POSITION OF THE OEEC COUNTRIES HAS SHOWN A STRIKING CHANGE FOR THE BETTER SINCE MARCH 1952.... This improvement plus other payment developments worked first to halt, and then to reverse the outward flow of hard currencies. Reserves of many countries have shown substantial improvement in recent months.

A SHARP DECLINE IN THE VALUE OF IMPORTS FROM THE "REST OF THE WORLD" (i.e., excluding intra-European trade) was the most striking feature of recent trade developments.... VALUE OF IMPORTS has moved steadily lower, (table below) from an average of more than $1,800 million in the first quarter of 1952, to $1,530 million in July 1952 and to $1,320 million in September.... THIS DROP IN IMPORTS WAS ACCOMPANIED BY A SMALLER DECLINE IN EXPORTS.... As a result, THE TRADE DEFICIT OF THE OEEC COUNTRIES with the "rest of the world," which had averaged more than $500 million per month in the first half of 1952, dropped to an average of $406 million for July-August, and then fell to $278 million in September.... Preliminary data for October indicate that this lower level is being held.

TRADE OF OEEC COUNTRIES WITH THE REST OF THE WORLD *

Monthly Average or Calendar Month (Millions of U.S. Dollar Equivalents)

	IMPORTS (cif)	EXPORTS (fob)	TRADE DEFICIT
1950 - January-June.....	1,176	744	- 432
July-December.....	1,227	923	- 304
1951 - January-June.....	1,697	1,097	- 600
July-December.....	1,749	1,261	- 488
1952 - January-March.....	1,829	1,295	- 534
April-June.....	1,660	1,163	- 497
July.....	1,527	1,138	- 389
August.....	1,395	972	- 423
September.....	1,323	1,045	- 278

* Excludes Intra European Trade; includes trade with overseas territories

WITH THE PASSING OF THE POST-KOREAN BOOM IN RAW MATERIALS, WESTERN EUROPE HAS BENEFITED FROM IMPROVING TERMS OF TRADE.... The down-turn in prices of basic materials, averaging 30 percent or more for many important commodity groups over the past 15 months, has not as yet been followed by substantial declines in the prices of manufactured products. AS A RESULT, THE PURCHASING POWER OF EUROPE'S EXPORTS HAS INCREASED.... This development, following the adverse trend after the invasion of Korea, has been a major factor in the smaller trade deficit. The sharp rise in raw material prices that followed Korea put severe pressure on the payments position of Western Europe.... Now, with the passing of the world-wide raw material price boom, completion of stocking-up and the slowing of the rise in industrial production, the over-all cost of imported raw material has declined.

NOT ALL OF THE DECLINE IN THE VALUE OF TRADE WAS DUE TO A FALL IN PRICES. THE VOLUME OF TRADE HAS ALSO DECLINED. VOLUME of imports fell about 11 percent from the first quarter level, while volume of exports were approximately 9 percent

lower.... Efforts of various countries, including those in the overseas Sterling Area, to adjust their balances of payments deficits by limiting imports are proving a serious obstacle to the Western European export drive. Nevertheless, second quarter exports to the rest of the world were still well above the 1950 level and only 8 percent below the 1951 average.... Similarly, the current volume of imports was exceeded only during the previous year when a concerted rush for raw materials, following the Korean outbreak, pushed up the volume of imports to a higher level.

INTRA-EUROPEAN TRADE FELL OFF IN 1952.... Both the value and volume of goods traded have moved downward since the seasonal peak in the fourth quarter of last year.... THE VALUE of trade in the third quarter averaged about $1,035 million, a decline of about 12 percent from the fourth quarter of 1951.... THE VALUE of intra-European trade for the third quarter was about the same as a year ago, but preliminary indications are that the volume of trade was somewhat smaller than in the third quarter of 1951.... THE SERIOUS IMBALANCES that developed in EPU settlements during 1951 have tended to contract the volume of intra-European trade. Several countries have taken measures to restrict the volume and value of imports from their OEEC partners in an attempt to remedy their adverse EPU balances.

THE STRIKING CHANGES THAT HAVE TAKEN PLACE IN THE TRADE POSITION OF THE PRINCIPAL WESTERN EUROPEAN COUNTRIES OVER THE PAST YEAR ARE SHOWN IN THE TABLE BELOW.... THE LARGEST change over a year ago was in the position of the United Kingdom, whose deficit was cut in half between the third quarter of 1951 and the third quarter of 1952.... THE FRENCH position which had deteriorated between the third quarter of 1951 and the first quarter of 1952 showed striking improvement thereafter.... THE NETHERLANDS deficit vanished.... GERMANY developed a strong surplus position.... Even the deterioration in the trade position of BELGIUM AND ITALY has its favorable aspect, since it transfers part of Western Europe's trade deficit to shoulders better able to bear it.

TRADE BALANCES
(Monthly averages in millions of dollars)

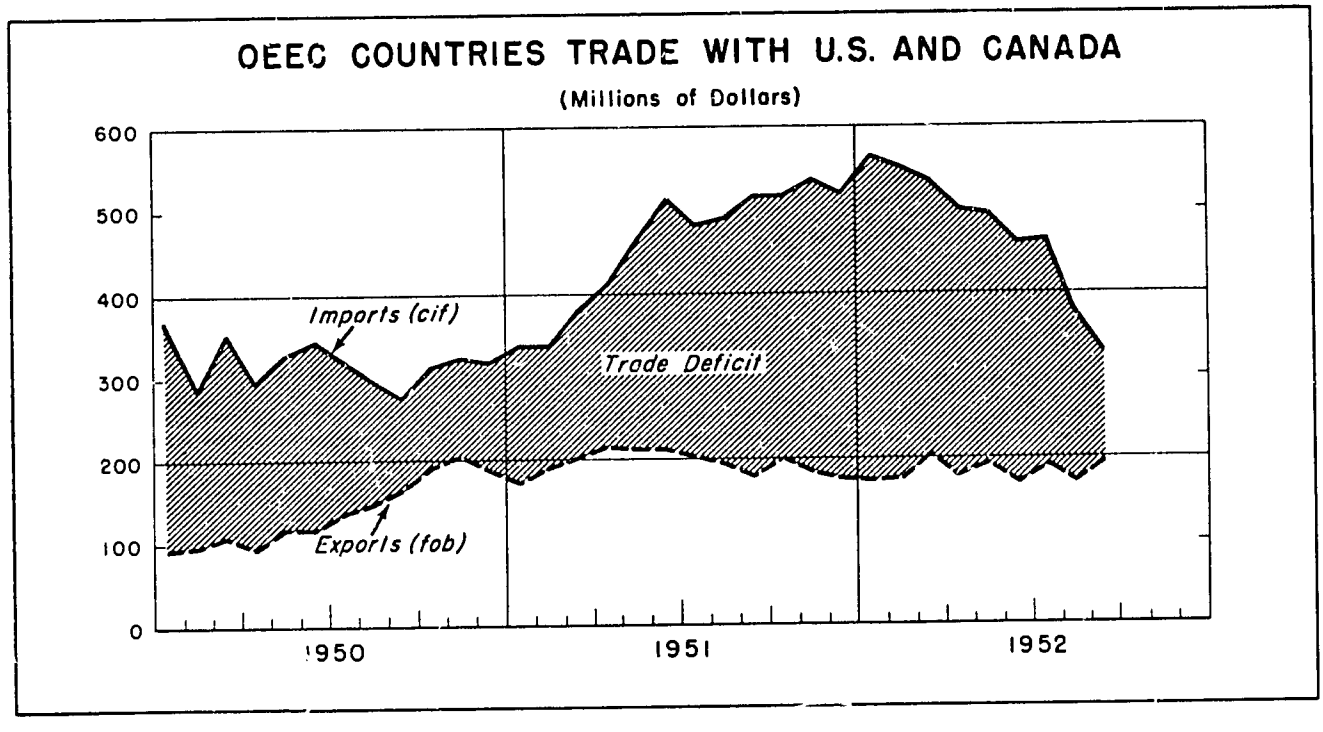
Country	4th Q. 1950	2nd Q. 1951	3rd Q. 1951	4th Q. 1951	1st Q. 1952	2nd Q. 1952	3rd Q. 1952
United Kingdom....	- 65	-297	-348	-263	-197	-242	-171
Belgium.....	- 29	+ 7	+ 35	+ 10	+ 15	+ 6	- 10
France.....	+ 54	- 42	- 48	- 45	-105	- 55	- 17
Germany.....	- 76	+ 28	+ 5	+ 16	- 27	+ 42	+ 46
Italy.....	- 5	- 61	- 44	- 26	- 70	- 90	- 80
Netherlands.....	- 42	- 81	- 46	- 3	- 15	- 9	- 0
Total a/.....	-257	-651	-578	-384	-548	-513	-363

a/ All OEEC countries.

Even more striking is THE REDUCTION IN THE DOLLAR DEFICIT.... As measured by trade with the United States and Canada, Western Europe has achieved substantial success in the program to cut dollar imports.... Imports from the United States and Canada (excluding military end-items) have been reduced sharply in recent months — declining from $550 million per month in the first quarter to an average of $350 million for August-September — and were 30 percent smaller than in

August-September 1951. The United Kingdom has been particularly successful in reducing its dollar imports

EXPORTS TO THE DOLLAR AREA ON THE OTHER HAND, HAVE BEEN MAINTAINED AT A HIGH RATE. The high level of business activity in the United States has been favorable to a rising volume of exports from Europe..... though the unusual demands for such commodities as steel and other marginal items cast some doubt on the permanence of the gains. As a result of the sustained high rate of exports and the sharp cuts in dollar imports, the trade deficit with the United States and Canada has declined progressively in recent months as is shown by the accompanying chart. The dollar trade deficit (excluding military end-items) has been reduced from an average of about $375 million per month in the first quarter of 1952 to the low figure of only $115 million in September. While the usual seasonal expansion of trade may increase this deficit after September, the achievement for the month is remarkable.



THE IMPROVEMENT IN THE OVER-ALL BALANCE OF PAYMENTS HAS BEEN EVEN BETTER THAN THAT INDICATED BY THE IMPROVEMENT IN THE TRADE POSITION. Earnings from tourism were at an all-time peak in 1952, the outflow for "invisibles" has been reduced, and receipts from the various United States' aid programs stepped up. THE OVER-ALL EFFECT WAS TO BRING ABOUT A REVERSAL OF THE HARD CURRENCY FLOW IN THE SECOND QUARTER OF 1952.... Hard currency reserves of Western Europe, which had fallen $1.9 billion between June 1951 and March 1952, increased almost a billion dollars between March 31 and October 31, 1952 — from $8,224 million to $9,133 million. The greatest beneficiaries of the rise were Germany ($267 million), the Netherlands ($220 million), Belgium ($128 million), France ($97 million) and the United Kingdom ($67) million).

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Albert H Huntington

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Current Economic Developments in Western Europe

Mutual Security Agency
Division of Statistics and Reports

UNITED KINGDOM

ECONOMIC DEVELOPMENTS in the United Kingdom during the summer and fall of 1952 appear to have been generally favorable.... OVER-ALL INDUSTRIAL OUTPUT declined seasonally in the third quarter, but showed a strong recovery in October.... THE INTERNATIONAL FINANCIAL POSITION improved substantially. The measures taken to reduce the trade and payments gap appear to have been effective.... GOLD AND DOLLAR reserves showed no further decline in the third quarter, and rose substantially in October and November.... THE THIRD QUARTER EPU DEFICIT was the smallest since the second quarter of 1951, and large surpluses accrued in October and November.... THE TERMS OF TRADE improved.... PRICES continued stable.... UNEMPLOYMENT declined contra-seasonally in the third quarter. However, the September total was almost double that in September 1951.

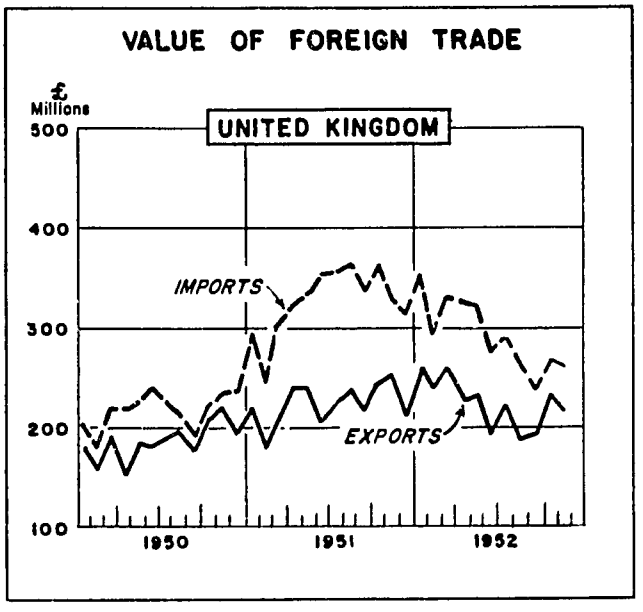
TRADE AND PAYMENTS

THE TRADE DEFICIT DECLINED in the third quarter and in October — primarily as a result of a sharp drop in the value of imports. While the VALUE OF EXPORTS, as the table below shows, too fell (from £219 million to £197 million), the VALUE OF IMPORTS dropped much more sharply. The trade deficit for the third quarter averaged £67 million per month, little more than half that in the corresponding quarter a year ago.... The October trade deficit was the smallest in almost two years, £36 million — less than a third the figure for October a year ago.... For the ten months the trade deficit totaled £690 million as against £1,038 a year ago.

	EXPORTS (fob)	IMPORTS (cif)	TRADE BALANCE	EPU BALANCE a/
	(Monthly aver. in millions of pounds)			
4th Qtr. 1950.	210	231	- 21	+ 135
1st Qtr. 1951.	205	283	- 78	+ 53
2nd " "	230	336	- 106	- 9
3rd " "	228	355	- 127	- 171
October "	246	363	- 117	- 236
1st Qtr. 1952.	258	328	- 70	- 93
2nd " "	219	307	- 88	- 51
3rd " "	197	264	- 67	- 22
October "	231	267	- 36	+ 96 b/

a/ Millions of Dollars. b/ The November surplus totaled $109 million.

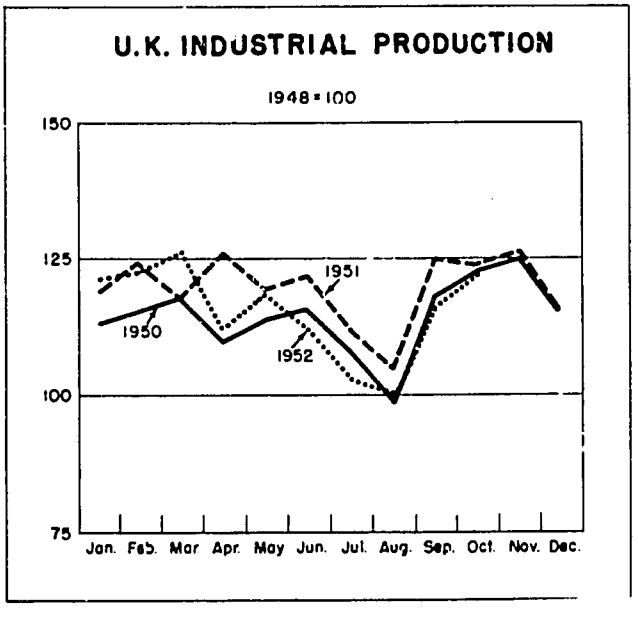
THE PAYMENTS POSITION CONTINUED IN PRECARIOUS BALANCE to the end of the third quarter; in October and November, however, substantial surpluses were accrued.... THE NET GOLD AND DOLLAR DEFICIT (before United States aid) totaled only $133 million in the three months ending September 1952, as against $216 million in the second quarter and $940 million in the final quarter of 1951.... The receipt of $133 million of United States aid during the third quarter was, however, sufficient to offset this deficit.... GOLD AND DOLLAR RESERVES totaled $1,685 million at the end of September, unchanged from the end-of-June figure. In October and



November, however, they rose $210 million, to $1,895 million on November 30. THE EPU DEFICIT, which had fallen to an average of $51 million per month in the second quarter, rose to $99 million in July -- largely as a result of heavy payments due Denmark for bacon, and to the Netherlands from Royal Dutch Company dividends. In August, however, the EPU deficit fell to $5 million, and in September, October and November large surpluses were accrued.

INDUSTRIAL PRODUCTION

INDUSTRIAL PRODUCTION (excluding building) showed a more than seasonal decline in the third quarter when output averaged 7 percent lower than in the previous year — but recovered sharply in October to a level little more than 1 percent lower than in the preceding October.... A falling off in domestic sales of consumers goods particularly textiles plus a decline in consumers goods exports (including automobiles) was primarily responsible for the decline in output during the preceding six months from the levels a year earlier.... An improved demand for consumers goods plus a record output of steel and metal products raised October almost back to last year's levels.... Over-all output for the 10 months averaged 2 percent less than in the corresponding period a year ago.



STEEL PRODUCTION in the third quarter averaged 15.5 million tons (annual rate) — an increase of a million tons over the annual rate for the third quarter of 1951.... THE OCTOBER INCREASE WAS EVEN GREATER — 1.4 million tons (annual rate) to 17 million tons — thus completing the restoration to the 1950 level.... During the first half of 1952, production had averaged 300,000 tons less (annual rate) than in the first six months of 1951.... THE INCREASE IN OUTPUT was due to the increased production of pig iron (1.0 million tons per month, annual rate) and improved supplies of high grade ore, coke, and scrap.

COAL PRODUCTION in the third quarter of 1952 totaled 52.4 million metric tons, as against 51.7 million tons in the corresponding period a year earlier. The increase in output for the first 39 weeks of 1952 — 2.2 million tons — is thus

already more than the total gain projected for the year — 2 million.... THE COAL SITUATION, HOWEVER, has improved to a greater extent than is shown by the increase in the production, as a result of the decline in inland consumption.... COAL EXPORTS through September 28 were 2.7 million tons greater than at the same time a year ago, and total stocks (including at mines), 5.5 million tons greater.

TEXTILE OUTPUT continued to decline through June. In July, August and September, however, CONTRARY TO THE USUAL SEASONAL PATTERN, textile output rose — an indication that the bottom of the textile decline had probably been reached and that output was again rising.... HOWEVER, DESPITE THE IMPROVEMENT, DELIVERIES OF WOOLEN YARNS in the third quarter were down a third from the figures a year ago, while cotton and rayon yarns were down by almost one-half.

PRICES

WHOLESALE PRICES reached a post-Korean peak in January 1952 and thereafter declined. The August figure (147) was 4 percent below the peak and 1 point below the figure for September 1951. The net rise in wholesale prices since the start of the Korean crisis thus totals 25 percent, and the rise since devaluation in September 1949, 41 percent.... RETAIL PRICES continued at the peak. The October level — 128 — was 7 percent higher than in October 1951 and 20 percent higher than the figure for June 1950.

UNEMPLOYMENT

Insured unemployed registered at the employment exchanges totaled 434,000 in September — a figure almost double that in September 1951.... THE SHARP DECLINE IN TEXTILE OUTPUT and in demand for consumer goods generally, both at home and for export, was chiefly responsible for the increase in the level of unemployment.... The current year, however, has witnessed A SHARP DECLINE IN UNEMPLOYMENT between May and September — from 513,000 to 434,000 — whereas a year ago there was no change.... And despite the sharp rise in the level of unemployment, the ratio of unemployed to the total employed labor force remains small — less than 2 percent.

FRANCE

THE FRENCH ECONOMIC SITUATION CONTINUED TO DEVELOP FAVORABLY DURING THE SUMMER AND FALL OF 1952. INFLATIONARY PRESSURES WANED.... PRICES were stable.... INDUSTRIAL PRODUCTION, though high, was below the spring peak.... THE FOREIGN TRADE position continued to improve -- there were over-all trade surpluses in August and October and a small deficit in September.... DESPITE the decline in the over-all trade deficit and a trade surplus with the EPU countries since August, THE PAYMENTS SITUATION continues strained. The EPU DEFICIT totaled $80 million in the third quarter and $42 million in October. FURTHER SUBSTANTIAL LOSSES IN HARD CURRENCY RESERVES were only avoided by the receipt of considerable amounts of United States aid.... THE FRANC, after showing some sign of weakness in the early part of the quarter, strengthened and held at around 390 to the dollar during November.... UNEMPLOYMENT during July and August, while somewhat larger than a year ago, was low.

TRADE AND PAYMENTS

THE OVER-ALL FOREIGN TRADE BALANCE SHOWED ADDITIONAL IMPROVEMENTS DURING THE THIRD QUARTER AND IN OCTOBER. As the table below shows, the over-all trade deficit averaged only $17 million per month during July and August and less than $1 million per month in September and October -- as against $47 million per month during May-June and $122 million in January-February.... The change between February and October was even more spectacular. France's over-all deficit totaled $140 million in February; in October there was a surplus of $15 million. The bulk of the decline in the trade deficit was due to a falling off in the value of imports -- from an average of $475 million per month in the first two months of 1952 to $326 million per month in September-October. The decline in the value of exports was much smaller -- from $355 million to $325 million per month.

EXPORTS, IMPORTS AND TRADE BALANCE
(Monthly averages in millions of dollars)

	WITH ALL AREAS			WITH FOREIGN COUNTRIES*		
	Exports (fob)	Imports (cif)	Trade Balance	Exports (fob)	Imports (cif)	Trade Balance
Jan-Feb. 1951	334	317	+ 17	226	249	- 23
Mar-Apr. "	364	365	- 1	241	284	- 43
May-June "	356	416	- 60	231	329	- 98
July-Aug. "	325	387	- 62	202	317	- 115
Sept-Oct. "	359	385	- 26	218	303	- 85
Jan-Feb. 1952	354	476	- 122	198	391	- 193
Mar-Apr. "	348	417	- 70	190	323	- 133
May-June "	336	383	- 47	195	296	- 101
July-Aug. "	303	320	- 17	185	250	- 65
Sept-Oct. "	325	326	- 1	191	243	- 52

* Excluding French overseas territories.

THE TRADE DEFICIT WITH FOREIGN COUNTRIES has dropped sharply in recent months.... VALUE OF IMPORTS from foreign countries has been cut more than a third from the January-February peak, while the value of exports fell only $7 million per month

from January-February to October. THE TRADE DEFICIT WITH FOREIGN COUNTRIES thus dropped to $52 million per month in the September-October period, from $193 million in the January-February period and $85 million in September-October 1951 period.... THE TRADE DEFICIT WITH THE EPU AREA, which had averaged $52 million per month in January-February, was converted into a surplus of $8 million in September-October. Despite this reduction, EPU SETTLEMENTS have continued to show a substantial deficit -- averaging $30 million per month -- during the four months July-October.... OFFICIAL HOLDINGS of gold and dollars rose $100 million between July and September. This increase, however, was due largely to the drawing down of the Export-Import Bank credit set up in June 1952. In October there was a reduction of $57 million in gold and dollar reserves.

INDUSTRIAL PRODUCTION

FRENCH PRODUCTION CONTINUED TO SHOW THE EFFECT OF WANING INFLATIONARY PRESSURES during the summer and fall of 1952.... INDUSTRIAL OUTPUT showed the usual seasonal movements after mid-year -- dropping to an average of 115 (1948 = 100) for July and August, and then rising to 130 during September and October. THE RATE OF INCREASE OVER THE PRECEDING YEAR DECLINED. Production, which had averaged 10 percent higher in the first quarter, averaged only 4 percent higher in July and August, and 3 percent higher in September and October.... THE DECLINE IN TEXTILE OUTPUT evident earlier assumed substantial proportions during the summer months. MOTOR VEHICLE output was at a postwar peak.... STEEL PRODUCTION (including the Saar) averaged 1,097,000 tons per month in the third quarter, a decline of about 4 percent from output in the second quarter (the postwar peak), but 10 percent higher than output a year ago. OCTOBER OUTPUT MADE A NEW ALL-TIME HIGH — 1,259,000 tons — 11 percent above October 1951.... ELECTRIC POWER OUTPUT in the third quarter was about 3 percent above a year ago — about the same increase as in the preceding quarter. An important development was the sharp increase in hydro power output as a result of the completion of new capacity.... COAL PRODUCTION rose to a new high in October — 6.7 million tons, an increase of 7 percent over October 1951.... CONSTRUCTION continued at a high level.

TEXTILE OUTPUT, which had continued at a high level through the early part of the second quarter, declined sharply in June and even more precipitously in July and August.... RAYON YARN AND STAPLE production was virtually suspended during these two months, production averaging only about 15 percent of capacity.... THE OUTPUT OF WOOLENS, which had held fairly close to the peak in June, dropped a third in July and August. COTTON YARN output which had already fallen off in June was 40 percent below the peak during July and August.... MOTOR VEHICLE output continued at peak levels. Output in July and September averaged close to 50,000 vehicles per month — three times output in 1938. August output was seasonally lower.

PRICES

WHOLESALE PRICES, after rising sharply between June 1950 and January 1952 and declining thereafter through June 1952, held steady through September and then fell another three points in October. The October index — 157 (1948 = 100) — was 14 points or 8 percent below the January peak and 7 points (4 percent) below October a year ago.... THE COST OF LIVING INDEX, which had risen sharply and continuously between June 1950 and January 1952, declined thereafter through June, but rose again in the fall months. The October 1952 figure — 145 (1949 = 100) — was 4 points below the February peak and 38 points higher than the figure for June 1950.

ITALY

ITALIAN ECONOMIC ACTIVITY DURING THE SUMMER AND EARLY FALL OF 1952 CONTINUED ON THE HIGH PLATEAU FIRST ESTABLISHED IN THE OPENING MONTHS OF 1951.... INDUSTRIAL PRODUCTION averaged 141 in the third quarter — seasonally lower than in the second, but 1 point higher than the third quarter a year ago. Construction activity, too, continued high.... THE CONTINUED HIGH LEVEL of imports combined with a DECLINE in the value of exports to make the Italian foreign trade deficit during the second and third quarters of 1952 the largest in the postwar period — $80 million as against $52 million per month in the corresponding 1951 period.... The Italian credit with EPU has declined since January, the result of the developing EPU deficit.... Gold and dollar holdings at the end of September, too, were below the peak — made some months earlier.... PRICES continued stable.... UNEMPLOYMENT continues high.

TRADE AND PAYMENTS

THE ITALIAN TRADE DEFICIT for the first nine months of 1952 was the largest since the close of World War II — $80 million per month as against $46 million per month in the corresponding period last year.... THE DEFICIT FOR THE THIRD QUARTER averaged the same as that for the nine months — $80 million per month.... THE INCREASE IN THE TRADE DEFICIT over a year ago is due partly to an increase in imports, but primarily to a substantial decline in exports. IMPORTS for the first nine months averaged about $190 million per month (as against $180 million per month a year ago). Exports during the nine months averaged only about $110 million per month as against $132 million a year ago. For the third quarter of 1952 they averaged $103 million per month as against $140 million a year earlier.

	EXPORTS (fob)	IMPORTS (cif)	TRADE BALANCE	EPU BALANCE
	(Monthly av. in millions of dollars)			
3rd Qtr. 1950.	100.6	116.1	- 15.5	+ 0.6
1st Qtr. 1951.	123.3	158.1	- 34.8	- 17.5
2nd " "	134.0	198.1	- 64.1	+ 17.7
3rd " "	140.0	186.4	- 46.4	+ 43.3
1st Qtr. 1952.	124.6	194.3	- 69.7	+ 4.6
2nd " "	111.2	201.3	- 90.1	- 14.2
3rd " "	103.0	183.0	- 80.0	- 1.3

THE MOST STRIKING CHANGE in the Italian trade position continues to be in trade with the OEEC countries.... While imports from these countries and their dependent overseas territories continue high (almost $75 million per month), exports have fallen from more than $80 million per month a year ago to little more than $60 million per month.... LAST YEAR'S TRADE SURPLUS WITH THE EPU AREA HAS BEEN TURNED INTO A TRADE DEFICIT. IMPORTS FROM THE UNITED STATES AND CANADA continue high, averaging more than $50 million per month in the first nine months of 1952. As exports to the United States and Canada averaged only about

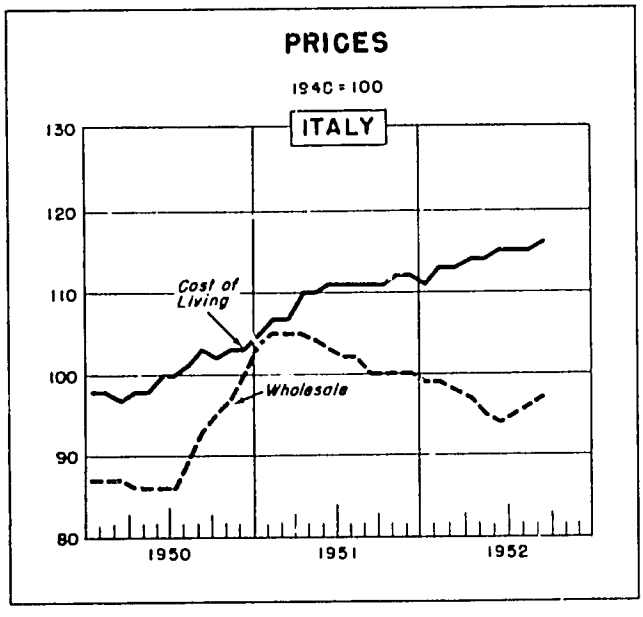
$11 million per month in the same period, the trade deficit with these two countries has averaged about $40 million per month.... Income from invisibles plus United States aid have, however, made good this deficit, with the result that Italy's hard currency reserves were somewhat larger in September 1952 than in December 1951.

INDUSTRIAL PRODUCTION

INDUSTRIAL PRODUCTION averaged 141 (1948 = 100) in the third quarter of 1952, about the same as in the third quarter a year ago — 140. Italian industrial production has now held at the peak for almost two years.... A FURTHER FALLING OFF in the output of textiles and other consumer goods during the second and third quarters of 1952 was again made good by increased output of metal and metal products and of heavy industrial equipment.... STEEL PRODUCTION in the second quarter of 1952 averaged 298,000 tons per month — the highest for any quarter on record and 14 percent higher than output in the second quarter of 1951.... Steel output in July and August, though seasonally lower — 276,000 tons per month — has continued to show about the same increase over the preceding year.

ELECTRIC POWER OUTPUT continues to register new highs. During the third quarter, output averaged about 2.6 billion kilowatt-hours per month, an increase of 5 percent over production in the corresponding period a year earlier. In September, output averaged 2.6 billion kilowatts per month, an increase of 7 percent over output in September 1951.... THE VOLUME OF CONSTRUCTION CONTINUES TO RISE. The number of dwelling units completed in the first five months of 1952 was almost a third higher than in 1951, and 80 percent higher than in the corresponding 1950 period.

PRICES



WHOLESALE PRICES, after rising almost 25 percent between June 1950 and February 1951 - from 86 to 105 - declined to 94 in June 1952. The September level was 97, the same as that for November 1950 - 8 percent below the peak and 13 percent higher than in June 1950..... THE COST OF LIVING INDEX, however, instead of following the wholesale price index downward, has continued to rise. The September figure - 116 - was the highest in the postwar period, 5 percent higher than in September 1951, and 16 percent higher than in June 1950.

UNEMPLOYMENT

UNEMPLOYMENT HAS HELD AT A HIGH LEVEL IN ITALY since the end of the war despite the continued rise in industrial activity and in construction.... The number of unemployed in July 1952 totaled 1.8 million, an increase of 149,000 over the figure for July 1951 and of 348,000 over the figure for July 1950.... THE INCREASE OF 20 PERCENT IN INDUSTRIAL PRODUCTION SINCE THE OUTBREAK OF THE KOREAN WAR, AND IN CONSTRUCTION WHICH HAS ALMOST DOUBLED SINCE THAT TIME, HAS FAILED TO BRING WITH IT A REDUCTION IN VISIBLE UNEMPLOYMENT.... Visible unemployment has, on the contrary, risen 24 percent in the two years.

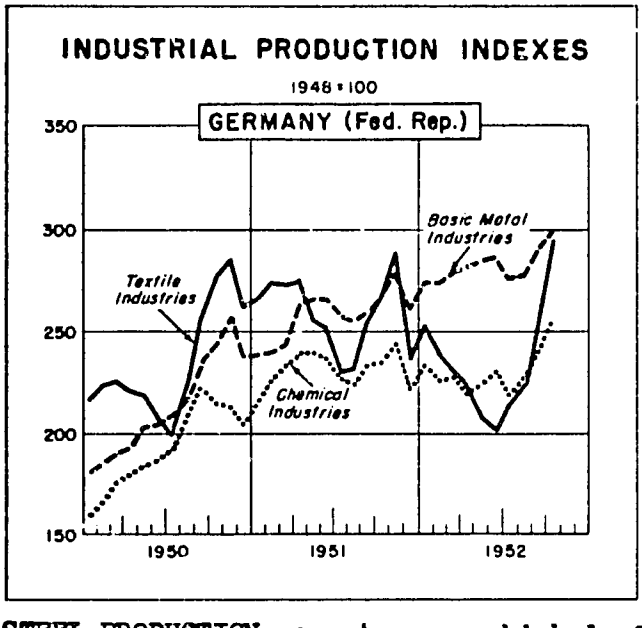
GERMANY

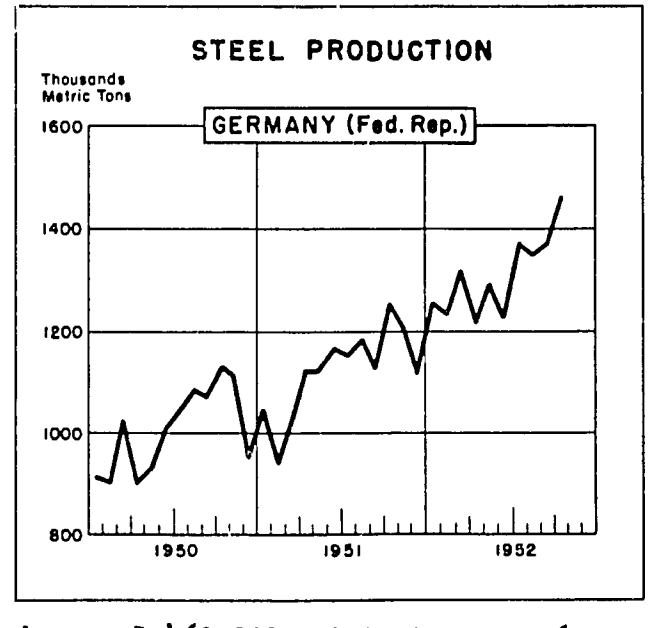
GERMAN ECONOMIC ACTIVITY ROSE TO NEW POST-WAR PEAKS IN THE FALL OF 1952.... INDUSTRIAL PRODUCTION climbed to a record high of 253 in October (1948 = 100) after the usual seasonal decline in July and August.... EXPORTS were at record levels. THE OVER-ALL TRADE SURPLUS averaged $45 million per month in the third quarter, a new high.... THE PAYMENTS POSITION CONTINUED FAVORABLE.... The EPU SURPLUS averaging $44 million per month and GOLD AND DOLLAR holdings showed a further substantial rise.... PRICES continued stable.... UNEMPLOYMENT showed a more than seasonal decline, falling to a postwar low of 1,037,000 in mid-October -- 15 percent lower than in October 1951.

INDUSTRIAL PRODUCTION.

INDUSTRIAL PRODUCTION FORGED AHEAD WITH REMARKABLE FORCE DURING THE LATE SUMMER AND FALL OF 1952.... July and August output despite a decline in consumer goods production, averaged 6 percent higher than a year earlier.... FOR SEPTEMBER AND OCTOBER, output averaged 247 (1948 = 100), the highest for any two months on record and 10 percent higher than output in the corresponding months a year ago.... OCTOBER OUTPUT registered 253 (1948 = 100), a peacetime high and 30 percent above the 1938 average.... THE GAP BETWEEN GERMAN PRODUCTION AND THAT OF THE OTHER PRINCIPAL WESTERN EUROPEAN COUNTRIES AS COMPARED TO PREWAR HAS BEEN CLOSING RAPIDLY IN RECENT MONTHS. German output is now only 10 percent below the average for the other OEEC countries when compared to prewar.

IN JULY AND AUGUST, as in previous months since mid-1951, consumers goods output was below that a year earlier while the output of heavy industry was at a new peak.... In August and September, however, the output of consumers goods too rose to a new postwar peak.... The substantial increase in consumers goods output combined with the higher level of output of investment and producers goods to raise the overall industrial index to a new peak.





STEEL PRODUCTION rose to a new high in October -- 1,462,000 metric tons -- 16 percent higher than in September 1951.... IN THE THIRD QUARTER, Steel production averaged 1,369,000 metric tons -- or at the annual rate of 16.4 million tons -- the highest for any three months since the end of World War II. GERMAN STEEL PRODUCTION IN THE THIRD QUARTER AND IN OCTOBER WAS LARGER THAN IN ANY OTHER

PARTICIPATING COUNTRY.... THE CONTINUED STRONG DEMAND FOR STEEL and steel products, the improved coal situation and increased supplies of scrap and other steel-making materials, assure capacity output for some time.

COAL production during the third quarter averaged 10.3 million metric tons per month -- slightly less than the first quarter -- the post war peak (10.6 million metric tons) -- but about 6 percent higher than output in the corresponding quarter a year ago.... A NEW HIGH IN OUTPUT WAS ACHIEVED in October when production achieved the 11.0 million tons mark for the first time since the war.... COAL STOCKS held by public utility and industrial plants in August were well above those held a year ago and at the highest level in the postwar period.... THE IMPROVEMENT IN COAL STOCKS, however, is due primarily to the leveling off in industrial output last winter and to the continued large imports from the United States rather than an increase in output to scheduled levels.

ELECTRIC POWER output in the second quarter showed only a small gain (4 percent) over a year earlier. July and August, however, showed a better rate of increase-- 7 percent.... TEXTILE output, which had continued at a high level for the first quarter, dropped sharply during the second. The decline in German textile output, however, was much smaller than that in other countries, averaging about 25 percent during the summer months as against one-third to one-half in other OEEC countries.... MOTOR VEHICLE output continued to rise. September output -- the highest for the postwar period -- totaled 41,100 vehicles, an increase of almost 60 percent over production a year ago. October output appears to have been equally as high. The gain over the previous year, however, was smaller.

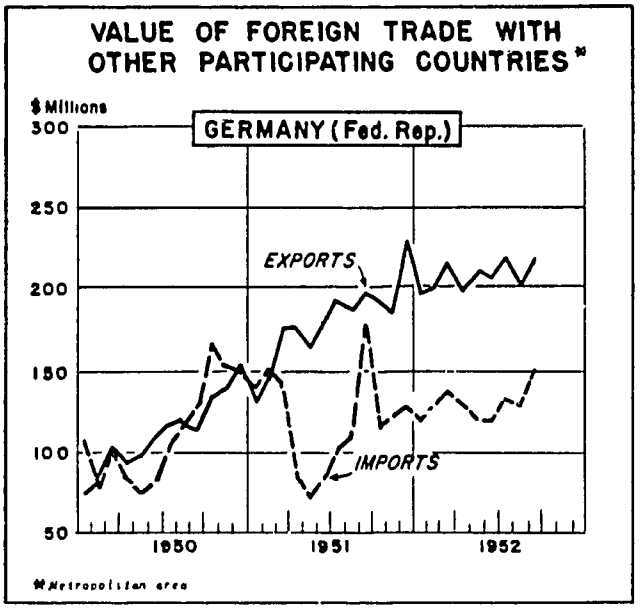
TRADE AND PAYMENTS

THE TRADE AND PAYMENTS POSITION OF GERMANY CONTINUED FAVORABLE DURING THE THIRD QUARTER -- October, however, showed a small deficit.... As the table below shows, the value of exports rose to a new peak during the quarter.

	EXPORTS (fob)	IMPORTS (cif)	TRADE BALANCE	EPU NET POSITION	TRADE BAL. WITH PC & THEIR DOT'S
	(Monthly averages in millions of dollars)				
2nd Qtr. 1950	141	176	- 35	-	- 6
1st Qtr. 1951	236	295	- 59	- 30	-16
2nd " "	282	254	+ 28	+ 58	+77
3rd " "	321	315	+ 5	+ 56	+54
October "	302	282	+ 20	+ 97	+65
1st Qtr. 1952	316	343	- 27	+ 31	+52
2nd " "	325	283	+ 42	+ 59	+62
3rd " "	339	294	+ 45	+ 44	+61
October "	348	356	- 8	- 7	na

THE EXTENT TO WHICH THE INCREASE IN GERMAN PRODUCTION SINCE THE OUTBREAK OF THE KOREAN CONFLICT HAS ENABLED HER TO INCREASE EXPORTS IS EVIDENT IN THE TRADE FIGURES SHOWN IN THE TABLE ABOVE.

THE PAST TWO YEARS have seen a rise of almost 140 percent in exports and of only 70 percent in imports. Thus the trade deficit, which averaged $35 million per



month in the second quarter of 1950, and almost $60 million in the first quarter of 1951, has been converted into a trade surplus averaging almost $45 million per month in the second and third quarters of 1952. As during previous months in the past year, Germany's trade with its OEEC partners and their overseas territories showed a large surplus -- $61 million per month in the third quarter, $62 million per month in the second quarter, and $54 million per month in the third quarter a year ago.... THE TRADE DEFICIT WITH NON-MEMBER COUNTRIES CONTINUED TO DECLINE, averaging $16 million per month in the third quarter, as against $20 million per month in the second quarter and $80 million per month in the first.

ONE RESULT OF THE CHANGED TRADE BALANCE was a favorable net position with EPU totalling almost $180 million in the second quarter and $130 million in the third. GOLD AND DOLLAR HOLDINGS -- which benefited in addition from United States aid and from invisible earnings -- rose $155 million in the second quarter and $55 million in the July-September period -- this after the transfer of $40 million to the International Bank and the Monetary Fund in partial payment on its subscription to the capital stock of these two institutions.

PRICES

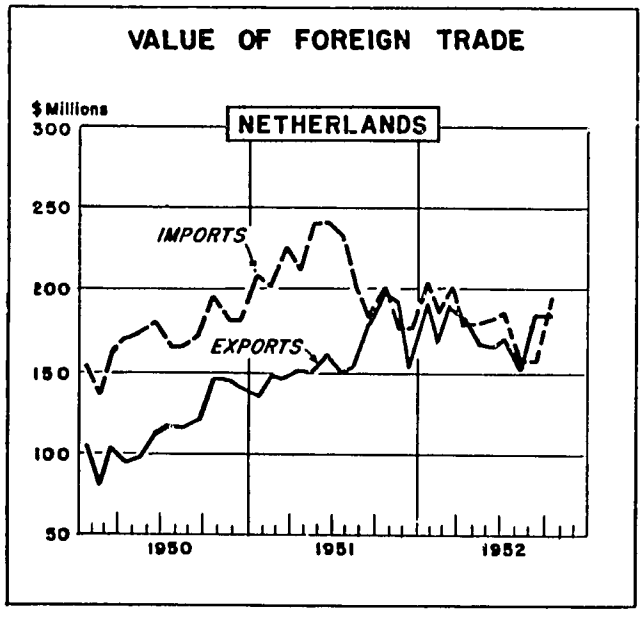
THE PRICE LEVEL HAS HELD AT THE PEAK, a result, apparently, of the intense economic activity of the past year. WHOLESALE PRICES in September averaged 169 (1948=100), the highest in the postwar period and 3 points higher than the figure for December 1951. In most other countries, wholesale prices were lower in September 1952 than in December 1951.... THE COST OF LIVING INDEX has fallen somewhat.... The September figure -- 104 -- was 4 points below the May peak and only 1 point higher than the figure for September 1951.

NETHERLANDS

ECONOMIC DEVELOPMENTS IN THE NETHERLANDS DURING THE SUMMER AND FALL OF 1952 CONTINUED TO FOLLOW THE PATTERN FIRST DISCLOSED IN THE LATTER MONTHS OF 1951. INDUSTRIAL PRODUCTION held at a high level.... CONSTRUCTION activity, particularly housing, continues high.... THE TRADE deficit has been quite small for the past year.... EPU settlements showed large surpluses through August.... For September, October, and November, the EPU account was in balance.... Holdings of GOLD AND SHORT-TERM DOLLAR assets have increased substantially. The October total -- approximately $710 million -- was the highest in the postwar period.... WHOLESALE PRICES showed some further decline in the third quarter.... THE COST OF LIVING index held at the postwar high.

TRADE AND PAYMENTS

THE IMPROVED POSITION IN FOREIGN TRADE THAT APPEARED A YEAR AGO WAS MAINTAINED THROUGH OCTOBER.... The high rate of exports established in the fall of 1951 has been maintained, and imports have held relatively steady since mid-1951. For the past year exports (f.o.b.) have been almost as large as imports (c.i.f.) AND THE TRADE DEFICIT HAS BEEN AT A RECORD LOW. IN OCTOBER, imports rose to $195 million and exports to $185 million to produce a trade deficit of $10 million. THE FULL EXTENT OF THE IMPROVEMENT in the trade position of the Netherlands, however, can only be gotten by a comparison of the figures for the third quarter of 1952 with those for the second quarter of 1951.... Between those two periods, VALUE OF IMPORTS dropped from an average of $235 million per month to $170 million (a decline of $65 million), while the value of exports rose from $154 million to $170 million per month (a rise of $16 million), THUS, COMPLETELY WIPING OUT A TRADE DEFICIT THAT HAD AVERAGED $81 MILLION PER MONTH IN THE SECOND QUARTER OF 1951.



THE DECLINE IN THE TRADE DEFICIT SINCE MID-1951 WAS DUE PARTLY TO A REVERSAL IN THE TRADE POSITION OF THE NETHERLANDS WITH ITS OEEC PARTNERS -- a reversal which resulted in the conversion of a substantial EPU deficit into a substantial EPU surplus -- and partly to a reduction in the trade deficit with the rest of the world.... THE TRADE DEFICIT with the OEEC countries and their DOT's which had averaged $40 million per month in the second quarter of 1951, was converted into a surplus of approximately $9 million per month in the third quarter of 1952.... THE TRADE DEFICIT of $43 million per month in trade with non-member countries in the earlier period was reduced to $11 million per month in the later period.... THE TRADE DEFICIT WITH THE UNITED STATES AND CANADA, however, has increased slightly, averaging approximately $17 million per month in the first nine months of 1952, as against $16 million per month in the first nine months of 1951.

GOLD AND DOLLAR EXCHANGE rose $124 million during the third quarter, and by an additional $39 million in October to a postwar peak of $710 million on October 31.... While transfers of dollars from Indonesia for Indonesian payments deficits with other EPU countries (Netherlands acting as a banker) has been of some importance in recent months, the gains in the Netherlands' foreign exchange position has been most encouraging. In addition to these gains, CREDIT EXTENDED TO EPU had risen to $180 million. This is in striking contrast to the situation 15 months ago when the Netherlands was indebted to EPU in the amount of $125 million.... The great improvement in the payments and foreign exchange position of the Netherlands since the spring of 1951 has made possible the removal of almost all of the restrictions on imports put into effect earlier that year and the establishment of policies designed to stimulate domestic consumption and investment.

INDUSTRIAL PRODUCTION

INDUSTRIAL PRODUCTION showed the usual seasonal movements in the summer and early fall months with output averaging about 3 percent higher than a year ago and approximating the post-Korean high points. October output at 135 (1948 = 100) was within 1 point of the record October figure of 136 reached in 1950.... THE PATTERN OF PRODUCTION for the current period was unchanged from that exhibited in the earlier months of the year.... TEXTILE OUTPUT and the output of finished consumer goods continued lower, while the OUTPUT OF COAL, steel and of heavy manufactured products held at the peak.... COAL OUTPUT again averaged approximately a million tons per month, unchanged from the preceding year.... ELECTRIC POWER output during the second quarter averaged only about 4 percent higher than in the second quarter a year ago, a decline from the rate of gain shown in earlier months. July-August 1952 output, however, showed a gain of about 12 percent over output in July-August a year ago.

PRICES

WHOLESALE PRICES showed some further decline between May and September. The September figure -- 138 (1948 = 100) -- was 5 percent below the peak, first reached in December 1951, and 3 percent below the level of September a year ago. THE COST OF LIVING INDEX continued to show no change. It has now held steady at the 127-130 level for 18 months. The September 1952 figure -- 128 -- was two points below the peak reached 18 months earlier in April 1951, and 11 percent higher than the figure for June 1950 when the Korean crisis broke.

UNEMPLOYMENT

UNEMPLOYMENT showed a more than seasonal rise between the summer of 1951 and January of 1952. In addition, the decline between January 1952 and the seasonal low point in July 1952 was twice as high as a year ago -- 117,000 as against 68,000. However, in August and September unemployment declined contra-seasonally, with the result that September unemployment was only about 40 percent higher than in the previous year.

BELGIUM

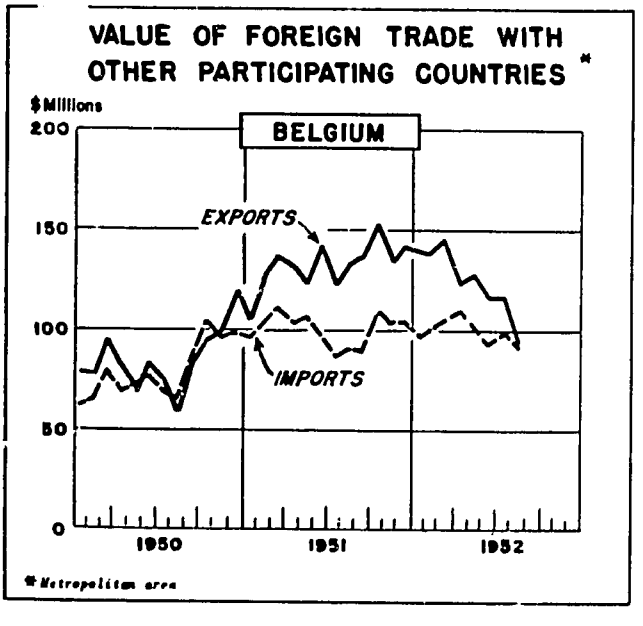
THE FALLING OFF IN BELGIAN ECONOMIC ACTIVITY EVIDENT DURING THE SECOND QUARTER OF 1952 AFTER 18 MONTHS OF HIGH LEVEL OUTPUT CARRIED OVER INTO THE SUMMER MONTHS .... INDUSTRIAL PRODUCTION averaged 106 (1948 = 100) in the third quarter, 7 percent less than a year ago.... COAL stocks continued to accumulate. The September total - 1.6 million tons - was almost 9 times the amount on hand in September a year ago.... Output of steel and of basic metal products fell below that a year ago in the summer months. Steel output recovered in September and continued high through November, though somewhat below last year's peak.

THE VALUE OF EXPORTS declined sharply in the third quarter; THE VALUE OF IMPORTS, however, held. Third quarter 1952 trade yielded a deficit — the first in almost two years — as against a substantial surplus a year ago.... THE PRICE LEVEL continued stable.... UNEMPLOYMENT in September was about the same as that a year ago and only about 15 percent larger than in September 1950.

THE FOREIGN EXCHANGE POSITION CONTINUES STRONG.... Though there were slight losses of gold and dollars in September and October, these reserves exceeded $1 billion on October 31.... In addition, credit extended to EPU totaled almost $250 million .... The measures taken earlier in the year to reduce the chronic EPU surplus appear to have been effective.... THE EPU SURPLUS averaged only about $3 million per month in the third quarter and $4.5 million in October, as against $19 million per month in the previous quarter and $63 million in the third quarter of 1951.

TRADE AND PAYMENTS

BELGIUM'S TRADE AND PAYMENTS POSITION CHANGED RADICALLY BETWEEN THE FIRST AND THIRD QUARTERS OF 1952.... A DECLINE of 20 percent in the value of exports combined (as the table below shows) with a fall of only 12 percent in the value of imports to produce an unfavorable balance of trade for the third quarter - $10 million per month — the first in almost two years. In the first quarter, the surplus had averaged $15 million per month.... THE CHANGE OVER A YEAR EARLIER WAS EVEN GREATER. Third quarter 1952 exports were 18 percent lower and imports 3 percent higher than in the corresponding 1951 period. The trade surplus which averaged $35 million per month last year, changed into a deficit averaging $10 million per month this year.



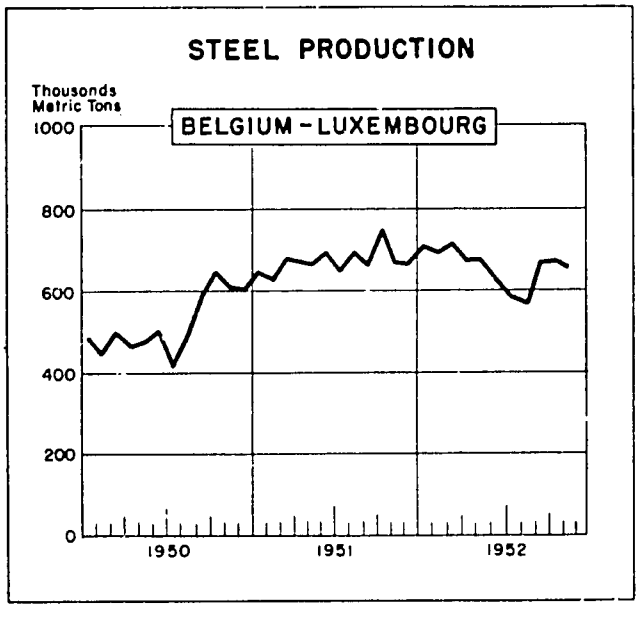
AN IMPORTANT RESULT of the change in Belgium's trade position and of the measures taken to correct the chronic payments surplus in EPU, was the bringing into balance of Belgium's EPU position.... Thus, whereas the Belgian EPU surplus averaged over $60 million per month during the third quarter of 1951, it averaged only $3 million per month this year -- in October there was a deficit of $4.5 million.

THE CHANGE IN BELGIUM'S TRADE POSITION was due in large part to a sharp decline in the trade surplus with her EPU partners (from $41 million per month in July-August a year ago to $10 million in July-August 1952) and to a lesser extent to an increase in the trade deficit with the rest of the world.

INDUSTRIAL PRODUCTION

BELGIAN INDUSTRIAL PRODUCTION showed a more than seasonal decline in the third quarter and while September and October showed some recovery the level of output during these two months was still below that a year earlier.... Industrial output averaged 106 in the third quarter, 7 percent less than a year earlier.... September output, however, was only about 3 percent lower.... THIS IS IN SHARP CONTRAST WITH THE SITUATION A YEAR AGO when output ran 20 percent ahead of the figure for the preceding year. While a scattering of labor difficulties was partly responsible for the decline, the principal cause lies in a further falling off in the demand for textiles and a slackening in the output of heavy industry. The falling off in Belgian heavy industry is in sharp contrast to continued capacity operations in this sector in all the other countries and is an indication of the difficulties generated by Belgium's chronic substantial payments surplus.... THE MEASURES TAKEN BY SOME OF BELGIUM'S IMPORTANT TRADING PARTNERS TO REDUCE THEIR PAYMENTS deficit with that country have reduced their takings not only of consumer goods and textiles, but also of metal products and heavy equipment.

STEEL PRODUCTION in Belgium-Luxembourg, as the accompanying chart shows, recovered sharply in the fall of 1952 from the summer slump.... Output in October and November averaged 676,000 metric tons per month, averaging 5 percent less than in the corresponding months last year — as against 608,000 tons per month in the quarter, when output was 10 percent less than in the previous year....



COAL PRODUCTION in the four months ending October 31 averaged about 2,450,000 metric tons per month — somewhat higher than the 2,400,000 tons per month purchased in the corresponding four months of 1951.... COAL STOCKS CONTINUED TO CLIMB. The end-of-September total was more than 1.6 million tons, nine times the total (184,000 tons) a year earlier.

PRICES

WHOLESALE PRICES after rising almost 30 percent between June 1950 and March 1951 (from 94 to 123) thereafter held steady for almost a year (to January 1952). BETWEEN JANUARY AND JUNE they declined about 8 percent -- to 112. There was no change during the third quarter. The September 1952 average -- 112 (1948 = 100) -- was 11 points below the peak, but still 19 percent (18 points) above the June 1950 level.... RETAIL PRICES followed a slightly different pattern. AFTER FIRST RISING SHARPLY -- from 93 in June 1950 to 104 in March 1951 -- they then rose more slowly to a peak of 108 in January 1952 and then fell back to 105 in May 1952. In October the index registered 106, the same as in October a year earlier.

INDEXES OF INDUSTRIAL PRODUCTION

Monthly Average or Calendar Month Index 1948 = 100

PERIOD	TOTAL	AUSTRIA	BELGIUM	DENMARK	FRANCE	GERMANY F.R.	GREECE	ITALY	NETHER-LANDS	NORWAY	SWEDEN	UNITED KINGDOM
1938	100	118	82	77	90	193	132	101	88	80	67	83
1947	87	--	93	90	86	72	98	--	83	92	95	89
48	100	100	100	100	100	100	100	100	100	100	100	100
49	113	133	100	107	110	144	119	110	112	108	105	106
50	125	158	102	118	111	182	150	127	123	117	110	115
51	137	179	117	121	125	218	172	144	129	123	114	119
1950 - 1ST QTR.	119	148	98	114	109	155	128	118	116	122	110	116
2ND	123	155	100	122	112	171	141	125	120	120	113	113
3RD	120	158	98	111	103	184	158	122	124	103	99	108
4TH	136	171	113	126	121	214	172	138	135	124	117	121
1951 - JAN	133	154	112	124	123	202	163	142	127	123	112	119
FEB	137	171	115	126	126	210	160	137	134	134	116	124
MAR	137	169	120	130	123	213	161	150	139	125	119	118
APR	141	180	120	128	128	219	163	146	133	124	120	126
MAY	139	172	122	126	131	220	174	151	131	130	119	119
JUNE	140	199	119	121	130	217	175	146	127	123	118	122
JULY	129	180	108	90	120	209	168	151	116	98	83	112
AUG	123	182	114	115	101	207	169	122	117	116	110	105
SEPT	138	187	117	124	123	218	182	147	131	125	117	125
OCT	142	197	119	123	129	230	185	154	131	128	119	124
NOV	146	198	121	125	133	245	182	144	133	126	120	126
DEC	137	162	117	116	131	224	176	141	132	121	119	115
1952 - JAN	139	178	116	114	136	219	175	146	127	127	115	121
FEB	140	182	116	118	137	219	170	139	127	134	115	123
MAR	142	180	115	120	137	222	173	144	127	128	118	126
APR	137	187	115	118	137	226	169	143	126	126	120	112
MAY	140	185	115	119	133	226	167	153	126	129	119	118
JUNE	137	178	113	117	132	231	167	144	130	126	117	112
JULY	126	177	101	84	125	219	162	151	119	89	73	103
AUG	122	174	105	116	105	224	165	118	122	114	106	100
SEPT	139		113	122	128	241	165	153	134	124	115	116
OCT	145			124	132	253			135	125		122
NOV						265						
DEC												

COMBINED TOTAL OF PRODUCTION OF SELECTED ITEMS

Monthly Average or Calendar Month

PERIOD	COAL (Million M. Tons)	ELECTRICITY (Million KWH)	STEEL (000 M.T.)	MOTOR VEHICLES (000 Units)	CEMENT (000 M.T.)	COTTON YARN (000 M.T.)	WOOL YARN (000 M.T.)	RAYON TOTAL (000 M.T.)
1938	39.8	10,470	3,755	--	2,938	121.5	44.5	29.9
1947	30.7	13,760	2,555	53.6	1,993	--	45.7	--
48	33.2	15,420	3,342	68.0	2,634	96.9	51.3	34.3
49	36.2	16,557	3,908	96.9	3,112	109.6	53.9	44.1
50	36.8	18,765	4,249	131.0	3,601	120.5	57.6	54.4
51	38.5	21,026	4,701	141.5	4,012	127.7	54.9	62.6
1950 - 1ST QTR.	38.0	18,523	4,092	118.7	2,871	124.5	57.8	50.6
2ND	36.2	17,500	4,130	131.8	3,739	115.4	55.7	52.2
3RD	35.0	17,799	4,170	127.2	4,045	113.6	55.1	53.1
4TH	38.4	21,040	4,610	146.4	3,761	128.3	61.0	61.6
1951 - JAN	39.4	22,172	4,590	146.6	2,928			61.5
FEB	37.1	20,033	4,324	141.2	3,188	128.6	59.4	58.0
MAR	39.4	21,507	4,685	146.8	3,820			62.4
APR	40.1	20,345	4,805	143.6	4,086			63.3
MAY	40.0	20,442	4,733	141.3	4,218	130.7	58.1	65.2
JUNE	38.4	19,755	4,827	151.4	4,270			65.1
JULY	36.6	19,496	4,500	147.3	4,415			62.9
AUG	35.2	19,735	4,577	97.1	4,313	119.7	48.5	61.0
SEPT	38.0	20,383	4,671	145.0	4,294			63.3
OCT	41.6	22,313	5,093	154.9	4,611			66.4
NOV	40.2	22,275	4,917	148.1	4,185	133.0	52.2	64.1
DEC	39.0	22,858	4,749	136.3	3,790			58.6
1952 - JAN	41.0	24,364	5,011	142.3	3,309			63.6
FEB	39.2	22,490	4,862	137.9	2,964	125.0	50.0	59.6
MAR	42.4	22,623	5,268	151.7	4,235			55.6
APR	37.7	20,935	4,896	141.8	4,344			40.4
MAY	40.9	21,385	5,170	149.8	4,834	97.0	46.5	41.2
JUNE	37.4	20,086	4,920	153.1	4,641			35.1
JULY	37.1	20,402	4,930	147.2	4,810	92.0		34.9
AUG	36.2	20,000	4,820	97.0	4,760	85.0		
SEPT	40.6	22,600	5,300	174.0	4,850			
OCT	43.0		5,600					
NOV								
DEC								

COMBINED FOREIGN TRADE OF OEEC COUNTRIES

Monthly Average or Calendar Month

PERIOD	VALUE OF TRADE (Millions of U.S. Dollar Equivalents)									VOLUME OF TRADE INDEX - 1948 = 100		
	TOTAL IMPORTS	TOTAL EXPORTS	INTRA-EUROPEAN	TRADE WITH ALL AREAS EXCEPT METROPOLITAN			TRADE WITH UNITED STATES AND CANADA					
				IMPORTS	EXPORTS	TRADE BALANCE	IMPORTS	EXPORTS	TRADE BALANCE	INTRA-ERP	IMPORTS FROM REST OF WORLD	EXPORTS TO REST OF WORLD
1938	1,022	762	384	624	378	-246	156	53	-103	136	116	107
1947	1,827	1,086	499	1,298	587	-711	589	82	-507	81	103	80
1948	2,052	1,403	633	1,396	770	-626	471	108	-363	100	100	100
1949	2,070	1,569	721	1,342	848	-494	462	98	-362	124	104	118
1950	2,018	1,645	811	1,201	833	-368	319	138	-181	173	100	144
1951	2,782	2,266	1,061	1,722	1,179	-543	461	196	-265	189	112	169
1950 - 1st Qtr...	1,888	1,455	722	1,145	733	-412	336	100	-236	154	101	127
2nd Qtr...	1,968	1,493	738	1,206	755	-451	323	109	-214	158	104	130
3rd Qtr...	1,928	1,597	789	1,136	808	-328	299	149	-150	171	94	139
4th Qtr...	2,286	2,034	996	1,318	1,038	-280	318	196	-122	203	100	173
1951 - 1st Qtr...	2,577	2,022	1,012	1,554	1,010	-544	353	188	-165	190	107	156
2nd Qtr...	2,918	2,267	1,084	1,839	1,183	-656	462	212	-250	191	112	172
3rd Qtr...	2,864	2,285	1,065	1,786	1,221	-565	499	194	-305	180	113	169
4th Qtr...	2,871	2,488	1,181	1,711	1,301	-410	525	188	-337	193	114	177
1951 - January...	2,575	1,974	952	1,562	1,022	-540	339	171	-168			
February..	2,428	1,972	998	1,453	974	-479	339	191	-148	190	107	156
March.....	2,731	2,122	1,087	1,650	1,034	-616	383	202	-181			
April.....	2,795	2,256	1,088	1,742	1,168	-574	410	214	-196			
May.....	2,934	2,219	1,053	1,848	1,166	-682	463	211	-252	191	112	172
June.....	3,011	2,311	1,102	1,918	1,210	-708	514	211	-303			
July.....	2,908	2,270	1,069	1,844	1,201	-643	484	202	-282			
August....	2,881	2,245	1,025	1,810	1,221	-589	494	196	-298	180	113	169
September.	2,797	2,332	1,099	1,703	1,234	-469	519	181	-338			
October...	2,927	2,522	1,191	1,742	1,331	-411	519	200	-319			
November..	2,844	2,479	1,172	1,689	1,307	-382	538	187	-351	193	114	177
December..	2,844	2,445	1,181	1,702	1,264	-438	520	176	-344			
1952 - January...	3,048	2,446	1,134	1,901	1,312	-589	565	174	-391			
February..	2,891	2,348	1,075	1,763	1,273	-487	555	178	-377	182	118	170
March.....	2,960	2,450	1,150	1,823	1,300	-523	535	205	-330			
April.....	2,840	2,241	1,044	1,766	1,197	-569	500	180	-320			
May.....	2,760	2,283	1,061	1,675	1,223	-452	491	197	-294	175	109	157
June.....	2,559	2,079	1,010	1,539	1,069	-470	462	172	-290			
July.....	2,609	2,179	1,041	1,527	1,138	-389	468	194	-274			
August....	2,338	1,939	967	1,395	972	-423	380	173	-207			
September.	2,402	2,139	1,094	1,323	1,045	-278	323	208	-115			
October...	2,610[P]	2,330[P]										
November..												
December..												

FOREIGN TRADE OF SELECTED COUNTRIES

Monthly Average or Calendar Month (Millions of U.S. Dollar Equivalents)

PERIOD	BELGIUM		FRANCE				GERMANY		ITALY		NETHERLANDS		UNITED KINGDOM	
	IMPORTS	EXPORTS	TOTAL TRADE		TRADE WITH FOREIGN COUNTRIES		IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS (Including re-exports)
			IMPORTS	EXPORTS	IMPORTS	EXPORTS								
1938	65.0	61.0	109.8	74.4	80.0	54.3	182.3	175.9	49.4	46.0	66.0	48.1	374.7	216.9
1947	162.2	116.9	277.3	156.0	210.7	91.1	70.9	26.3	119.1	55.5	133.2	58.2	602.3	402.1
48	165.9	140.5	287.4	166.6	204.4	91.0	129.5	53.5	125.1	86.9	154.1	83.6	697.4	552.6
49	149.8	147.1	273.1	225.9	203.0	131.2	186.4	93.6	124.8	92.2	152.3	107.4	702.2	568.8
50	161.4	136.7	255.4	255.4	189.1	163.3	225.3	165.1	120.2	99.9	169.3	115.8	607.1	526.0
51	210.6	219.5	382.7	352.1	303.7	222.4	291.9	269.5	176.5	135.8	209.7	160.5	913.3	631.5
1950 - 1ST QTR.	144.6	133.9	264.3	224.8	202.3	140.7	197.5	118.8	123.9	86.9	150.0	97.2	563.1	497.8
2ND	149.7	126.9	257.6	232.6	186.4	144.6	176.1	140.7	116.8	92.3	174.9	102.8	630.4	490.7
3RD	148.0	111.8	218.2	228.8	158.8	150.4	223.3	171.8	116.3	100.6	166.9	118.0	587.0	527.6
4TH	203.5	174.3	281.5	335.3	207.0	217.3	304.4	228.9	123.6	119.7	187.3	145.2	647.9	587.7
1951 - 1ST QTR.	219.9	203.4	327.4	340.3	255.7	228.4	295.1	236.1	154.1	121.7	210.9	144.0	791.6	572.8
2ND	216.7	223.8	404.3	362.2	318.7	237.4	253.8	281.6	194.1	133.0	235.2	153.9	941.1	644.5
3RD	185.3	220.1	382.4	334.1	310.6	204.2	315.4	320.5	182.5	138.9	207.7	162.3	991.8	643.5
4TH	220.4	230.5	416.6	371.9	329.2	219.5	303.5	319.6	175.5	149.5	185.0	182.0	928.8	665.4
1951 - JAN	212.2	179.6	299.6	301.7	238.8	202.4	295.4	217.5	152.6	119.8	207.8	137.8	834.2	624.4
FEB	204.0	197.0	335.6	365.4	258.1	249.7	290.7	231.2	149.1	113.9	202.4	149.5	693.8	512.9
MAR	242.5	233.6	347.1	353.6	270.4	231.7	299.2	259.7	159.5	131.4	226.5	146.0	849.4	581.2
APR	225.4	219.7	381.7	374.8	298.4	250.6	256.6	274.6	184.8	127.5	215.0	151.0	872.3	675.5
MAY	219.6	208.9	400.3	328.6	319.9	218.0	249.8	273.0	196.0	131.2	244.5	150.4	946.3	675.2
JUNE	199.5	235.9	430.9	383.3	337.6	243.6	255.0	297.4	197.5	138.1	246.2	160.3	1,001.1	584.1
JULY	186.2	207.1	405.6	332.8	333.1	212.6	284.5	320.6	181.4	151.9	234.9	150.5	1,003.9	649.0
AUG	191.7	222.1	368.1	317.6	299.2	190.6	287.5	313.9	175.4	126.3	205.9	154.8	1,031.8	671.6
SEPT	173.1	224.9	373.7	351.9	299.7	209.5	375.2	325.4	180.0	135.7	183.1	182.0	944.5	611.6
OCT	217.0	247.6	395.5	366.1	305.2	225.4	281.6	301.4	160.5	151.6	200.8	200.1	1,015.3	688.0
NOV	208.4	218.1	418.7	375.0	335.7	219.0	302.0	278.7	179.4	147.6	176.4	190.5	920.6	711.1
DEC	232.1	220.8	435.4	374.6	346.6	214.0	327.6	377.6	163.5	142.1	178.2	155.3	879.6	597.3
1952 - JAN	211.4	224.1	443.4	341.8	357.9	192.9	333.8	313.6	195.4	133.3	206.8	192.9	999.9	739.9
FEB	219.7	225.3	508.4	365.5	424.6	201.4	347.7	304.3	180.4	120.4	187.6	166.6	831.3	683.5
MAR	209.5	235.1	411.9	342.4	318.7	187.8	347.0	329.0	206.9	120.0	200.7	191.0	932.6	742.3
APR	208.0	202.9	422.3	353.1	328.1	192.2	304.4	312.1	200.5	109.4	177.5	181.3	911.3	641.7
MAY	198.0	212.5	361.4	342.0	280.3	191.1	279.0	336.0	207.6	113.6	179.6	165.5	897.1	659.7
JUNE	177.4	191.2	405.3	328.5	311.5	198.9	266.4	329.0	190.3	104.4	182.6	165.4	773.9	542.2
JULY	181.6	189.7	343.1	304.9	269.6	181.8	293.8	355.4	198.6	108.5	187.2	171.1	812.0	618.0
AUG	177.4	154.2	295.7	299.9	229.5	186.2	283.9	321.8	162.4	91.5	160.5	152.8	737.0	531.2
SEPT	207.6	193.0	322.0	305.2	240.3	179.6	301.3	340.4	188.1	108.9	160.2	184.5	666.4	545.0
OCT			329.1	343.7	244.7	201.3	356.0	348.0			195.3	185.3	747.6	646.0
NOV			330.3	349.4			336.0	327.0					733.6	604.8
DEC														

WHOLESALE AND RETAIL PRICES

Index 1948 = 100

PERIOD	AUSTRIA		BELGIUM		DENMARK		FRANCE		GERMANY (F.R.)	
	WHOLESALE	RETAIL	WHOLESALE	RETAIL	WHOLESALE	RETAIL	WHOLESALE	RETAIL (1949 = 100)	WHOLESALE	RETAIL (1949 = 100)
1949 – SEPT	133	136	93	96	[illegible]	101	114	100	122	97
DEC	150	148	94	95	106	103	117	105	123	97
1950 – MAR	160	141	93	94	[illegible]	105	117	108	124	96
JUNE	155	141	94	93	111	106	116	107	126	95
SEPT	168	143	107	99	118	109	125	113	139	92
DEC	180	158	113	97	129	[illegible]	135	117	146	95
1951 – MAR	206	168	123	104	142	117	150	124	159	101
JUNE	227	173	122	106	154	120	154	129	156	105
JULY	244	199	121	106	152	120	151	130	157	104
AUG	242	198	120	105	151	—	150	131	159	104
SEPT	242	199	120	106	148	—	154	133	159	103
OCT	242	208	122	106	148	121	164	136	162	105
NOV	245	212	122	107	149	—	169	140	166	106
DEC	258	220	123	107	151	—	170	143	166	106
1952 – JAN	257	220	123	108	151	122	171	146	166	107
FEB	254	218	121	108	150	—	170	149	164	107
MAR	254	217	118	107	148	—	167	148	164	107
APR	256	213	116	106	146	122	164	147	164	107
MAY	260	214	115	105	143		162	143	167	108
JUNE	259	221	112	105	142		160	145	167	106
JULY	254	216	112	105	141	124	161	143	167	105
AUG	251	214	111	105	141		161	145	169	105
SEPT	252	215	112	105	139		160	146	169	104
OCT	251	216	111	106	140	124	157	145	167	
NOV				106			157	144		
DEC										

PERIOD	GREECE		ITALY		NETHERLANDS		NORWAY		UNITED KINGDOM	
	WHOLESALE	RETAIL	WHOLESALE	RETAIL	WHOLESALE	RETAIL	WHOLESALE	RETAIL	WHOLESALE	RETAIL
1949 – SEPT	118	115	90	101	103	105	102	101	105	104
DEC	120	115	87	96	110	110	103	100	110	105
1950 – MAR	120	122	87	97	114	114	104	101	112	105
JUNE	115	119	86	100	115	115	113	105	117	106
SEPT	123	126	93	103	120	118	123	108	124	106
DEC	136	131	100	103	128	120	128	112	133	108
1951 – MAR	148	142	105	107	144	124	136	115	143	111
JUNE	151	139	103	111	145	129	147	124	146	116
JULY	150	137	102	111	142	130	147	126	146	117
AUG	148	137	102	111	142	129	146	126	148	118
SEPT	149	137	100	111	142	129	147	126	148	119
OCT	153	142	100	111	143	129	147	126	150	120
NOV	155	143	100	112	144	128	148	126	150	120
DEC	154	144	100	112	145	127	149	127	151	121
1952 – JAN	156	146	99	111	145	128	150	129	153	123
FEB	156	148	99	113	145	128	150	130	150	124
MAR	155	150	98	113	143	128	150	130	152	124
APR	152	148	97	114	142	128	149	131	150	126
MAY	150	148	95	114	140	127	149	131	149	126
JUNE	147	146	94	115	139	127	151	131	149	128
JULY	143	145	95	115	136	128	154	135	149	128
AUG		144	96	115	137	127	153	135	148	127
SEPT			97	116	138	128	157	136	147	127
OCT			97	116			158		149	128
NOV							156			
DEC										