

U.S. Trade Deficit Affects Sooners

THE 15th international trade deficit in a row for the United States might seem remote to Oklahomans, but it has a direct bearing upon cash circulating in the state.

A trade deficit means that Americans are buying more from other countries than we are selling to them. The trade deficit for August was the second largest we've ever had.

Oklahoma is affected because part of the deficit is due to increases in oil imports from Arab countries. Oil men say government policies discourage domestic exploration and development, keeping oil imports higher than necessary.

Oklahoma also is affected directly because of reductions in amounts of farm commodities shipped overseas, and by competitive foods or merchandise that we import.

The U.S. Treasury Department reported some weeks ago that what is grown on one-third of American farmland is exported, that one-third

of the profits of U.S. business firms comes from foreign sales and investments, and that one of every six factory workers makes something for export.

Competition for the world market is strong. Nations frequently erect import barriers, subsidize exports and try to manipulate exchange rates. Most countries want to sell more than they buy and only a few produce more food than they eat.

Two successive large wheat crops have changed Russia from a big customer into a competitor for world markets. Brazil is growing as a farm commodity exporter. Export-Import Bank officials recently authorized a \$75 million direct loan to Japan to keep that country buying American cotton.

Possibility of an international trade war is discussed in Business Week magazine, relating to negotiations going on in Geneva, Switzerland, between 97 nations.

The conference at headquarters of the General Agreement on Tar-

iffs and Trade (GATT) will try to draft formulas for lowering tariffs and easing barriers to liberalize world trade.

Leaders recognize that in order for countries to buy, they must sell something that will bring in cash. Yet, protectionist groups take positions that would make trade a one-way deal. When one country builds a barrier, others do.

Although we have abundant supplies for sale, U.S. agricultural exports in fiscal year 1978, just begun, are expected to be 5 to 10 per cent below fiscal 1977, not much help in balancing our trade accounts.

The outlook is that we will continue to import large quantities of oil, cars, coffee, sugar, cameras, radios, television sets, shoes and other merchandise.

Our best markets are in our own country, but what we buy and sell abroad has significant effects on prices, on spendable cash we have available and on profits.