

PART B

CONFIDENTIAL

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PART B

Begins: 16/6/83

DD: 25 years

Ends: 29/7/83

*May* 1/9/85

CHANCELLOR'S MEETINGS AT THE INTERNATIONAL MONETARY FUND (IMF)

PO -CH /GH/0097

PART B



THE WORLD BANK  
Washington, D. C. 20433  
U.S.A.

A. W. CLAUSEN  
President

*C*  
Are you content  
to accept this  
invitation?

*Good!*

June 16, 1983

*Yes - Amrked Nwaki's Debar  
assures you its on the day of  
Nwaki's bankers lunch*

*27A. L. OK.*

EXCHEQUER	
DATE	21 JUN 1983 ✓
NAME	Mr. Litter.
COMES TO	Mr. Urowins.
	Mr. Bavelle.
	Mr. Bottrell.
	Mr. Beestall.

Dear Mr. Lawson:

Please accept my warmest congratulations on your appointment as Chancellor of the Exchequer. While I have not had the pleasure of meeting you in the past, I very much look forward to seeing you at the Annual Meeting of the Fund and Bank, and working as closely with you as I did with Sir Geoffrey Howe.

As you will have been informed, I wrote to Sir Geoffrey on March 9 inviting him to join me and the Ministers from France, Germany, Italy, Japan, Kuwait, Saudi Arabia, Canada and the United States for lunch on September 28. Sir Geoffrey had accepted the invitation and in your new capacity I would now like to extend the same invitation to you. I very much hope you can join us on this occasion. This lunch is a very private one at which the principal shareholders and the Management of the Bank can exchange views on the role of the institution in this critical period.

Once again my best wishes,

Sincerely,

The Rt. Hon.  
Nigel Lawson, P.C., M.P.  
Chancellor of the Exchequer  
Treasury Chambers  
Parliament Street  
London SW1P 3AG, England.

*B.*  
Many thanks too  
for your invitation to  
the lunch on 28  
September. It is  
firmly in my diary  
and I greatly look  
forward to it.

*(undisclosed copy  
to Nigel Lawson  
Vicedel IMF/IBR  
Washington)*



WONFO49/16

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GRS 160

IMMEDIATE

ADVANCE COPY

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FM UKDEL IMF/IBRD WASHINGTON 162125Z JUN 83

TO IMMEDIATE F C O

TELEGRAM NUMBER 227 OF 16 JUNE.

(Handwritten initials in a circle)

HO/ERD

MIR LOEHNIS,  
BANK OF ENGLAND.  
MESSRS LITTLER,  
LAVELLE,  
H.M. TREASURY

PS/CHANCELLOR  
& THE EXCHEQUER

X5

RC

IMF: CHAIRMANSHIP OF INTERIM COMMITTEE

1. MY BELGIAN COLLEAGUE (DE GROOTE) IS LIKELY TO WANT TO CALL ON ME ON MONDAY NEXT TO LOBBY OUR SUPPORT FOR THE CANDIDACY OF HIS FINANCE MINISTER, DE CLERCQ, AS YOUR SUCCESSOR AS CHAIRMAN OF THE INTERIM COMMITTEE. I HAVE ALSO HAD INDICATIONS FROM MY GERMAN COLLEAGUE THAT HIS FINANCE MINISTER, STOLTENBERG, IS ALSO CONSIDERING HIS CANDIDACY.

2. GRATEFUL FOR INSTRUCTIONS FOR TALK WITH DE GROOTE.

3. F C O PLEASE ADVANCE TO PS/CHANCELLOR, LITTLER AND LAVELLE (TREASURY), LOEHNIS (BANK OF ENGLAND) AND APPEYARD (ERD). PLEASE DISTRIBUTE TO ADVANCE ADDRESSES ONLY.

WICKS

NNNN

C.  
We now cede. (and I don't think it's a great loss!) It's personal, and there's no way to be new voting.  
2. The Belgian had it once before, pre-Healey. And he's been Belgian PM. And we wanted it last autumn, and was our only rival then. I expect that the advice will be to let him have it. But no need to decide in a rush: Nigel can stall on Monday. J.M.

(Red handwritten checkmark)

OTT GOME ONE





INTERNATIONAL MONETARY FUND  
WASHINGTON, D. C. 20431

*(Handwritten initials)*

EXCHEQUE	
DATE	23 JUN 1983
AMOUNT	✓ 236
RECIPIENT	Mr LITLER
	Mr Unwin
	Mr Lavelle
	Mr Conroy
CABLE ADDRESS INTERFUND	

June 17, 1983

Sir:

I am directed to inform you that the Executive Board of the International Monetary Fund on June 15, 1983 took the following decisions:

- (a) The Executive Board approves the designation plan for the quarterly period beginning June 15, 1983 as set out in EBS/83/111.
- (b) The Executive Board approves the list of members considered sufficiently strong as set out in EBS/83/112, page 3, footnote 2, and the operational budget for the quarterly period beginning June 15, 1983, as set out in EBS/83/112.

The documents referred to in the above decisions are enclosed.

Very truly yours,

Leo Van Houtven  
Secretary

Enclosures

The Rt. Hon. Lord Richardson  
of Duntisbourne, M.B.E., T.D., P.C.  
Governor  
Bank of England  
London, EC2R 8AH, England



INTERNATIONAL MONETARY FUND

WASHINGTON, D.C. 20431

Mr. Tolson
Mr. Boardman
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

(Handwritten initials)

June 17, 1982

612

I am directed to inform you that the Executive Board of the International Monetary Fund on June 17, 1982 took the following decision:

- (a) The Executive Board approves the designation plan for the quarterly period beginning June 15, 1982 as set out in EMB/82/11.
- (b) The Executive Board approves the list of members considered sufficiently strong as set out in EMB/82/11, page 2, footnote 2, and the operational budget for the quarterly period beginning June 15, 1982, as set out in EMB/82/12.

The documents referred to in the above decisions are enclosed.

Very truly yours,

Leo Van Houtven  
Secretary

Enclosures

The Rt. Hon. Lord Richardson  
of Darlington, M.B.E., T.D., P.C.  
Governor  
Bank of England  
London, EC2R 8AH, England



INTERNATIONAL MONETARY FUND

Designation Plan for June - August 1983

Prepared by the Treasurer's Department

(In consultation with Legal and Area Departments)

Approved by W.O. Habermeier

June 1, 1983

Introduction

1. The designation plan proposed for the quarterly period June - August 1983 is set out in Table 1. The total of the proposed plan is SDR 1,700 million, distributed among 16 participants. The plan is derived from the calculation of designation amounts in Table 2, which lists those participants whose balance of payments and reserve positions are considered at this time to be sufficiently strong for them to be subject to designation in accordance with Article XIX, Section 5(a)(1).

2. Data relevant to the assessment of members' balance of payments and reserve positions are set out in Appendix Table 1, which shows the latest available data for all Fund members as background for both the designation plan and the operational budget.

List of Participants

3. Compared with the list on which the plan for March - May 1983 was based, the list of participants in Table 2 excludes Venezuela and includes Italy in view of developments in their combined balance of payments and reserve positions. <sup>1/</sup>

4. The list of participants in Table 1 differs from the list in Table 2 because a number of participants' SDR holdings are close to or above their acceptance limits. These participants are Kuwait, Saudi Arabia and Singapore.

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<sup>1/</sup> At the start of the December 1982 - February 1983 quarterly period, an issue arose on the definition of reserves being supplied to the IFS by the U.A.E., whose position was judged at that time to be sufficiently strong. It has not as yet proved possible to resolve the problem and for this reason once again no assessment has been made of the UAE's balance of payments and reserve position. Every effort will be made to resolve the problem before the next plan is proposed.

### Plan Amount and Method of Calculation

5. The proposed plan is based on a total of SDR 1,700 million. This total takes account of the proposal to include SDR 1,500 million in the operational budget for June - August 1983 for transfers to members making purchases from the Fund and also of the need to provide a margin for the use of SDRs by participants from their own holdings. It cannot, of course, be predicted whether this margin will be sufficient to cover all transactions with designation that might arise. If at any time the remaining balance in the plan seemed insufficient, the staff would propose an amendment to the plan. In these circumstances, in order to assure the liquidity of the SDR in transactions with designation, it may be necessary to request the Executive Board to approve an amendment at short notice, particularly if a large transaction were to occur.

6. The amounts of designation for individual participants (see Table 2) have been calculated in the usual way. In the last plan the notional amount over the coming two years was set at eight times the amount of the proposed quarterly plan to spread designation over a wider range of participants at a time when the proposed plan was relatively small (SDR 500 million). The present plan is so large that all participants considered sufficiently strong would be designated; it was therefore possible to revert to the longstanding practice of using a factor of five for these calculations. The notional amount was distributed among the participants listed so that their excess holdings ratios were brought up to a common ratio for all the participants in the plan. The amounts assigned to individual participants were then proportionately reduced so that they would sum to the total amount of the proposed plan. As the amount of designation calculated for Oman would have exceeded its acceptance limit, the amount for this participant has been restricted to SDR 5.0 million, and the formula has then been applied to the remaining participants judged sufficiently strong for an amount sufficient to bring the combined totals to SDR 1,700 million. As already noted Kuwait, Saudi Arabia and Singapore have not been included in the calculation of designation amounts in Table 2 because their SDR holdings are above their acceptance limits.

### Execution of Proposed Plan

7. In accordance with the usual practice, it is proposed to execute the proposed plan by designating individual participants in broad proportion to the amounts for which they are included in the plan while avoiding undue fragmentation of individual transactions. 1/

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1/ The execution of the plan for March - May 1983 is shown in Table 3. The total amount used as of May 19, 1983 (including pending items) was equivalent to SDR 31.4 million by 4 participants receiving SDRs in purchases from the Fund.

Recommended Decision

8. The following draft decision on a matter pertaining exclusively to the Special Drawing Rights Department is proposed for adoption by the Executive Board:

The Executive Board approves the designation plan for the quarterly period beginning June 15, 1983 as set out in EBS/83/111.

Table 1. Designation Plan: June-August 1983  
(In millions of SDRs)

Participants	Maximum Designation Amounts <u>1/</u>
Austria	54.7
Canada	189.7
China	150.9
Colombia	18.0
Germany	390.4
Italy	202.4
Japan	33.5
Malta	8.8
Netherlands	74.7
Norway	44.1
Oman	5.0 <u>2/</u>
Paraguay	4.9
Qatar	3.2
Trinidad & Tobago	24.0
United Kingdom	310.6
United States	<u>185.1</u>
TOTAL	1,700.0

1/ As shown in column 6 of Table 2.

2/ Amount restricted to acceptance limit.

Table 2. Designation Plan: June - August 1983  
 Calculation of Designation Amounts  
 (In millions of SDRs)

	Gold and Foreign Exchange Holdings <sup>1/</sup> (1)	Excess Holdings of SDRs <sup>2/</sup> (2)	Excess Holdings Ratios (per cent) (3)	Assumed Designation over Eight Quarters (4)	Projected Excess Holdings Ratios <sup>3/</sup> (per cent) (5)	Designation Amounts March- May 1983 <sup>4/</sup> (6)	Projected Excess Holdings Ratios <sup>5/</sup> (per cent) (7)
Austria	4,833	51.1	1.1	273.4	7.11	54.7	2.2
Canada	3,722	-751.2	-20.2	948.5	7.11	189.7	-15.9
China	10,530	-58.8	-0.6	754.3	7.11	150.9	0.9
Colombia	2,483	80.0	3.2	90.2	7.11	18.0	4.0
Germany	39,999	754.8	1.9	1,952.2	7.11	390.4	2.9
Italy	15,830	42.5	0.3	1,011.8	7.11	202.4	1.6
Japan	19,339	1,196.6	6.2	167.4	7.11	33.5	6.4
Malta	892	16.2	1.8	44.1	7.11	8.8	2.8
Netherlands	9,979	309.7	3.1	373.7	7.11	74.7	3.9
Norway	5,329	143.1	2.7	220.4	7.11	44.1	3.5
Paraguay	589	15.8	2.7	24.4	7.11	4.9	3.5
Qatar	363	8.8	2.4	15.9	7.11	3.2	3.3
Trinidad & Tobago	2,362	39.3	1.7	120.2	7.11	24.0	2.7
United Kingdom	9,045	-1,019.9	-11.3	1,552.9	7.11	310.6	-8.1
United States	17,147	228.5	1.3	925.6	7.11	185.1	2.4
Subtotal	150,018	1,056.5		8,475.0		1,695.0	
Kuwait	3,495	63.2	1.8	0.0	1.80	0.0 <sup>6/</sup>	1.8
Oman	1,102	7.4	0.7	25.0	4.50	5.0 <sup>6/</sup>	1.1
Saudi Arabia	19,398	524.3	2.7	0.0	2.70	0.0 <sup>6/</sup>	2.7
Singapore	7,851	41.2	0.5	0.0	0.50	0.0 <sup>6/</sup>	0.5
Subtotal	31,846	636.1		25.0		5.0	
TOTAL	181,954	1,692.6		8,500.0		1,700.0	

<sup>1/</sup> Latest available data (see Appendix Table 1).

<sup>2/</sup> Adjusted for Fund transactions completed or initiated by May 27, 1983.

<sup>3/</sup> Assuming designation of amounts in column (4).

<sup>4/</sup> Derived by proportionately reducing amounts in column (4).

<sup>5/</sup> Assuming designation of amounts in column (6).

<sup>6/</sup> Amount restricted to the acceptance limit.

Table 3. Execution of the Designation Plan,  
March - May 1983<sup>1/</sup>  
(In millions of SDRs)

	Plan Amount (1)	Amount Designated (2)	Column 2 as Per Cent of Column 1 (3)	Designation Since 1/1/83 (4)
United Kingdom	147.8	10.0	6.77	66.2
Canada	96.7	6.821	7.1	6.8
United States	76.0	9.0	11.8	36.7
Germany	72.5	1.5	2.06	45.5
China	41.2	2.632	6.39	2.6
Austria	11.5	5.611	48.8	12.6
Venezuela	9.4			5.8
Netherlands	7.9			20.2
Norway	7.2			--
Kuwait	6.7 <sup>2/</sup>			11.2
Trinidad & Tobago	5.3			10.0
Colombia	5.1			15.0
Oman	4.2			4.0
Saudi Arabia	2.8 <sup>2/</sup>			5.0
Malta	1.7			4.0
Qatar	1.0			1.7
Paraguay	0.5			3.1
	497.5	31.432	6.32	246.3

<sup>1/</sup> Includes transactions completed or initiated through May 27, 1983.

<sup>2/</sup> Amount restricted to the acceptance limit.

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(APRIL 1983)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982			1983		
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>AFGHANISTAN</b>												
GROSS RESERVES	269	267	256(Feb)	-17	-1	-55	-3	-6	-5	-2	--	--
GOLD AND FOREIGN EXCHANGE	238	237	225(Feb)	-17	-1	-60	-2	-6	-5	-1	--	--
HOLDINGS OF SDRS	16	16	14	--	--	4	-1	--	--	-1	--	-1
RESERVE POSITION IN THE FUND	15	15	15	--	--	+	--	--	--	+	--	--
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--
<b>ALGERIA</b>												
GROSS RESERVES	3370	2391	1880	283	-90	217	-850	36	-187	-979	-242	-269
GOLD AND FOREIGN EXCHANGE	3135	2125	1614	281	-90	159	-862	28	-187	-1009	-242	-270
HOLDINGS OF SDRS	119	140	141	2	--	43	8	4	--	21	--	1
RESERVE POSITION IN THE FUND	117	126	126	--	--	15	4	4	--	9	--	--
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--
<b>ANTIGUA AND BARBUDA</b>												
GROSS RESERVES	...	...	...	...	...	...	...	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE	...	...	...	...	...	...	...	...	...	...	...	...
HOLDINGS OF SDRS	--	--	--	--	--	--	--	--	--	--	--	--
RESERVE POSITION IN THE FUND	--	--	--	--	--	--	--	--	--	--	--	--
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--
<b>ARGENTINA</b>												
GROSS RESERVES	2961	2425	3694(Feb)	16	-526	-2461	-210	88	-505	-536	...	...
GOLD AND FOREIGN EXCHANGE	2375	2334	3666(Feb)	20	-523	-2527	-229	457	-366	-41	...	...
HOLDINGS OF SDRS	347	--	13	--	--	91	18	-365	--	-347	28	-15
RESERVE POSITION IN THE FUND	239	91	--	-5	-3	-24	--	-5	-140	-148	-91	--
USE OF FUND CREDIT	--	--	821	--	--	--	--	--	--	--	821	--
<b>AUSTRALIA</b>												
GROSS RESERVES	1713	6053	6212	-1113	30	110	2339	377	1578	4340	-570	729
GOLD AND FOREIGN EXCHANGE	1416	5975	6126	-1112	32	68	2376	377	1508	4559	-621	772
HOLDINGS OF SDRS	45	78	86	-1	--	45	-37	--	70	33	51	-43
RESERVE POSITION IN THE FUND	252	+	+	+	-3	-3	--	+	--	-252	--	--
USE OF FUND CREDIT	--	32	32	--	--	-62	--	--	32	32	--	--

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(APPENDIX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982			1983		
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>AUSTRIA</b>												
GROSS RESERVES	5279	5544	5392	132	738	401	214	-260	473	265	-125	-26
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	4870	5059	4833	157	748	392	210	-268	421	189	-201	-25
RESERVE POSITION IN THE FUND	186	226	216	-18	-7	12	-12	3	50	41	1	-12
USE OF FUND CREDIT	224	259	343	-6	-2	-4	15	4	2	35	74	10
	--	--	--	--	--	--	--	--	--	--	--	--
<b>BAHAMAS</b>												
GROSS RESERVES	86	103	143	14	-29	14	41	-36	-12	17	+	40
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	73	90	131	14	-29	13	41	-36	-12	17	+	41
RESERVE POSITION IN THE FUND	6	6	5	--	--	3	--	--	--	--	--	--
USE OF FUND CREDIT	7	7	7	--	--	-2	+	--	--	+	--	--
	--	--	--	--	--	--	--	--	--	--	--	--
<b>BAHRAIN</b>												
GROSS RESERVES	1332	1397	1464	27	135	579	10	43	-8	65	81	-13
HOLDINGS OF SDRS	5	14	17	--	--	3	2	--	7	9	2	+
RESERVE POSITION IN THE FUND	9	13	16	--	--	+	4	--	--	4	3	--
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--
<b>BANGLADESH</b>												
GROSS RESERVES	121	167	240	-72	-10	-116	-93	62	7	47	63	10
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	119	157	226	-63	-10	-116	-85	68	11	38	54	14
RESERVE POSITION IN THE FUND	+	1	5	-8	-1	--	-8	-6	-4	1	8	-4
USE OF FUND CREDIT	--	8	8	--	--	--	--	--	--	8	--	--
	277	374	377	-6	-5	66	-3	46	-3	97	3	--
<b>BARBADOS</b>												
GROSS RESERVES	86	110	109	-10	36	25	-17	9	40	24	-16	15
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	80	109	109	-10	37	25	-16	9	39	30	-17	17
RESERVE POSITION IN THE FUND	1	1	+	--	-1	--	-1	--	1	-1	1	-2
USE OF FUND CREDIT	5	--	--	--	--	--	--	--	--	-5	--	--
	1	22	24	--	-1	-2	-1	--	22	21	3	-1

1  
8  
1



TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(APPENDIX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982				1983	
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
BELGIUM												
GROSS RESERVES	5451	4757	5885	-799	-256	-1879	-477	1056	-599	-694	913	215
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	4433	3756	4952	-784	-245	-1911	-500	1073	-584	-676	957	238
RESERVE POSITION IN THE FUND	628	672	614	3	6	131	41	--	-3	44	-34	-23
USE OF FUND CREDIT	390	328	319	-19	-16	-99	-19	-17	-12	-62	-9	--
	--	--	--	--	--	--	--	--	--	--	--	--
BELIZE												
GROSS RESERVES	...	...	...	...	...	...	...	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	...	...	...	...	...	...	...	...	...	...	...	...
RESERVE POSITION IN THE FUND	--	1	1	--	--	--	--	1	--	1	--	--
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--
BENIN												
GROSS RESERVES	50	5	5(Feb)	16	23	43	-30	-10	-1	-45	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	45	1	1(Feb)	16	23	42	-30	-10	-1	-44	...	...
RESERVE POSITION IN THE FUND	3	2	1	--	--	1	-1	--	--	-1	--	-1
USE OF FUND CREDIT	2	2	2	--	+	+	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--	--	--
BHUTAN												
GROSS RESERVES	...	...	...	...	...	...	...	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	...	...	...	...	...	...	...	...	...	...	...	...
RESERVE POSITION IN THE FUND	--	+	+	--	--	--	--	--	--	+	--	--
USE OF FUND CREDIT	--	...	...	--	--	--	--	...	....	...	...	...
BOLIVIA												
GROSS RESERVES	115	172	266	65	-30	5	-49	55	-4	58	113	-20
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	115	172	265	65	-30	5	-49	55	-4	58	113	-21
RESERVE POSITION IN THE FUND	+	+	1	--	+	+	+	--	--	--	--	1
USE OF FUND CREDIT	--	--	--	--	--	--	+	--	--	--	--	--

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(APPENDIX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982				1983	
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>BOTSWANA</b>												
GROSS RESERVES												
GOLD AND FOREIGN EXCHANGE	218	266	305	-29	-25	-52	67	-4	14	48	-4	44
HOLDINGS OF SDRS	203	250	289	-29	-25	-59	66	-4	14	47	-4	43
RESERVE POSITION IN THE FUND	5	6	6	--	--	3	1	--	--	1	--	+
USE OF FUND CREDIT	9	9	9	--	+	4	--	+	--	+	--	--
	--	--	--	--	--	--	--	--	--	--	--	--
<b>BRAZIL</b>												
GROSS RESERVES	5750	3566	...	250	909	1161	-35	-1718	-413	-2184	...	...
GOLD AND FOREIGN EXCHANGE	5136	3306	...	252	905	1117	-47	-1518	-234	-1830	...	...
HOLDINGS OF SDRS	388	+	16	--	--	87	-5	-212	-176	-388	+	16
RESERVE POSITION IN THE FUND	227	260	--	-2	4	-43	18	12	-3	33	-260	--
USE OF FUND CREDIT	--	499	1339	--	--	--	--	--	499	499	841	--
<b>BURMA</b>												
GROSS RESERVES	206	103	68	-22	-35	-8	-32	-64	+	-102	-45	9
GOLD AND FOREIGN EXCHANGE	194	89	66	-20	-42	-14	-35	-63	-1	-105	-31	8
HOLDINGS OF SDRS	2	1	1	-2	1	-3	-1	--	1	-1	-1	1
RESERVE POSITION IN THE FUND	9	13	--	--	6	9	4	--	--	4	-13	--
USE OF FUND CREDIT	49	72	65	-2	10	20	-3	--	26	23	-7	--
<b>BURUNDI</b>												
GROSS RESERVES	53	27	28	-7	-1	-21	-10	-14	-11	-26	8	-7
GOLD AND FOREIGN EXCHANGE	40	16	19	-7	-1	-22	-9	-13	-11	-25	9	-6
HOLDINGS OF SDRS	6	4	2	--	--	1	-1	--	--	-1	-1	-1
RESERVE POSITION IN THE FUND	7	7	7	--	--	--	--	+	--	+	--	--
USE OF FUND CREDIT	10	10	8	--	--	--	--	--	--	--	-1	-1
<b>CAMEROON</b>												
GROSS RESERVES	74	26(May)	...	35	-10	-75	...	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE	62	11(May)	...	36	-9	-75	...	...	...	...	...	...
HOLDINGS OF SDRS	+	2	+	-1	-1	+	1	2	-1	1	--	-2
RESERVE POSITION IN THE FUND	12	14	14	+	--	--	--	--	--	2	--	--
USE OF FUND CREDIT	3	1	+	-1	-1	-8	-1	-1	-1	-3	--	--

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(APP. IX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982			1983		
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>CANADA</b>												
GROSS RESERVES	3755	3439	4068	-36	1137	596	12	855	-96	-317	503	126
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	3260	3044	3722	138	1260	910	94	855	-91	-217	482	196
RESERVE POSITION IN THE FUND	150	64	24	-165	-116	-206	-74	--	--	-85	25	-65
USE OF FUND CREDIT	346	331	322	-10	-7	-108	-8	1	-5	-15	-4	-5
	--	--	--	--	--	--	--	--	--	--	--	--
<b>CAPE VERDE</b>												
GROSS RESERVES	...	...	...	...	...	...	...	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	...	...	...	...	...	...	...	...	...	...	...	...
RESERVE POSITION IN THE FUND	+	+	+	--	--	+	--	--	--	--	--	--
USE OF FUND CREDIT	1	1	1	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--	--	--
<b>CENTRAL AFRICAN REP.</b>												
GROSS RESERVES	60	40(Sep)	...	2	-1	16	-10	-10	...	...	...	...
HOLDINGS OF SDRS	+	+	+	--	+	+	+	+	--	+	--	+
RESERVE POSITION IN THE FUND	--	1	1	--	--	--	--	--	--	1	--	--
USE OF FUND CREDIT	20	21	21	4	--	14	2	--	--	2	--	--
<b>CHAD</b>												
GROSS RESERVES	7	8(Jun)	...	2	--	2	-7	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	3	3(Jun)	...	2	--	2	-7	...	...	...	...	...
RESERVE POSITION IN THE FUND	+	+	+	--	+	+	+	+	--	+	--	+
USE OF FUND CREDIT	4	5	5	--	--	--	--	--	--	1	--	--
	7	7	7	-1	--	2	--	--	--	--	--	--
<b>CHILE</b>												
GROSS RESERVES	2820	1705	1186	135	-197	312	-147	-565	-301	-1116	-428	-91
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	2740	1617	1179	141	-199	298	-134	-556	-293	-1123	-351	-87
RESERVE POSITION IN THE FUND	16	18	6	-6	2	13	-14	-8	-8	1	-7	-5
USE OF FUND CREDIT	64	71	--	+	--	+	+	--	--	6	-71	--
	42	6	417	-15	-13	-55	-8	-8	-8	-36	414	-3

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(APPENDIX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982				1983	
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>CHINA, PEOPLE'S REPUBLIC OF</b>												
GROSS RESERVES	4781	10724	...	117	894	2338	1766	2135	1472	5942	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	4545	10530	...	24	761	2324	1787	2143	1480	5984	...	...
RESERVE POSITION IN THE FUND	236	194	183	93	133	164	-20	-7	-7	-42	-7	-4
USE OF FUND CREDIT	--	--	--	--	--	-150	--	--	--	--	--	--
	450	450	450	--	--	450	--	--	--	--	--	--
<b>COLOMBIA</b>												
GROSS RESERVES	4191	3634	2893	-212	288	305	10	-402	-26	-556	-570	-172
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	3919	3296	2482	-219	280	234	-19	-416	-38	-623	-642	-172
RESERVE POSITION IN THE FUND	119	162	182	--	2	34	15	7	13	43	15	4
USE OF FUND CREDIT	152	175	229	7	6	37	15	7	-2	23	57	-3
	--	--	--	--	--	--	--	--	--	--	--	--
<b>COMOROS</b>												
GROSS RESERVES	...	...	...	...	...	...	...	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	...	...	...	...	...	...	...	...	...	...	...	...
RESERVE POSITION IN THE FUND	+	--	--	--	--	+	--	--	--	--	--	--
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--	--	--
<b>CONGO</b>												
GROSS RESERVES	106	34(Sep)	...	3	-1	39	-4	-55	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	103	30(Sep)	...	3	-1	36	-5	-55	...	...	...	...
RESERVE POSITION IN THE FUND	1	1	+	--	--	1	+	--	--	+	--	-1
USE OF FUND CREDIT	2	3	3	--	--	2	--	--	--	1	--	--
	--	--	--	-2	--	-5	--	--	--	--	--	--
<b>COSTA RICA</b>												
GROSS RESERVES	114	207	265	-66	21	-3	23	36	18	93	70	-12
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	114	207	262	-65	21	-3	23	36	18	93	63	-7
RESERVE POSITION IN THE FUND	--	+	3	-1	--	--	--	+	+	+	8	-5
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(APF DEX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982			1983		
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>CYPRUS</b>												
GROSS RESERVES	382	490	452(Mar)	96	3	78	9	84	26	108	-38	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	379	490	452(Mar)	98	1	81	12	84	26	111	-38	...
RESERVE POSITION IN THE FUND	3	+	1	-2	2	-3	-3	--	--	-3	--	1
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--
<b>DENMARK</b>												
GROSS RESERVES	2246	2111	3168	-237	45	-467	15	-197	348	-135	263	794
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	1968	1835	2894	-234	47	-496	13	-196	349	-133	265	794
RESERVE POSITION IN THE FUND	173	176	176	--	--	35	4	--	--	4	--	--
USE OF FUND CREDIT	105	100	98	-2	-2	-6	-2	-1	-1	-6	-2	--
<b>DJIBOUTI</b>												
GROSS RESERVES	...	...	...	...	...	...	...	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	...	...	...	...	...	...	...	...	...	...	...	...
RESERVE POSITION IN THE FUND	1	+	+	--	--	+	--	+	--	+	--	--
USE OF FUND CREDIT	1	1	1	--	--	--	--	--	--	--	--	--
<b>DOMINICA</b>												
GROSS RESERVES	...	4	...	...	...	...	...	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	...	4	...	...	...	...	...	...	...	...	...	...
RESERVE POSITION IN THE FUND	1	+	+	--	+	1	+	--	+	--	--	--
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--
<b>DOMINICAN REPUBLIC</b>												
GROSS RESERVES	198	120	163	-16	44	36	-67	-46	88	-78	39	4
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	197	120	160	-15	44	34	-62	-46	88	-77	37	4
RESERVE POSITION IN THE FUND	2	1	2	--	--	2	-4	-1	--	-1	2	--
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--
<b>USE OF FUND CREDIT</b>												
	20	64	180	-5	--	-18	35	10	-1	44	87	29

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(APPENDIX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982				1983	
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>ECUADOR</b>												
GROSS RESERVES	558	290	240	-83	-14	-251	-91	-232	-15	-268	-85	35
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	504	290	240	-84	-14	-264	-92	-177	-15	-214	-85	35
RESERVE POSITION IN THE FUND	29	--	+	--	--	10	1	-30	--	-29	--	+
USE OF FUND CREDIT	25	--	--	1	--	3	--	-25	--	-25	--	--
	--	--	--	--	--	--	--	--	--	--	--	--
<b>EGYPT</b>												
GROSS RESERVES	700	718	771(Feb)	170	-128	-205	-14	-4	-35	18	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	676	718	770(Feb)	171	-136	-229	32	-3	-35	42	...	...
RESERVE POSITION IN THE FUND	+	+	1	-9	+	+	+	-1	--	--	--	1
USE OF FUND CREDIT	24	--	--	8	8	24	-47	--	--	-24	--	--
	85	52	50	-9	-9	-54	-9	-9	-9	-33	-2	--
<b>EL SALVADOR</b>												
GROSS RESERVES	80	116	111	11	-24	1	-10	48	-30	37	-12	7
HOLDINGS OF SDRS	+	2	2	--	+	+	+	1	+	2	-2	1
RESERVE POSITION IN THE FUND	--	--	--	--	--	--	--	--	--	--	--	--
USE OF FUND CREDIT	38	97	97	32	--	32	--	51	8	60	--	--
<b>EQUATORIAL GUINEA</b>												
GROSS RESERVES	...	...	...	...	...	...	...	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	...	...	...	...	...	...	...	...	...	...	...	...
RESERVE POSITION IN THE FUND	+	+	--	--	--	+	+	--	--	--	--	--
USE OF FUND CREDIT	+	1	--	--	+	+	--	--	1	+	-1	--
	15	15	15	--	--	7	--	--	--	--	--	--
<b>ETHIOPIA</b>												
GROSS RESERVES	238	172	163	-3	126	165	17	-9	-52	-66	14	-22
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	228	169	161	-3	122	158	20	-12	-51	-59	16	-24
RESERVE POSITION IN THE FUND	10	3	2	4	4	10	-3	4	-1	-7	-2	1
USE OF FUND CREDIT	--	+	+	-4	--	-4	--	--	--	+	--	--
	98	119	113	12	12	62	12	--	-2	21	-5	-2

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(APPENDIX IX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982			1983		
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>FIJI</b>												
GROSS RESERVES	116	115	110	19	6	-15	-28	20	-1	-1	-12	7
GOLD AND FOREIGN EXCHANGE	106	106	101	19	6	-17	-28	20	-1	-	-12	7
HOLDINGS OF SDRS	5	4	3	--	--	2	--	--	--	-1	--	--
RESERVE POSITION IN THE FUND	5	5	5	+	--	+	--	+	--	+	--	--
USE OF FUND CREDIT	--	14	14	--	--	--	--	--	--	14	--	--
<b>FINLAND</b>												
GROSS RESERVES	1319	1420	997	-71	-35	-182	-324	-87	405	101	-331	-92
GOLD AND FOREIGN EXCHANGE	1117	1238	827	-103	-22	-225	-312	-99	412	121	-324	-88
HOLDINGS OF SDRS	124	104	93	32	-13	43	-12	12	-8	-20	-7	-4
RESERVE POSITION IN THE FUND	77	77	77	--	--	--	+	--	--	+	--	--
USE OF FUND CREDIT	52	14	7	-3	-12	-14	-12	-7	-7	-38	-7	--
<b>FRANCE</b>												
GROSS RESERVES	21991	17850		-2989	-3	-2311	-3592	-1850	2939	-4140	-138	...
GOLD AND FOREIGN EXCHANGE	20027	16095		-2991	-5	-2704	-3644	-1731	2938	-3932	-53	...
HOLDINGS OF SDRS	1080	887	777	--	--	347	51	-119	--	-193	-85	-25
RESERVE POSITION IN THE FUND	884	868	869	3	2	47	+	+	+	-15	+	--
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--
<b>GABON</b>												
GROSS RESERVES	171	288(Sep)	...	-51	2	87	33	-26	...	...	...	...
GOLD AND FOREIGN EXCHANGE	164	285(Sep)	...	-50	2	85	38	-28	...	...	...	...
HOLDINGS OF SDRS	7	1	+	--	-1	1	-5	2	-2	-6	--	-1
RESERVE POSITION IN THE FUND	+	+	+	+	--	+	--	--	--	+	--	--
USE OF FUND CREDIT	11	9	7	--	--	--	--	--	-2	-2	-2	--
<b>GAMBIA</b>												
GROSS RESERVES	3	8	2	-8	-9	-1	-2	--	4	4	-4	-1
GOLD AND FOREIGN EXCHANGE	3	7	2	-8	-9	-1	-2	--	4	4	-4	-1
HOLDINGS OF SDRS	+	+	+	--	--	+	--	--	+	+	--	+
RESERVE POSITION IN THE FUND	--	+	+	--	--	--	--	--	+	+	--	--

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(IN SDR MILLIONS)

(APPENDIX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982				1983	
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>GERMANY</b>												
GROSS RESERVES	40892	43909	45579	-1083	-3637	-84	1279	-491	2796	3017	5644	-3973
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	37392	39248	39999	-1145	-3573	-345	950	-717	2360	1856	4804	-4053
RESERVE POSITION IN THE FUND	1383	1862	1893	-107	-211	-60	43	74	230	480	54	-22
USE OF FUND CREDIT	2117	2799	3687	169	147	321	286	152	206	681	786	102
	--	--	--	--	--	--	--	--	--	--	--	--
<b>GHANA</b>												
GROSS RESERVES	138	143	129(Mar)	4	-3	-25	15	-5	-19	5	-13	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	137	142	129(Mar)	7	-4	-26	14	-5	-19	5	-13	...
RESERVE POSITION IN THE FUND	1	+	1	-3	+	1	1	--	--	--	--	1
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--
	24	19	16	-2	-2	-10	-2	--	--	-5	-3	--
<b>GREECE</b>												
GROSS RESERVES	1013	916	965	27	-349	-177	-138	128	-59	-97	70	-21
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	957	861	910	28	-349	-177	-141	131	-59	-97	70	-21
RESERVE POSITION IN THE FUND	+	--	+	-1	--	+	3	-3	--	--	--	+
USE OF FUND CREDIT	56	56	56	+	--	--	--	--	--	--	--	--
	14	--	--	-23	-7	-65	-3	-3	--	-14	--	--
<b>GRENADA</b>												
GROSS RESERVES	14	10(Sep)	...	-1	2	4	-1	-1	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	14	10(Sep)	...	--	2	4	-2	-1	...	...	...	...
RESERVE POSITION IN THE FUND	--	+	--	--	--	--	+	--	--	+	--	--
USE OF FUND CREDIT	5	4	4	1	1	5	--	+	--	--	--	--
								-1	--	-1	--	--
<b>GUATEMALA</b>												
GROSS RESERVES	147	120	78	-74	-35	-220	25	-15	-12	-27	-30	-12
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	136	120	78	-53	-10	-191	25	-15	-12	-16	-30	-12
RESERVE POSITION IN THE FUND	2	+	+	1	-25	-16	--	-1	--	-2	+	+
USE OF FUND CREDIT	8	+	+	-21	+	-13	--	--	--	-8	--	--
	96	96	96	--	96	96	--	--	--	--	--	--



TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(APP IX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982				1983	
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>GUINEA</b>												
GROSS RESERVES	...	...	...	...	...	...	...	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE	...	...	...	...	...	...	...	...	...	...	...	...
HOLDINGS OF SDRS	--	+	--	--	--	--	+	--	+	+	--	--
RESERVE POSITION IN THE FUND	1	1	1	--	1	1	-1	1	--	1	--	--
USE OF FUND CREDIT	+	12	12	--	-1	-4	--	--	12	11	--	--
<b>GUINEA-BISSAU</b>												
GROSS RESERVES	...	...	...	...	...	...	...	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE	...	...	...	...	...	...	...	...	...	...	...	...
HOLDINGS OF SDRS	+	+	--	+	--	+	+	--	--	--	--	--
RESERVE POSITION IN THE FUND	--	--	--	--	-1	-1	--	--	--	--	--	--
USE OF FUND CREDIT	3	3	3	2	--	2	--	--	--	--	--	--
<b>GUYANA</b>												
GROSS RESERVES	6	10	+	-13	+	-4	3	2	4	4	-6	-4
HOLDINGS OF SDRS	1	3	+	+	1	1	+	--	3	2	-3	+
RESERVE POSITION IN THE FUND	--	--	--	--	--	--	--	--	--	--	--	--
USE OF FUND CREDIT	74	78	76	13	-1	7	1	--	4	4	-2	--
<b>HAITI</b>												
GROSS RESERVES	21	4	9(Mar)	-5	16	8	4	5	-11	-17	4	...
GOLD AND FOREIGN EXCHANGE	21	3	9(Mar)	-4	16	8	4	5	-11	-18	5	...
HOLDINGS OF SDRS	+	1	1	--	+	+	+	--	1	1	-1	1
RESERVE POSITION IN THE FUND	--	+	+	--	--	--	--	--	--	+	--	--
USE OF FUND CREDIT	32	43	48	-1	17	15	--	10	2	11	5	--
<b>HONDURAS</b>												
GROSS RESERVES	87	102	105	-3	-8	-31	-3	35	-1	15	-7	9
GOLD AND FOREIGN EXCHANGE	86	101	103	-3	-7	-32	+	36	-2	15	-5	8
HOLDINGS OF SDRS	1	2	2	--	--	1	-3	-1	1	+	-2	1
RESERVE POSITION IN THE FUND	--	--	--	--	--	--	--	--	--	--	--	--
USE OF FUND CREDIT	32	94	109	21	--	21	--	--	38	62	--	15

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(APPENDIX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982				1983	
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>HUNGARY</b>												
GROSS RESERVES	1478	1070	672(Mar)	-147	136	-233	245	40	354	-408	-398	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	1478	1068	669(Mar)	-147	136	-233	245	-41	433	-410	-399	...
RESERVE POSITION IN THE FUND	--	2	3	--	--	--	--	--	2	2	1	+
USE OF FUND CREDIT	--	215	298	--	--	--	--	81	-81	--	--	--
									215	215	83	--
<b>ICELAND</b>												
GROSS RESERVES	199	133	117	24	3	61	16	-33	-35	-66	-12	-4
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	186	131	117	23	2	59	16	-32	-27	-55	-11	-4
RESERVE POSITION IN THE FUND	3	2	1	2	1	2	-1	--	2	-1	-1	--
USE OF FUND CREDIT	9	--	--	--	--	+	--	--	-9	-9	--	--
	6	22	22	-2	-2	-10	-1	-1	21	16	-1	+
<b>INDIA</b>												
GROSS RESERVES	4333	4224(Nov)	...	-710	-345	-1413	-90	17	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	3535	3521(Nov)	...	-706	-336	-1504	-63	55	...	...	...	...
RESERVE POSITION IN THE FUND	468	339	232	-4	-9	92	-27	-37	-22	-129	-69	-38
USE OF FUND CREDIT	330	364	364	+	+	+	+	+	+	35	--	--
	566	2066	2666	--	300	300	300	600	300	1500	600	--
<b>INDONESIA</b>												
GROSS RESERVES	4416	2959	1806(Mar)	-214	-550	105	-1304	-341	-207	-1457	-1153	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	3993	2459	1378(Mar)	-215	-558	-20	-1335	-348	-226	-1534	-1082	...
RESERVE POSITION IN THE FUND	227	282	96	5	3	90	22	--	19	55	-71	-115
USE OF FUND CREDIT	196	218	--	-3	5	36	9	7	--	22	--	-218
	--	--	65	--	--	--	--	--	--	--	65	--
<b>IRAN</b>												
GROSS RESERVES	...	...	...	...	...	...	...	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	...	...	...	...	...	...	...	...	...	...	...	...
RESERVE POSITION IN THE FUND	291	300	305	--	--	51	9	--	--	9	--	6
USE OF FUND CREDIT	141	76	71	-23	-25	-93	-16	-15	-11	-66	-5	--

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(APPENDIX IX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982				1983	
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>IRAQ</b>												
GROSS RESERVES	...	...	...	...	...	...	...	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	...	...	...	...	...	...	...	...	...	...	...	...
RESERVE POSITION IN THE FUND	114	74	4	--	--	26	15	-55	--	-39	-70	+
USE OF FUND CREDIT	112	112	--	--	--	--	--	--	--	+	-112	--
<b>IRELAND</b>												
GROSS RESERVES	2290	2390	1846	-134	561	35	68	58	100	99	-498	-45
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	2124	2218	1683	-133	562	17	63	58	100	94	-489	-46
RESERVE POSITION IN THE FUND	91	96	88	--	--	20	6	--	--	6	-9	1
USE OF FUND CREDIT	75	75	75	-1	-1	-1	--	+	--	+	--	--
<b>ISRAEL</b>												
GROSS RESERVES	3046	3518	3709(Mar)	-93	60	376	156	127	102	473	191	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	3045	3518	3708(Mar)	-80	59	410	157	127	102	473	190	...
RESERVE POSITION IN THE FUND	1	1	1	-13	+	-8	-1	--	-1	--	+	+
USE OF FUND CREDIT	--	--	--	--	--	-26	--	--	--	--	--	--
<b>ITALY</b>												
GROSS RESERVES	19631	15124	17174	1479	715	-845	-150	1443	-1767	-4507	391	1659
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	18328	13782	15831	1487	715	-982	-188	1443	-1767	-4546	391	1658
RESERVE POSITION IN THE FUND	673	711	712	--	--	152	39	--	--	39	--	1
USE OF FUND CREDIT	631	631	631	-8	+	-15	--	+	--	+	--	--
<b>IVORY COAST</b>												
GROSS RESERVES	17	4	3	-4	8	--	6	-7	+	-13	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	6	3	3	-1	2	2	2	-1	+	-3	...	...
RESERVE POSITION IN THE FUND	11	+	5	-3	6	8	4	-7	+	-10	--	5
USE OF FUND CREDIT	--	--	--	--	--	-10	--	--	--	--	--	--
<b>USE OF FUND CREDIT</b>												
	319	435	473	202	44	319	38	38	38	115	38	--

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(APPENDIX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982			1983		
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>JAMAICA</b>												
GROSS RESERVES	73	97	89(Mar)	-16	3	-9	-23	8	-8	24	-9	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	70	94	89(Mar)	-16	1	-13	-21	6	-9	24	-5	...
RESERVE POSITION IN THE FUND	1	+	--	1	--	1	-2	+	--	-1	-	--
USE OF FUND CREDIT	2	4	--	--	2	2	--	2	1	1	-4	--
	404	528	554	51	25	161	34	53	25	125	26	--
<b>JAPAN</b>												
GROSS RESERVES	25083	22001	23549	274	92	4918	-1079	-894	-1236	-3082	1272	277
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	22082	18228	19339	195	-32	4325	-1363	-1027	-1462	-3854	975	136
RESERVE POSITION IN THE FUND	1662	1895	2033	18	2	299	147	38	20	234	66	71
USE OF FUND CREDIT	1339	1878	2178	61	122	295	137	95	206	539	230	70
	--	--	--	--	--	--	--	--	--	--	--	--
<b>JORDAN</b>												
GROSS RESERVES	971	839	885	-52	-78	39	105	-33	-87	-132	103	-57
HOLDINGS OF SDRS	15	16	16	--	--	4	1	--	--	1	--	--
RESERVE POSITION IN THE FUND	17	17	17	--	--	--	+	--	--	+	--	--
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--
<b>KAMPUCHEA, DEM.</b>												
GROSS RESERVES	...	...	...	...	...	...	...	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	...	...	...	...	...	...	...	...	...	...	...	...
RESERVE POSITION IN THE FUND	5	3	2	--	--	1	-1	--	--	-1	--	-1
USE OF FUND CREDIT	+	+	+	--	--	--	--	--	--	--	--	--
	13	13	13	--	--	--	--	--	--	--	--	--
<b>KENYA</b>												
GROSS RESERVES	201	195	254	-96	10	-187	49	-78	38	-7	56	3
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	192	179	247	-89	14	-176	52	-77	32	-13	60	8
RESERVE POSITION IN THE FUND	9	14	4	-7	-4	-11	-3	-1	6	5	-5	-5
USE OF FUND CREDIT	+	1	2	+	--	+	--	1	--	1	1	--
	175	310	344	-2	-2	23	89	-2	-10	135	36	-2

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(APP IX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982			1983		
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>KOREA</b>												
GROSS RESERVES	2315	2556	1751	159	26	11	-202	78	128	241	-442	-363
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	2260	2498	1733	172	-4	-33	-242	106	102	237	-392	-373
RESERVE POSITION IN THE FUND	54	58	18	-13	30	44	40	-28	25	4	-50	10
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--
	1071	1142	1138	130	130	535	-10	-10	-6	71	-3	--
<b>KUWAIT</b>												
GROSS RESERVES	3583	5449	4150	-154	97	414	822	307	986	1866	-1060	-240
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	3138	4926	3495	-150	96	380	801	272	969	1788	-1197	-234
RESERVE POSITION IN THE FUND	35	62	76	--	2	35	2	--	20	27	11	3
USE OF FUND CREDIT	410	461	579	-4	-1	-1	18	35	-3	51	126	-8
	--	--	--	--	--	--	--	--	--	--	--	--
<b>LAO P.D.R.</b>												
GROSS RESERVES	...	...	...	...	...	...	...	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	...	...	...	...	...	...	...	...	...	...	...	...
RESERVE POSITION IN THE FUND	1	+	--	+	+	1	--	--	--	-1	--	--
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--
	13	13	13	3	--	4	--	--	--	--	--	--
<b>LEBANON</b>												
GROSS RESERVES	1626	2687	2025(Mar)	12	125	58	-80	367	935	1062	-662	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	1617	2679	2017(Mar)	12	125	56	-80	367	935	1061	-662	...
RESERVE POSITION IN THE FUND	2	2	2	--	--	2	+	--	--	+	--	--
USE OF FUND CREDIT	6	6	6	--	--	--	--	+	--	+	--	--
	--	--	--	--	--	--	--	--	--	--	--	--
<b>LESOTHO</b>												
GROSS RESERVES	37	43	66	-6	3	-2	-3	2	11	6	3	19
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	34	42	65	-6	3	-3	-1	2	11	8	3	20
RESERVE POSITION IN THE FUND	1	1	1	--	--	1	--	--	--	--	--	--
USE OF FUND CREDIT	2	+	+	+	--	+	-2	--	--	-2	--	--
	--	--	--	--	--	--	--	--	--	--	--	--

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(APPENDIX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982				1983	
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>LIBERIA</b>												
GROSS RESERVES	6	6	18	12	-14	3	+	1	-4	-1	-1	13
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	5	6	18	11	-14	2	--	1	-4	+	-2	13
RESERVE POSITION IN THE FUND	1	+	--	+	1	1	+	--	--	-1	+	--
USE OF FUND CREDIT	87	149	176	22	11	45	18	--	33	62	27	--
<b>LIBYA</b>												
GROSS RESERVES	7860	6525	5906	-1608	-2623	-2512	-810	-366	545	-1335	-347	-271
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	7567	6206	5581	-1608	-2633	-2610	-835	-366	545	-1360	-347	-278
RESERVE POSITION IN THE FUND	104	129	136	--	--	57	25	--	--	25	--	7
USE OF FUND CREDIT	189	189	189	--	10	41	--	--	--	--	--	--
<b>LUXEMBOURG</b>												
GROSS RESERVES	...	...	...	...	...	...	...	...	...	...	...	...
HOLDINGS OF SDRS	15	15	15	--	--	4	1	--	--	1	--	--
RESERVE POSITION IN THE FUND	12	12	12	+	--	+	--	+	--	+	--	--
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--
<b>MADAGASCAR</b>												
GROSS RESERVES	23	18	28(Feb)	2	2	16	11	18	-4	-5	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	22	16	26(Feb)	3	1	15	13	-20	-5	-6	...	...
RESERVE POSITION IN THE FUND	+	1	2	-2	+	+	+	+	1	1	-1	1
USE OF FUND CREDIT	75	127	137	-2	-2	32	--	42	10	52	--	10
<b>MALAWI</b>												
GROSS RESERVES	43	21	24	10	-45	-11	15	-29	8	-22	6	-3
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	33	17	23	5	-50	-21	14	-26	4	-16	7	-2
RESERVE POSITION IN THE FUND	6	4	1	1	5	6	+	-3	3	-2	-2	-1
USE OF FUND CREDIT	4	+	+	4	--	4	--	--	--	-4	--	--
USE OF FUND CREDIT	75	74	89	15	--	27	-7	4	6	-2	16	--

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(AP. .DIX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982			1983		
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>MALAYSIA</b>												
GROSS RESERVES	3602	3497	3715(Mar)	-216	302	81	57	20	300	-105	218	...
GOLD AND FOREIGN EXCHANGE	3360	3263	3485(Mar)	-215	304	53	54	23	304	-97	222	...
HOLDINGS OF SDRS	126	118	112	-1	-1	28	3	-4	-4	-8	-5	-2
RESERVE POSITION IN THE FUND	117	117	117	--	+	+	--	--	--	+	+	--
USE OF FUND CREDIT	190	248	316	190	--	190	59	--	--	59	68	--
<b>MALDIVES</b>												
GROSS RESERVES	...	...	...	...	...	...	...	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE	...	...	...	...	...	...	...	...	...	...	...	...
HOLDINGS OF SDRS	+	+	+	--	--	+	--	--	--	--	--	--
RESERVE POSITION IN THE FUND	+	+	+	--	--	--	--	--	--	--	--	--
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--
<b>MALI</b>												
GROSS RESERVES	16	16	22(Mar)	-7	2	4	-3	-1	2	+	6	...
GOLD AND FOREIGN EXCHANGE	8	7	14(Mar)	-8	2	1	-3	--	2	-1	7	...
HOLDINGS OF SDRS	+	1	1	--	+	+	+	--	+	+	--	1
RESERVE POSITION IN THE FUND	8	9	9	1	--	2	--	--	--	1	--	--
USE OF FUND CREDIT	7	31	35	-1	-1	-2	12	6	6	24	--	5
<b>MALTA</b>												
GROSS RESERVES	898	951	944	98	9	106	-3	26	44	54	-34	27
GOLD AND FOREIGN EXCHANGE	859	904	892	97	7	95	-7	25	41	45	-38	26
HOLDINGS OF SDRS	15	21	26	--	--	3	2	1	3	7	4	1
RESERVE POSITION IN THE FUND	24	26	26	2	2	8	1	--	--	2	--	--
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--
<b>MAURITANIA</b>												
GROSS RESERVES	139	126	105	1	38	29	-7	10	-12	-13	-22	+
GOLD AND FOREIGN EXCHANGE	138	126	104	2	37	28	-8	13	-12	-12	-22	--
HOLDINGS OF SDRS	1	+	1	-1	1	1	-1	--	--	-1	+	+
RESERVE POSITION IN THE FUND	--	--	--	--	--	--	2	-3	--	--	--	--

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(APPENDIX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982				1983	
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>MAURITIUS</b>												
GROSS RESERVES	31	36	43	2	3	-41	6	-17	15	4	9	-2
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	26	34	42	4	-2	-47	11	-17	13	8	9	-2
RESERVE POSITION IN THE FUND	6	2	2	-2	6	6	-5	--	2	-4	--	+
USE OF FUND CREDIT	--	--	+	--	--	--	--	--	--	--	+	--
	128	150	151	5	7	57	--	--	15	22	2	-1
<b>MEXICO</b>												
GROSS RESERVES	3579	1139(Sep)	...	197	1040	1186	-940	-349	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	3266	1131(Sep)	...	180	1026	1086	-948	-349	...	...	...	...
RESERVE POSITION IN THE FUND	153	5	4	18	12	40	6	--	-1	-148	-4	3
USE OF FUND CREDIT	161	--	--	-1	2	61	1	+	-1	-161	--	--
	--	201	301	--	--	--	--	--	201	201	100	--
<b>MOROCCO</b>												
GROSS RESERVES	222	222	86(Mar)	59	31	-115	271	-196	106	--	-136	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	221	221	86(Mar)	70	30	-116	254	-180	106	1	-136	...
RESERVE POSITION IN THE FUND	1	1	27	-10	1	1	17	-16	+	-1	--	26
USE OF FUND CREDIT	--	+	+	--	--	--	--	--	--	+	--	--
	387	788	864	-1	-9	139	285	48	76	401	76	--
<b>NEPAL</b>												
GROSS RESERVES	179	199	166	5	17	30	14	3	-12	20	-33	+
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	173	193	160	5	18	30	15	1	-10	20	-33	--
RESERVE POSITION IN THE FUND	--	1	1	--	--	--	-1	2	-1	1	--	+
USE OF FUND CREDIT	6	6	6	--	--	1	--	--	--	--	--	--
	19	14	12	--	--	--	-1	-1	-1	-5	-1	-1
<b>NETHERLANDS</b>												
GROSS RESERVES	9562	10723	11530	-339	648	-1107	-607	58	1392	1162	860	-53
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	8472	9390	9979	-336	651	-1247	-694	-32	1342	918	657	-69
RESERVE POSITION IN THE FUND	592	772	811	--	--	152	44	92	32	180	20	19
USE OF FUND CREDIT	498	561	740	-3	-3	-13	42	-1	17	64	182	-4
	--	--	--	--	--	--	--	--	--	--	--	--



TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(API 01X)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982			1983		
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>NEW ZEALAND</b>												
GROSS RESERVES	580	577	888(Mar)	-2	277	303	-1	101	109	-2	311	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	533	576	886(Mar)	-8	278	283	16	101	109	43	311	...
RESERVE POSITION IN THE FUND	20	2	1	6	--	20	-17	--	--	-18	--	-1
USE OF FUND CREDIT	28	+	+	--	--	+	--	+	+	-28	--	--
	34	3	--	-15	-28	-99	-8	-8	-5	-31	-3	--
<b>NICARAGUA</b>												
GROSS RESERVES	...	...	...	...	...	...	...	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	...	...	...	...	...	...	...	...	...	...	...	...
RESERVE POSITION IN THE FUND	+	1	+	--	+	+	+	--	1	1	--	--
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--
	21	18	18	--	--	-17	-1	--	-2	-4	--	--
<b>NIGER</b>												
GROSS RESERVES	91	27	23(Feb)	-10	-21	-8	-17	-21	-14	-64	...	...
HOLDINGS OF SDRS	8	7	7	--	--	2	+	--	--	-	--	--
RESERVE POSITION IN THE FUND	6	6	6	--	--	--	--	--	--	+	--	--
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--
<b>NIGERIA</b>												
GROSS RESERVES	3371	1486	1512(Mr)	-1883	-2254	-4678	-184	9	244	-1885	26	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	2686	1445	1417(Mr)	-1899	-2251	-4860	441	6	244	-1240	26	...
RESERVE POSITION IN THE FUND	239	40	29	18	10	106	-201	3	--	-199	--	-12
USE OF FUND CREDIT	446	+	+	-2	-13	75	-424	--	--	-446	--	--
	--	--	--	--	--	--	--	--	--	--	--	--
<b>NORWAY</b>												
GROSS RESERVES	5414	6272	5974	-625	599	630	679	279	-176	859	-776	477
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	5004	5742	5329	-605	597	580	642	251	-216	737	-881	469
RESERVE POSITION IN THE FUND	195	284	295	-19	2	38	24	20	31	89	2	9
USE OF FUND CREDIT	214	246	351	-2	+	12	13	8	9	33	104	--
	--	--	--	--	--	--	--	--	--	--	--	--

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(APPENDIX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982			1983		
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>OMAN</b>												
GROSS RESERVES	988	1283	1136(Mar)	3	137	295	11	-16	296	295	-146	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	966	1254	1102(Mar)	4	135	294	6	-16	293	288	-152	...
RESERVE POSITION IN THE FUND	5	8	12	--	+	+	1	--	2	3	4	+
USE OF FUND CREDIT	17	21	22	-1	1	2	4	--	1	4	2	--
	--	--	--	--	--	--	--	--	--	--	--	--
<b>PAKISTAN</b>												
GROSS RESERVES	684	943	1517	-240	-60	232	4	233	-96	258	482	92
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	636	838	1445	-189	-86	206	-10	200	-84	202	501	106
RESERVE POSITION IN THE FUND	49	46	13	-51	25	26	-5	18	-12	-3	-20	-13
USE OF FUND CREDIT	--	59	59	--	--	--	20	16	--	59	--	--
	650	1057	1222	-39	130	350	98	169	-22	407	168	-2
<b>PANAMA</b>												
GROSS RESERVES	103	92	59(Mar)	26	-4	8	45	-51	-2	-12	-32	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	100	88	56(Mar)	26	-6	14	42	-49	-3	-13	-32	...
RESERVE POSITION IN THE FUND	3	4	1	--	2	2	3	-2	1	1	--	-3
USE OF FUND CREDIT	--	+	+	--	--	-8	--	--	--	+	--	--
	80	76	75	60	-5	62	-1	-1	-1	-4	--	--
<b>PAPUA NEW GUINEA</b>												
GROSS RESERVES	392	315	309	80	58	58	-26	93	-58	-77	-34	28
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	359	284	285	80	26	29	-26	94	-57	-75	-25	26
RESERVE POSITION IN THE FUND	33	31	24	--	33	33	+	-1	-1	-2	-9	2
USE OF FUND CREDIT	+	+	+	+	+	-4	+	+	--	+	--	--
	45	45	45	--	45	40	--	--	--	--	--	--
<b>PARAGUAY</b>												
GROSS RESERVES	693	620	645	-7	5	95	37	-41	-67	-73	25	+
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	653	569	589	-8	4	81	32	-42	-70	-84	20	+
RESERVE POSITION IN THE FUND	15	24	28	--	--	4	4	--	4	9	3	1
USE OF FUND CREDIT	25	28	29	1	1	10	1	1	--	2	2	-1

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(APP IX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982				1983	
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>PERU</b>												
GROSS RESERVES	1087	1271	1113(Jan)	-108	96	-513	385	-36	-64	184	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	1078	1241	1095(Jan)	-97	88	-513	371	-22	-92	164	...	...
RESERVE POSITION IN THE FUND	10	30	+	-11	9	+	14	-14	29	20	-30	+
USE OF FUND CREDIT	---	---	---	---	---	---	---	---	---	---	---	---
<b>PHILIPPINES</b>												
GROSS RESERVES	1947	1624	1554	-196	119	-351	72	-200	-72	-323	9	-79
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	1946	1622	1544	-206	128	-353	75	-199	-75	-324	-10	-68
RESERVE POSITION IN THE FUND	2	3	10	10	-8	2	-3	-1	2	1	19	-11
USE OF FUND CREDIT	---	---	---	---	---	---	---	---	---	---	---	---
<b>PORTUGAL</b>												
GROSS RESERVES	1242V	1179	1394(Mar)	210	-245	-157	159	102	-143	-64	215	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	1185	1128	1343(Mar)	212	-251	-180	164	102	-143	-57	215	...
RESERVE POSITION IN THE FUND	9	2	+	-1	7	9	-5	---	---	-6	---	-2
USE OF FUND CREDIT	49	49	49	+	---	14	---	+	---	+	---	---
<b>QATAR</b>												
GROSS RESERVES	339	...	...	-6	12	53	18	-4	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	313	...	...	-6	12	47	16	-5	...	...	...	...
RESERVE POSITION IN THE FUND	9	14	16	---	---	6	2	1	3	5	2	---
USE OF FUND CREDIT	18	19	25	---	---	---	---	---	1	1	5	---
<b>ROMANIA</b>												
GROSS RESERVES	472	392(Sep)	...	28	-80	89	99	311	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	472	363(Sep)	...	48	-78	89	95	310	...	...	...	...
RESERVE POSITION IN THE FUND	+	12	9	-5	-2	+	4	-4	12	11	-12	9
USE OF FUND CREDIT	---	---	---	-15	---	---	---	5	-5	---	---	---
<b>USE OF FUND CREDIT</b>												
	507	782	860	18	---	249	10	-30	295	275	-9	87

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(APPENDIX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982				1983	
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>RWANDA</b>												
GROSS RESERVES	149	116	115	9	-8	2	-13	4	-14	-32	-6	5
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	132	98	97	9	-8	1	-14	4	-14	-33	-6	5
RESERVE POSITION IN THE FUND	10	11	11	--	--	2	1	--	+	1	--	--
USE OF FUND CREDIT	7	7	7	+	+	-1	--	+	--	+	--	--
	--	--	--	--	--	--	--	--	--	--	--	--
<b>ST.LUCIA</b>												
GROSS RESERVES	...	8	...	...	...	...	...	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	...	8	...	...	...	...	...	...	...	...	...	...
RESERVE POSITION IN THE FUND	+	+	--	--	--	+	--	--	+	--	--	--
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--
	4	3	3	--	--	3	--	--	-2	-2	--	--
<b>ST.VINCENT</b>												
GROSS RESERVES	...	6	...	...	...	...	...	...	...	...	...	...
HOLDINGS OF SDRS	+	+	+	--	--	+	--	--	--	--	--	+
RESERVE POSITION IN THE FUND	--	--	--	--	--	--	--	--	--	--	--	--
USE OF FUND CREDIT	2	2	2	--	--	1	--	--	--	--	--	--
<b>SAO TOME AND PRINCIPE</b>												
GROSS RESERVES	...	...	...	...	...	...	...	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	...	...	...	...	...	...	...	...	...	...	...	...
RESERVE POSITION IN THE FUND	+	+	+	--	--	+	--	--	--	--	--	--
USE OF FUND CREDIT	1	1	1	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--	--	--
<b>SAUDI ARABIA</b>												
GROSS RESERVES	27855	26948	26888	960	1953	9319	-1042	-422	-1496	-907	-2023	1963
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	24214	21748	19398	452	1612	7787	-1262	-940	-1974	-2466	-2546	196
RESERVE POSITION IN THE FUND	213	579	615	-214	7	+	151	83	46	366	5	32
USE OF FUND CREDIT	3428	4621	6875	722	335	1532	69	436	432	1193	518	1735
	--	--	--	--	--	--	--	--	--	--	--	--

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(API XIX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982			1983		
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>SENEGAL</b>												
GROSS RESERVES	8	11	7(Feb)	-1	4	1	-2	2	5	3	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	5	6	6(Feb)	-1	1	-3	-2	+	2	1	...	...
RESERVE POSITION IN THE FUND	4	5	--	-1	3	4	--	2	3	1	-5	--
USE OF FUND CREDIT	--	1	1	--	--	--	--	+	--	1	--	--
	127	167	162	48	6	50	13	28	3	40	-3	-3
<b>SEYCHELLES</b>												
GROSS RESERVES	12	12	10	--	+	-3	-2	-1	3	--	-2	+
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	11	11	9	--	+	-3	-2	-1	3	+	-2	+
RESERVE POSITION IN THE FUND	+	+	+	--	--	+	--	--	--	--	--	--
USE OF FUND CREDIT	+	+	+	--	--	+	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--	--	--
<b>SIERRA LEONE</b>												
GROSS RESERVES	14	8	15	1	-3	-10	-2	-4	-3	-6	16	-8
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	13	7	14	1	-5	-11	-2	-7	--	-5	14	-7
RESERVE POSITION IN THE FUND	+	+	1	--	+	+	+	--	+	+	2	-2
USE OF FUND CREDIT	1	--	--	+	1	1	--	3	-3	-1	--	--
	48	46	67	-2	-1	26	--	--	-1	-1	20	--
<b>SINGAPORE</b>												
GROSS RESERVES	6486	7687	7968(Jan)	124	520	1337	280	225	569	1201	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	6395	7570	7851(Jan)	124	514	1306	270	224	569	1175	...	...
RESERVE POSITION IN THE FUND	28	49	53	--	1	12	9	--	--	22	--	3
USE OF FUND CREDIT	63	68	70	--	5	19	2	1	--	4	2	--
	--	--	--	--	--	--	--	--	--	--	--	--
<b>SOLOMON ISLANDS</b>												
GROSS RESERVES	...	...	...	...	...	...	...	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	...	...	...	...	...	...	...	...	...	...	...	...
RESERVE POSITION IN THE FUND	1	1	1	--	--	+	+	--	--	+	--	+
USE OF FUND CREDIT	...	...	...	...	...	...	...	...	...	...	...	...

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(APPENDIX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982			1983		
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>SOMALIA</b>												
GROSS RESERVES	27	12(Sep)	...	27	-12	15	-7	6	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	22	6(Sep)	...	28	-10	16	-4	+	...	...	...	...
RESERVE POSITION IN THE FUND	4	1	1	-2	-1	-1	-3	1	-1	-3	1	-1
USE OF FUND CREDIT	--	--	--	--	--	--	--	5	-5	--	--	--
	29	62	80	15	11	26	17	15	--	32	19	--
<b>SOUTH AFRICA</b>												
GROSS RESERVES	898	705	949	-282	109	-97	-163	94	-125	-193	27	218
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	675	606	879	-286	102	-154	-51	94	-221	-69	39	235
RESERVE POSITION IN THE FUND	115	99	70	6	7	78	-112	--	96	-16	-12	-17
USE OF FUND CREDIT	107	+	+	-2	+	-21	+	--	--	-107	--	--
	--	795	795	--	--	--	--	--	795	795	--	--
<b>SPAIN</b>												
GROSS RESERVES	9794	7450	6237(Mar)	813	-593	-18	-359	115	-1177	-2344	-1213	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	9270	7059	5851(Mar)	779	-613	-106	-338	146	-1147	-2211	-1208	...
RESERVE POSITION IN THE FUND	319	186	173	34	20	88	-21	-31	-30	-133	-5	-8
USE OF FUND CREDIT	206	206	206	--	+	+	--	--	--	--	--	--
	142	5	--	-12	-27	-64	-30	-30	-30	-137	-5	--
<b>SRI LANKA</b>												
GROSS RESERVES	283	321	280	15	74	89	-72	84	20	37	-41	--
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	263	309	269	12	68	68	-73	79	20	46	-35	-5
RESERVE POSITION IN THE FUND	20	6	5	-4	18	20	+	5	1	-14	-6	5
USE OF FUND CREDIT	1	6	6	7	-11	1	+	+	+	5	+	--
	347	341	314	33	60	136	-9	27	-15	-5	-26	-2
<b>SUDAN</b>												
GROSS RESERVES	15	19	22	-8	-7	-24	3	+	-6	4	7	-3
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	14	19	17	2	-7	-24	2	1	-6	4	1	-3
RESERVE POSITION IN THE FUND	+	--	5	-10	--	+	+	--	--	--	6	-1
USE OF FUND CREDIT	--	--	--	--	--	--	1	-1	--	--	--	--
	414	454	549	-2	-2	147	-5	-3	-5	40	96	-1

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
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(APP IX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982			1983		
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>SURINAME</b>												
GROSS RESERVES	180	161	133	-4	-2	30	-8	-18	-16	-19	-22	-6
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	167	145	117	-4	-2	26	-9	-18	-18	-22	-22	-6
RESERVE POSITION IN THE FUND	5	8	8	--	--	3	1	--	2	3	--	--
USE OF FUND CREDIT	8	8	8	--	--	--	--	+	--	+	--	--
	--	--	--	--	--	--	--	--	--	--	--	--
<b>SWAZILAND</b>												
GROSS RESERVES	89	75	78	-12	-1	-37	-18	21	-2	-14	-6	9
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	79	70	72	-15	-1	-41	-18	21	-1	-9	-7	9
RESERVE POSITION IN THE FUND	6	5	6	3	--	4	+	--	-1	-1	1	--
USE OF FUND CREDIT	4	+	+	--	+	+	--	+	--	-4	--	--
	--	--	1	--	--	--	--	--	--	--	1	--
<b>SWEDEN</b>												
GROSS RESERVES	3306	3397	3376	222	-444	414	-107	42	183	90	18	-39
HOLDINGS OF SDRS	225	233	234	1	1	50	6	1	1	9	1	-1
RESERVE POSITION IN THE FUND	166	149	145	-4	-4	-28	-6	-3	-3	-17	-3	-1
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--
<b>SYRIAN ARAB REPUBLIC</b>												
GROSS RESERVES	280	134(Jun)	...	-236	-319	-13	69	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	258	122(Jun)	...	-236	-319	-18	79	...	...	...	...	...
RESERVE POSITION IN THE FUND	15	12	9	--	--	5	-3	--	--	-3	--	-3
USE OF FUND CREDIT	7	--	--	--	--	--	-7	--	--	-7	--	--
	--	--	--	--	--	--	--	--	--	--	--	--
<b>TANZANIA</b>												
GROSS RESERVES	16	3	...	-16	1	+	-2	-4	-3	-13	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	14	3	...	-15	1	-2	-3	-4	-1	-11	...	...
RESERVE POSITION IN THE FUND	+	+	1	-2	+	+	+	--	--	--	--	1
USE OF FUND CREDIT	2	--	--	2	--	2	--	--	-2	-2	--	--
	85	74	68	-3	-3	-9	-1	-4	-5	-11	-3	-3

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(APPENDIX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF			1981			1982			1983		
	1981	1982	APR 1983	3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>THAILAND</b>												
GROSS RESERVES	1575	1481	1536	-19	270	265	274	-66	74	-94	90	-35
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	1523	1459	1519	-15	237	219	278	-54	53	-64	88	-27
RESERVE POSITION IN THE FUND	52	22	17	-4	33	46	-4	-12	21	-30	3	-8
USE OF FUND CREDIT	--	+	+	--	--	--	--	+	--	+	--	--
	606	636	688	169	178	464	-9	-9	47	30	66	-14
<b>TOGO</b>												
GROSS RESERVES	131	152	152(Feb)	17	6	69	6	-11	+	22	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	124	148	149(Feb)	17	6	69	7	-10	1	24	...	...
RESERVE POSITION IN THE FUND	7	4	2	--	--	1	-1	-1	--	-3	-1	-1
USE OF FUND CREDIT	--	+	+	--	--	--	--	--	--	+	--	--
	18	18	20	--	--	7	--	--	--	--	2	--
<b>TRINIDAD &amp; TOBAGO</b>												
GROSS RESERVES	2878	2791	2546	220	306	696	118	-72	-28	-87	-370	125
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	2748	2621	2362	220	302	665	105	-80	-40	-127	-382	123
RESERVE POSITION IN THE FUND	51	73	86	2	+	15	2	6	11	22	10	2
USE OF FUND CREDIT	78	97	98	-2	4	15	11	2	1	18	2	--
	--	--	--	--	--	--	--	--	--	--	--	--
<b>TUNISIA</b>												
GROSS RESERVES	467	556	392	210	-157	-2	4	14	58	89	-132	-32
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	431	521	359	210	-157	-8	5	14	58	91	-132	-30
RESERVE POSITION IN THE FUND	17	16	14	--	--	6	-1	--	--	-1	--	-2
USE OF FUND CREDIT	19	19	19	--	+	+	--	--	+	+	--	--
	--	--	--	--	--	--	--	--	--	--	--	--
<b>TURKEY</b>												
GROSS RESERVES	1236	969	1156	541	-185	105	-167	155	-310	-267	146	41
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	1236	969	1151	546	-186	105	-166	150	-306	-267	144	38
RESERVE POSITION IN THE FUND	+	+	5	-6	+	+	--	5	-5	--	2	3
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--



TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(APPI IX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982				1983	
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>UGANDA</b>												
GROSS RESERVES	...	...	...	...	...	...	...	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	3	10	3	-1	2	3	4	8	-2	8	-10	3
RESERVE POSITION IN THE FUND	--	4	4	--	--	--	--	--	--	4	--	--
USE OF FUND CREDIT	160	243	265	--	40	112	35	38	12	83	24	-3
<b>UNITED ARAB EMIRATES</b>												
GROSS RESERVES	2775	2957(Oct)	...	493	279	1175	-113	434	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	30	50	51	--	2	22	1	--	14	21	--	+
RESERVE POSITION IN THE FUND	148	201	201	-5	25	55	37	3	10	54	--	--
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--
<b>UNITED KINGDOM</b>												
GROSS RESERVES	13757	11904	11491	-1476	-266	-3094	-1144	554	-1128	-1854	-648	235
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	852	1061	824	13	-2	405	-130	37	228	209	-128	-109
RESERVE POSITION IN THE FUND	1236	1408	1622	120	15	191	51	12	59	172	221	-8
USE OF FUND CREDIT	313	52	--	-63	-63	-250	-95	-52	-52	-261	-52	--
LIABILITIES	7917	8388(Nov)	...	-64	52	-861	...	...	...	471	...	...
<b>UNITED STATES</b>												
GROSS RESERVES	25502	29918	30530	201	39	4022	989	631	2171	4417	750	-139
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	3518	4759	4800	197	115	1472	216	400	275	1241	88	-47
RESERVE POSITION IN THE FUND	4342	6661	8583	568	308	2106	729	423	687	2319	1954	-32
USE OF FUND CREDIT	--	--	--	--	--	--	--	--	--	--	--	--
LIABILITIES	138501	148604		-4534	4568	15317	3991	516	-2483	10106	...	...

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(APPENDIX)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982				1983	
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
<b>UPPER VOLTA</b>												
GROSS RESERVES	61	56	53(Feb)	-1	-5	7	-2	-17	11	-5	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	48	43	40(Feb)	-1	-5	6	-2	-17	11	-5	...	...
RESERVE POSITION IN THE FUND	8	8	7	--	--	2	+	--	--	+	--	--
USE OF FUND CREDIT	6	6	6	--	--	--	--	+	--	+	--	--
<b>URUGUAY</b>												
GROSS RESERVES	488	205	151(Feb)	-31	18	67	-79	-2	9	-283	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	423	204	150(Feb)	-32	17	55	-16	-2	10	-219	...	...
RESERVE POSITION IN THE FUND	37	2	+	--	2	11	-36	-1	-1	-35	-1	--
USE OF FUND CREDIT	28	--	--	1	+	1	-28	--	--	-28	--	--
	--	87	76	--	--	--	--	87	--	87	-11	--
<b>VANUATU</b>												
GROSS RESERVES	...	...	...	...	...	...	...	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	...	...	...	...	...	...	...	...	...	...	...	...
RESERVE POSITION IN THE FUND	--	1	1	--	--	--	--	--	--	--	--	--
USE OF FUND CREDIT	--	--	--	--	--	--	--	+	--	1	--	--
<b>VENEZUELA</b>												
GROSS RESERVES	7415	6365	5541	-1052	320	1836	-93	-1756	1743	-1051	-1067	242
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	6485	5284	4346	-1091	298	1665	-130	-1821	1760	-1201	-1178	240
RESERVE POSITION IN THE FUND	382	399	401	8	4	112	12	9	-10	17	-7	9
USE OF FUND CREDIT	549	682	794	30	19	59	25	56	-7	133	119	-7
	--	--	--	--	--	--	--	--	--	--	--	--
<b>VIET-NAM</b>												
GROSS RESERVES	...	...	...	...	...	...	...	...	...	...	...	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	...	...	...	...	...	...	...	...	...	...	...	...
RESERVE POSITION IN THE FUND	+	--	--	--	+	+	--	--	--	--	--	--
USE OF FUND CREDIT	--	+	+	--	--	--	--	--	--	+	--	--
	51	30	30	--	-4	20	+	--	--	-22	--	--

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

	AMOUNTS AS			INCREASE OR DECREASE (-)								
	END OF		APR 1983	1981			1982			1983		
	1981	1982		3RD QTR	4TH QTR	YEAR	2ND QTR	3RD QTR	4TH QTR	YEAR	1ST QTR	APR
WESTERN SAMOA												
GROSS RESERVES	3	3	2(Mar)	+	+	1	1	+	+	+	-1	...
GOLD AND FOREIGN EXCHANGE	3	3	2(Mar)	+	+	1	1	+	+	+	-1	...
HOLDINGS OF SDRS	+	+	+	--	--	+	+	--	--	--	--	--
RESERVE POSITION IN THE FUND	--	--	--	--	--	--	--	--	--	--	--	--
USE OF FUND CREDIT	4	4	4	--	--	2	--	--	--	-1	--	--
YEMEN ARAB REPUBLIC												
GROSS RESERVES	826	503	396	-46	45	-179	-115	-150	-70	-324	-46	-61
GOLD AND FOREIGN EXCHANGE	813	488	381	-35	45	-171	-117	-150	-70	-325	-46	-62
HOLDINGS OF SDRS	13	14	15	--	--	3	1	--	--	1	--	1
RESERVE POSITION IN THE FUND	--	--	--	-11	--	-11	--	--	--	--	10	--
USE OF FUND CREDIT	--	--	10	--	--	--	--	--	--	--	--	--
YEMEN P.D. REP.												
GROSS RESERVES	220	261	246(Mar)	31	6	35	1	26	2	41	-15	...
GOLD AND FOREIGN EXCHANGE	215	248	234(Mar)	31	4	39	4	30	-8	33	-14	...
HOLDINGS OF SDRS	4	13	11	--	2	4	-3	-1	11	9	-1	-2
RESERVE POSITION IN THE FUND	2	--	--	--	--	-8	--	-3	--	-2	--	--
USE OF FUND CREDIT	4	16	16	-1	-1	-6	-1	15	--	13	--	--
YUGOSLAVIA												
GROSS RESERVES	1437	768	646	35	89	287	-189	14	-92	-669	9	-131
GOLD AND FOREIGN EXCHANGE	1365	765	643	24	46	225	-160	16	-92	-601	9	-131
HOLDINGS OF SDRS	72	+	+	11	43	62	-29	-2	--	-72	+	--
RESERVE POSITION IN THE FUND	--	3	3	--	--	--	--	--	--	3	--	--
USE OF FUND CREDIT	1076	1590	1748	113	115	479	134	126	121	515	157	--
ZAIRE												
GROSS RESERVES	143	128	115(Mar)	63	13	-28	-117	-24	29	-15	-12	...
GOLD AND FOREIGN EXCHANGE	119	128	115(Mar)	56	1	-52	-99	-19	30	9	-12	...
HOLDINGS OF SDRS	1	+	--	-2	+	1	--	+	--	-1	--	--
RESERVE POSITION IN THE FUND	23	--	--	10	12	23	-18	-5	--	-23	--	--
USE OF FUND CREDIT	297	383	381	-5	63	114	-12	-2	-2	86	--	-2

TABLE 1: RESERVES AND RELATED DATA FOR FUND MEMBERS  
(IN SDR MILLIONS)

(APPENDIX)

	AMOUNTS AS		INCREASE OR DECREASE (-)									
	END OF		1981				1982				1983	
	1981	1982	APR	3RD	4TH	YEAR	2ND	3RD	4TH	YEAR	1ST	APR
			1983	QTR	QTR		QTR	QTR	QTR		QTR	
<b>ZAMBIA</b>												
GROSS RESERVES	56	60	41(Mar)	-9	5	-13	10	--	-13	4	-20	...
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	41	46	41(Mar)	-11	-3	-28	10	8	-27	5	-5	...
RESERVE POSITION IN THE FUND	8	15	+	--	8	8	+	--	14	7	-14	+
USE OF FUND CREDIT	8	--	--	3	--	8	--	-8	--	7	--	+
	628	576	572	-12	228	319	-20	-1	-21	-52	-32	28
<b>ZIMBABWE</b>												
GROSS RESERVES	129	117	100	-3	15	-14	-11	18	-18	-12	12	-29
GOLD AND FOREIGN EXCHANGE HOLDINGS OF SDRS	120	111	96	-3	16	-23	-10	18	-17	-9	14	-29
RESERVE POSITION IN THE FUND	9	6	4	-1	-1	9	-1	-1	-1	-3	-2	--
USE OF FUND CREDIT	+	+	+	--	+	+	--	--	--	--	--	+
	38	38	154	--	--	38	--	--	--	--	116	--

NOTES :

+ Indicates less than SDR 500,000.

\*Considered to be sufficiently strong for inclusion in the Designation Plan or Operational Budget.

1/ -- Indicates no change or a zero amount.

2/ ... Indicates data not available.

3/ Components may not add to totals because of rounding.

Table 2. Relative Reserve Positions of Selected Fund Members  
(Based on latest available data)  
(Amounts in SDR millions)

	Gross Reserves <u>1/</u>	Reserves as a per cent of Quota (2)	Reserves as a per cent of Imports <u>2/</u> (3)
	(1)	(2)	(3)
AFGHANISTAN	256	379	81 (1978)
ALGERIA	2149	503	20 (1981)
ARGENTINA	3694	460	46 (1981)
AUSTRALIA	5483	463	23
AUSTRIA	5392	1089	31
BAHAMAS	143	290	3 (1980)
BAHRAIN	1464	4881	42 (1981)
BARBADOS	109	428	23 (1981)
BARBADOS	5885	441	11
BELGIUM	266	394	38 (1981)
BOLIVIA			19
BRAZIL	3566	357	8
CANADA	4068	200	65 (1980)
CANADA	40	167	40
CENTRAL AFRICAN REP.	1277	392	63
CHILE	10724	596	
CHINA			66 (1981)
COLOMBIA	2893	999	33
COSTA RICA	265	431	46 (1981)
CYPRUS	452	886	21
CYPRUS	3168	681	13
DENMARK	163	197	
DOMINICAN REPUBLIC			13
ECUADOR	240	229	9 (1981)
EGYPT	771	225	14
EGYPT	111	172	26 (1981)
EL SALVADOR	163	303	24
ETHIOPIA	110	406	
FIJI			8
FINLAND	997	254	17
FRANCE	17713	615	39
FRANCE	288	641	32
GABON	45579	1409	11
GERMANY	986	355	
GREECE			

Table 2. (Cont.) Relative Reserve Positions of Selected Fund Members  
(Based on latest available data)  
(Amounts in SDR millions)

	Gross Reserves <u>1/</u> (1)	Reserves as a per cent of Quota (2)	Reserves as a per cent of Imports <u>2/</u> (3)
GRENADA	10	229	
HONDURAS	105	205	22 (1981)
HUNGARY	672	179	13 (1981)
ICELAND	118	270	8
INDIA	4224	246	14
INDONESIA			36 (1981)
IRAN	1806	251	
IRAQ	11839	1794	16 (1981)
IRELAND	5759	2460	144
ISRAEL	1846	794	32
	3709	1206	21
ITALY			43 (1981)
JAPAN	17174	923	
JORDAN	23549	946	22
KENYA	942	2094	20
KOREA	254	245	35 (1981)
	1751	684	15 (1981)
KUWAIT			8
LEBANON	4150	1055	54
LIBYA	2025	7257	67
MALAYSIA	5906	1979	80
MALTA	3630	957	37 (1981)
	944	3167	132
MAURITANIA			
NEPAL	105	411	43
NETHERLANDS	166	582	46
NEW ZEALAND	11530	811	20
NIGERIA	888	255	17
	1512	280	12
NORWAY			
OMAN	5974	1350	43
PAKISTAN	1136	3788	47
PAPUA NEW GUINEA	1517	355	31
PARAGUAY	281	625	26 (1981)
	645	1870	106
PERU			
PHILIPPINES	1113	452	34
PORTUGAL	1554	493	21
QATAR	1394	540	17 (1981)
ROMANIA	392	592	22
	819	223	7 (1981)

Table 2. (Conc.) Relative Reserve Positions of Selected Fund Members  
(Based on latest available data)  
(Amounts in SDR millions)

	Gross Reserves <u>1/</u> (1)	Reserves as a per cent of Quota (2)	Reserves as a per cent of Imports <u>2/</u> (3)
RWANDA	115	334	62 (1980)
SAUDI ARABIA	26888	1280	90 (1981)
SEYCHELLES	10	489	11
SINGAPORE	7968	8623	31
SPAIN	7085	848	25
SRI LANKA	280	157	18 (1981)
ST. VINCENT	6	250	17 (1979)
SURINAME	133	356	28 (1981)
SWEDEN	3376	500	14
THAILAND	1536	566	20
TOGO	152	534	41 (1981)
TRINIDAD AND TOBAGO	2546	2070	82
TUNISIA	392	415	13
TURKEY	1115	372	14
UNITED ARAB EMIRATES	2957	1459	36
UNITED KINGDOM	11491	262	13
UNITED STATES	30530	242	13
UPPER VOLTA	53	221	19
VENEZUELA	5541	560	49
YEMEN ARAB REP.	457	2343	32 (1980)
YEMEN, P.D. REP.	246	400	21 (1980)
YUGOSLAVIA	646	155	5

1/ Latest available data (see Appendix Table 1).

2/ Merchandise imports (c.i.f.) for calendar year 1981 or as marked in parentheses.

Table 3. Overall Balance of Payments as Measured by Percentage  
Change in Gross Reserves for Selected Fund Members

(Appendix)

	Quarterly Percentages 1/											
	1980			1981				1982				1983
	II	III	IV	I	II	III	IV	I	II	III	IV	I
AFGHANISTAN												
ALGERIA	-6	-5	1	-4	-7	-6	--	4	-1	-2	-2	...
ANTIGUA AND BARBUDA	+	18	2	-3	4	9	-3	1	-25	1	-7	-10
ARGENTINA	...	...	...	...	...	...	...	...	...	...	...	...
AUSTRALIA	-19	5	-18	-41	8	+	-15	3	-7	3	-17	...
	6	-21	28	22	46	-40	2	3	133	9	35	-9
AUSTRIA												
BAHAMAS	-5	22	12	-10	1	3	16	-3	4	-5	9	-2
BAHRAIN	6	2	-8	20	17	13	-25	28	37	-24	-11	+
BANGLADESH	21	-6	32	32	18	2	11	1	1	3	-1	6
BARBADOS	-36	-15	17	2	-42	-33	-4	11	-47	17	6	36
	-4	11	7	6	-8	-16	73	-8	-21	14	25	-17
BELGIUM												
BELIZE	53	10	-3	-16	6	-12	-4	-12	-10	25	-11	19
BENIN	...	...	...	...	...	...	...	...	...	...	...	...
BHUTAN	-15	19	+	57	9	135	83	-9	-67	-63	-14	...
BOLIVIA	...	...	...	...	...	...	...	...	...	...	...	...
	-5	15	-33	23	-41	82	-19	50	-42	47	-1	56
BOTSWANA												
BRAZIL	16	-7	13	--	1	-11	-10	-13	35	-2	5	-2
BURMA	-23	-5	12	-1	1	5	19	--	-1	-30	-23	...
BURUNDI	4	9	2	6	12	-8	-19	-3	-15	-38	-25	-37
CAMEROON	-3	-14	10	-3	-14	-12	-2	15	-16	-26	-28	33
	-8	5	-1	-26	-53	74	-11	1	...	...	...	...



Table 3. (Cont.) Overall Balance of Payments as Measured by Percentage  
Change in Gross Reserves for Selected Fund Members

(Appendix)

	Quarterly Percentages 1/											
	1980			1981				1982				1983
	II	III	IV	I	II	III	IV	I	II	III	IV	I
CANADA	11	-7	5	-4	-12	-1	43	-29	+	32	-3	15
CAPE VERDE	...	...	...	...	...	...	...	...	...	...	...	...
CENTRAL AFRICAN REP.	1	-12	17	3	7	-3	-1	2	-21	-20	...	...
CHAD	-1	-65	58	-102	53	55	-2	125	-46	...	...	...
CHILE	4	16	8	6	9	5	-6	-3	-5	-22	-15	-49
CHINA	45	10	-33	-21	58	3	23	12	33	30	16	...
COLOMBIA	-4	14	8	2	4	-5	7	-3	+	-10	-1	-16
COMOROS	...	...	...	...	...	...	...	...	...	...	...	...
CONGO	28	6	21	18	36	4	—	-12	-5	-62	...	...
COSTA RICA	1	4	31	-20	19	-41	26	14	19	24	10	27
CYPRUS	-4	13	23	-14	10	34	1	-3	3	23	6	-7
DENMARK	27	27	10	-6	-4	-10	2	-13	1	-10	20	12
DJIBOUTI	...	...	...	...	...	...	...	...	...	...	...	...
DOMINICA	-16	-23	-6	-62	-17	-16	-66	-73	-17	-24	73	...
DOMINICAN REPUBLIC	42	6	28	-11	29	-6	28	-27	-70	-71	272	-40
EQUADOR	-6	8	12	-15	-4	-13	-3	13	-14	-43	-5	-29
EGYPT	20	13	2	-8	-17	27	-14	11	-1	1	-3	...
EL SALVADOR	-14	-27	26	21	-2	-23	-23	37	-9	-4	-26	-11
EQUATORIAL GUINEA	...	...	...	...	...	...	...	...	...	...	...	...
ETHIOPIA	-8	-8	-32	-9	15	-12	101	-14	2	-4	-22	11

Table 3. (Cont.) Overall Balance of Payments as Measured by Percentage  
Change in Gross Reserves for Selected Fund Members

(Appendix)

	Quarterly Percentages 1/											
	1980			1981				1982				1983
	II	III	IV	I	II	III	IV	I	II	III	IV	I
FIJI												
FINLAND	-14	13	20	+	-31	20	6	-4	-23	20	-1	-11
FRANCE	11	-1	-1	-1	-4	-5	-2	9	-22	-7	41	-23
GABON	13	7	1	13	-9	-12	-	-7	-18	-11	20	-1
GAMBIA, THE	83	-29	33	70	53	-23	1	64	12	-8	...	...
	-38	-11	13	115	13	-39	-72	-52	-65	-10	-101	-49
GERMANY												
GHANA	1	+	+	8	3	-2	-8	-1	3	-1	7	13
GREECE	6	-18	-22	-1	-13	5	-1	12	11	-3	-12	-7
GRENADA	-2	-9	1	12	3	4	-25	-2	-14	15	-6	8
GUATEMALA	1	-9	15	19	-25	-9	9	-9	-11	-1	...	...
	-7	-23	-8	-8	-24	-29	-72	-16	20	-10	-9	-25
GUINEA												
GUINEA-BISSAU	...	...	...	...	...	...	...	...	...	...	...	...
GUYANA	...	...	...	...	...	...	...	...	...	...	...	...
HAITI	-7	-71	-106	334	-47	-139	19	-73	309	56	13	-35
HONDURAS	-35	-26	-99	-23	7	-44	-3	-70	79	-50	-82	-14
	-19	-24	-2	-2	-15	-24	-8	-45	-4	52	-38	-7
HUNGARY												
ICELAND	+	-17	56	-	1	-10	10	-71	57	6	20	-45
INDIA	-10	16	30	24	3	16	3	-6	9	-16	-33	-9
INDONESIA	-7	4	-6	2	-8	-13	-14	-7	-9	-14	-10	-7
IRAN	23	5	-1	18	2	-4	-11	9	-27	-10	-7	-41
	2	...	...	...	...	...	...	...	...	...	...	...

Table 3. (Cont.) Overall Balance of Payments as Measured by Percentage  
Change in Gross Reserves for Selected Fund Members

(Appendix)

	Quarterly Percentages 1/											
	1980			1981				1982				1983
	II	III	IV	I	II	III	IV	I	II	III	IV	I
IRAQ	4	17	14	-9	-10	-7	32	-6	3	3	4	-21
IRELAND	3	1	2	9	7	-2	3	3	5	4	3	6
ISRAEL	1	6	8	-17	3	8	4	-21	-1	9	-10	3
ITALY	21	-9	1	-454	2	-1624	-408	-72	-679	-422	-1119	...
IVORY COAST	33	19	-8	-16	-103	-78	-31	47	-47	-46	-31	-35
JAMAICA	16	6	9	11	10	1	+	1	-4	-4	-5	6
JAPAN	2	3	-4	-1	19	-5	-7	-12	12	-3	-9	12
JORDAN	...	...	...	...	...	...	...	...	...	...	...	...
KAMPUCHEA, DEM.	-13	-20	-2	-12	-22	-33	6	-36	-22	-32	31	10
KENYA	-15	36	-21	-5	-15	1	-5	6	-8	4	5	-17
KOREA	15	2	22	3	11	-4	3	-7	25	7	22	-19
KUWAIT	...	...	...	...	...	...	...	...	...	...	...	...
LAO P.D.R.	...	...	...	...	...	...	...	...	...	...	...	...
LEBANON	18	-2	-7	-5	-1	1	8	-10	-5	27	53	-25
LESOTHO	13	16	213	22	-17	-14	9	-10	-9	6	32	8
LIBERIA	-48	-62	-330	84	-91	-124	-123	-138	-208	10	-383	-509
LIBYA	27	14	11	4	12	-13	-25	-9	-11	-6	9	-5
LUXEMBOURG	...	...	...	...	...	...	...	...	...	...	...	...
MADAGASCAR	299	-670	88	-40	-827	19	15	32	39	-148	-65	...
MALAWI	142	-11	-39	-26	65	-7	-51	-26	78	-78	17	-47

Table 3. (Cont.) Overall Balance of Payments as Measured by Percentage  
Change in Gross Reserves for Selected Fund Members

(Appendix)

	Quarterly Percentages 1/											
	1980			1981				1982				1983
	II	III	IV	I	II	III	IV	I	II	III	IV	I
MALAYSIA												
MALDIVES	7	9	-1	--	+	-12	9	-13	--	1	9	4
MALI	...	...	...	...	...	...	...	...	...	...	...	...
MALTA	-5	27	31	86	-5	-30	18	15	-84	-48	-32	42
MAURITANIA	4	3	-1	+	-1	12	1	-1	--	3	5	-4
	-3	22	-5	6	-18	1	38	-13	-5	8	-9	-17
MAURITIUS												
MEXICO	-72	-36	128	-42	-157	-13	-16	-22	19	-45	-2	20
MOROCCO	10	8	13	11	-12	8	41	-32	-39	-23	...	...
NEPAL	-24	32	-20	-15	-83	46	21	-78	-34	-78	26	-96
NETHERLANDS	-2	-9	8	-2	8	3	11	9	8	2	-5	-16
	14	8	4	-2	-12	-4	7	3	-6	1	15	8
NETHERLANDS ANTILLES												
NEW ZEALAND	...	...	...	...	...	...	...	...	...	...	...	...
NICARAGUA	-25	21	18	28	2	4	101	-35	2	30	24	54
NIGER	...	...	...	...	...	...	...	...	...	...	...	...
NIGERIA	-5	23	-8	7	15	-8	-19	-13	-22	-33	-34	...
	20	26	2	-1	-5	-25	-40	-58	-13	1	20	2
NORWAY												
OMAN	4	4	23	-10	26	-11	12	1	12	5	-3	-12
PAKISTAN	3	9	3	12	9	+	16	+	1	-2	30	-11
PANAMA	-4	-25	-3	81	-12	-20	-26	-7	-12	8	-7	33
PAPUA NEW GUINEA	103	-40	16	-40	25	-42	1	-3	47	-35	-1	-35
	-12	7	-5	-19	-5	32	4	-22	-8	33	-16	-11

Table 3. (Cont.) Overall Balance of Payments as Measured by Percentage  
Change in Gross Reserves for Selected Fund Members

(Appendix)

	Quarterly Percentages 1/											
	1980			1981				1982				1983
	II	III	IV	I	II	III	IV	I	II	III	IV	I
PARAGUAY	4	9	6	5	11	-1	1	--	5	-6	-10	4
PERU	12	4	10	-11	-22	-10	11	-8	18	-5	-7	...
PHILIPPINES	4	-5	16	-10	-6	-12	5	-6	5	-10	-3	-13
PORTUGAL	-10	47	-12	-11	4	18	-16	-14	16	9	-10	19
QATAR	3	13	-7	6	9	-2	4	12	5	-1	...	...
ROMANIA	-33	-18	37	-6	-21	2	-14	-3	19	61	...	...
RWANDA	3	3	7	-2	3	6	-5	-7	-10	3	-10	-5
SAO TOME AND PRINCIPE	...	...	...	...	...	...	...	...	...	...	...	...
SAUDI ARABIA	2	22	1	29	4	4	8	7	-3	-1	-5	-8
SENEGAL	14	-169	-211	36	-3	-877	-45	29	-223	-600	23	...
SEYCHELLES	1	24	11	-13	-4	-2	1	-3	-20	-5	36	-19
SIERRE LEONE	-15	-25	49	3	-181	16	-17	20	-10	-28	-19	-64
SINGAPORE	4	5	5	8	5	2	9	2	4	3	8	...
SOLOMON ISLANDS	-6	4	-10	-21	-14	21	-7	60	-3	10	1	...
SOMALIA	-19	-45	-40	3	-4	97	-58	-54	-196	-163	...	...
SOUTH AFRICA	18	31	-27	41	-24	-26	14	+	-18	13	-111	4
SPAIN	-4	9	-4	-5	3	9	-5	-9	-4	2	-13	-16
SRI LANKA	-16	-9	-15	3	-25	-9	7	5	-22	26	12	-5
ST. LUCIA	-6	-15	-11	1	-42	-10	12	-7	2	-7	56	...
ST. VINCENT	-3	-9	1	-6	12	11	-7	6	6	-25	...	...

Table 3. (Cont.) Overall Balance of Payments as Measured by Percentage  
Change in Gross Reserves for Selected Fund Members

(Appendix)

	Quarterly Percentages 1/											
	1980			1981				1982				1983
	II	III	IV	I	II	III	IV	I	II	III	IV	I
SUDAN	-112	19	-243	-9	-571	-21	-21	-313	38	11	-3	-481
SURINAME	3	-2	5	10	12	-2	-1	13	-4	-9	-9	-13
SWAZILAND	-15	30	18	5	-23	-12	-1	-16	-24	37	-3	-10
SWEDEN	3	-2	-1	24	-1	6	-12	-1	-3	1	6	1
SWITZERLAND	...	...	...	...	...	...	...	...	...	...	...	...
SYRIAN ARAB REP.	-11	20	-11	-17	243	-28	-53	-77	106	...	...	...
TANZANIA	-20	-37	-83	57	89	-40	24	-15	-10	-1	34	...
THAILAND	21	-5	-19	-1	-7	-14	7	-24	24	-4	2	2
TOGO	6	3	-11	57	5	15	4	20	4	-7	+	...
TRINIDAD AND TOBAGO	-7	18	25	-5	14	9	12	-4	4	-2	-1	-13
TUNISIA	12	16	-14	-7	-6	51	-25	3	1	3	12	-24
TURKEY	-43	36	14	-16	-23	53	-18	-1	-18	8	-22	-2
UGANDA	-8	-49	-6	...	...	...	...	...	...	...	...	...
UNITED ARAB EMIRATES	32	47	-7	20	5	25	11	-4	-4	17	...	...
UNITED KINGDOM 2/	6	-2	-1	5	-12	-9	-1	-1	-8	5	-8	-5
UNITED STATES 2/	-1	5	18	16	1	1	+	2	4	2	8	3
UPPER VOLTA	21	-25	32	23	+	-1	-7	4	-3	-27	25	...
URUGUAY	3	-5	-2	6	12	-6	4	-43	-29	-45	4	...
VANUATU	...	...	...	...	...	...	...	...	...	...	...	...
VENEZUELA	-	17	-12	17	25	-13	5	-13	-1	-28	38	-17

Table 3. (Conc.) Overall Balance of Payments as Measured by Percentage Change in Gross Reserves for Selected Fund Members

(Appendix)

	Quarterly Percentages 1/											
	1980			1981				1982				1983
	II	III	IV	I	II	III	IV	I	II	III	IV	I
VIET NAM	...	...	...	...	...	...	...	...	...	...	...	...
	1	1	1	1	1	1	1	1	1	1	1	1
WEST AFRICA	-24	106	87	-10	-122	27	16	-15	32	13	15	-36
WESTERN SAMOA	-3	-2	-5	-15	-3	-6	6	1	-14	-21	-12	-11
YEMEN ARAB REP.	4	6	--	11	-10	18	4	6	1	5	1	-5
YEMEN, P.D.R.												
	-19	6	51	-7	--	-6	-2	-37	-31	-13	-25	-19
YUGOSLAVIA	11	-22	35	6	-108	104	-38	-4	-44	-18	32	-10
ZAIRE	-31	-5	79	-15	-213	5	-436	29	49	2	12	20
ZAMBIA	-13	-6	-35	-4	-43	-3	14	-1	-8	15	-13	-89
ZIMBABWE												

NOTES:

- + Indicates less than one per cent.
- Indicates no change or a zero amount.
- ... Indicates data not available.

1/ The percentages indicate the extent to which gross reserves would have changed during the quarter if there had been no change in use of Fund Credit.

2/ For changes in gross reserves and liabilities, see Appendix Table 1.

APPENDIX

Table 4. Recent Changes in Effective Exchange Rates for 27 Members  
(Percentage changes during months indicated) <sup>1/</sup>

	1983		
	February	March	April
<u>Industrial Countries</u> <sup>2/</sup>			
Austria	0.70	0.91	-1.42
Belgium	-1.37	2.23	-1.27
Canada	0.62	1.31	0.20
Denmark	-0.44	1.12	-1.58
France	0.56	-4.81	-1.16
Germany	0.94	1.66	-1.27
Italy	-1.03	-0.57	-0.99
Japan	1.60	-1.52	1.36
Netherlands	0.10	-0.53	-0.98
Norway	-0.73	1.61	0.90
Sweden	-0.25	0.43	0.45
United Kingdom	-1.91	-1.72	7.88
United States	-0.23	2.91	-0.33
<u>Other Industrial and Developing Members</u> <sup>3/</sup>			
Australia	-0.32	-7.50	-1.83
Cyprus	0.89	0.98	-0.37
Finland	0.19	0.11	0.35
Greece	0.37	0.55	1.05
Iceland	02.40	-6.03	-3.27
Ireland	0.44	0.54	-5.42
Israel	-4.25	-3.78	-5.94
Malta	0.58	0.97	0.06
New Zealand	0.29	-4.38	-2.12
Portugal	-0.78	-1.38	-2.67
South Africa	-1.28	1.69	-0.29
Spain	-0.79	-1.64	-0.99
Turkey	-1.47	-1.33	-3.15
Yugoslavia	-6.09	-4.82	-3.45

Source: Staff estimates.

<sup>1/</sup> Each monthly figure represents the change from the weekly average of daily rates from the last week of the preceding month to the last week of the month indicated.

<sup>2/</sup> The data shown here are based on the Fund's Multilateral Exchange Rate Model in which the implicit weighting structure takes account of the relative importance of a country's trading partners in its direct bilateral relationships with them, of competitive relationships with "third countries" in particular markets, and of (estimated) elasticities affecting trade flows. (See also footnote 1, above).

<sup>3/</sup> The data shown here are based on bilateral trade weights that take into account only a country's direct relationships with its trading partners. (See also footnote 1, above).



INTERNATIONAL MONETARY FUND

Operational Budget for the Quarterly Period  
June - August 1983

Prepared by the Treasurer's Department

(In consultation with Legal, Research and Area Departments)

Approved by W.O. Habermeier

June 1, 1983

1. Introduction

This memorandum submits for the consideration of the Executive Board the operational budget proposed in accordance with Rule 0-10 for the quarterly period June - August 1983. 1/

2. Estimates of transfers and receipts 2/

The estimates of possible purchases to be made by members, and other transfers mainly for repayment of borrowings not matched by repurchases and for interest payments by the Fund, suggest that an amount of SDR 3.0 billion should be provided for in the operational

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1/ The proposed budget has been drawn up on the basis of Executive Board Decision Nos. 6772-(81/35) and 6774-(81/35), both adopted March 5, 1981. (Selected Decisions, Ninth Issue p.p. 84-88). See also SM/83/63, "Review of the Sales of SDRs and Proposal on the Level of the Fund's SDR Holdings", April 18, 1983.

2/ "Transfers" cover purchases under stand-by and extended arrangements, reserve tranche purchases, purchases under the compensatory financing decision and, buffer stock facility, repayment of borrowings not matched by repurchases including repayments of short-term loans, and certain payments in connection with the Fund's outstanding borrowings not made in the lenders own currency or in SDRs.

"Receipts" cover repurchases by members that do not lead to repayment of lenders, and acquisitions of SDRs from the Fund against payments of currency for payments of charges.

budget to cover transfers of ordinary resources by the Fund. 1/ This total of SDR 3.0 billion covers (i) expected purchases under existing and prospective stand-by and extended arrangements; (ii) likely purchases under the compensatory financing decision and the buffer stock facility; and (iii) a provision for possible use of reserve tranche positions by members with weak balance of payments positions. The estimates under (i) and (ii) above are broadly in line with those in the last review of the Fund's liquidity position (see EBS/83/59, March 18, 1983). As regards reserve tranche purchases, it will be recalled that in EBS/83/59 (March 18, 1983) it was mentioned that it would be prudent to keep in mind the possible use of, say, SDR 1.5-2.0 billion in the period through April 30, 1984.

The estimates for receipts of currencies in the coming quarter total SDR 650 million, mainly for scheduled repurchases that do not involve repayments to lenders, expected early repurchases, and for the acquisition of SDRs from the General Resources Account by members needing to obtain SDRs for payment of charges. A small margin is provided for repurchases that may arise in connection with overcompensation in compensatory financing purchases.

Thus, with transfers budgeted at SDR 3 billion and receipts at SDR 650 million, the proposed operational budget envisages the further net use of ordinary resources in an amount of about SDR 2.4 billion.

The proposed budget does not cover repurchases and corresponding repayments to lenders under the Supplementary Financing Facility except as indicated below. In accordance with established procedures "best efforts" are made to ensure that these repurchases and repayments are made simultaneously and in the same media, so as not to affect the Fund positions of those members whose currencies are used. 2/ This practice cannot, however, be followed in all cases. Members have a right to use SDRs in repurchases, while lenders are not obligated to

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1/ The proposed budget is not intended to cover purchases by a member that exercises its right under Article V, Section 3(d) to acquire a specific currency in order to buy back a balance of its own currency held by another member, e.g., purchases for intra-EEC settlements. The transfer side of the budget also does not cover any operational payments that would be made by the Fund in the lender's own currency or in SDRs, e.g., interest payments on borrowings, repayment of borrowings, and transfers of SDRs to members acquiring them from the General Resources Account against currency specified by the Fund.

2/ Executive Board Decision No. 4242-(74/67), June 13, 1974 and Decision No. 5509 (77/127), August 29, 1977 (Selected Decisions, Ninth Issue, pages 134 and 189).

accept SDRs in repayments by the Fund. If a lender does not wish to receive SDRs, the procedure followed is to offer the lender its own currency or a currency being used on the transfer side of the budget. 1/

Purchases that involve the use of borrowed resources will continue to be financed, in the relevant proportions, from the Fund's ordinary resources under the budget and by borrowing under the supplementary financing facility and under the Fund's enlarged access policy.

3. Members considered sufficiently strong for inclusion in budget

As mentioned in the paper proposing the designation plan, the staff considers that a total of 19 members have balance of payments and gross reserve positions that are sufficiently strong for the members to be subject to designation and for their currencies to be included for net sales in the proposed operational budget. 2/ Compared with the current operational budget, it is proposed to include Italy and to exclude Venezuela from the list of members considered sufficiently strong.

Of these 19 members considered sufficiently strong, China is indebted to the Fund. China completed an early repurchase of SDR 333.84 million in accordance with the guidelines during the present budget period (see page 3 and Table 3 of EBS/83/49). In the next budget period China is to make a further early repurchase of the balance of SDR 116.16 million of its first credit tranche purchase. 3/

4. Proposed use of SDRs in transfers

In accordance with the guidelines in Decision No. 7397-(83/70)S, adopted May 16, 1983, the Fund is to sell SDRs through the operational budgets in such a manner as to aim at reducing the Fund's SDR holdings

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1/ Executive Board Decision No. 5441-(77/84), adopted June 10, 1977 (Selected Decisions, Ninth Issue, Page 197).

2/ These members are: Austria, Canada, China, Colombia, Germany, Italy, Japan, Kuwait, Malta, Netherlands, Norway, Oman, Paraguay, Qatar, Saudi Arabia, Singapore, Trinidad and Tobago, United Kingdom and United States. In connection with the transferability of certain loan claims on the Fund, the relevant borrowing agreements refer to a member's currency being usable, in the opinion of the Fund, "in net sales in the Fund's currency budgets for the foreseeable future". The members listed above are covered by this definition. Members with net creditor positions that meet this definition at the time they receive a transfer of a loan claim have the right to encash that claim with the Fund for balance of payments reasons.

3/ See Table 3. See also Decision No. 6172-(79/101), adopted June 28, 1979 (Selected Decisions, Ninth Issue, Page 93).

to about SDR 1.5 billion by end of 1983. 1/ As indicated in SM/83/63, in order to achieve this objective, sales of SDRs through the budgets in the period June through December, 1983 would need to be in the order of SDR 3 billion. Accordingly, it is proposed that sales of SDR 1.5 billion be included on the transfer side of the budget covering the period through early September. If all of these SDRs are sold, and taking account of other expected inflows and outflows of SDRs mainly for repurchases, charges and acquisition of SDRs by members, the present total of the Fund holdings of SDRs of SDR 3.6 billion would be reduced to about SDR 2.7 billion.

#### 5. Calculation of amounts of currencies

The amounts of currencies and SDRs proposed for use in the operational budget proposed for the quarterly period June - August 1983 are set out in Table 1. Data used in the calculation are shown in Table 2.

##### a. Transfers of currencies

With transfers of SDRs amounting to SDR 1.5 billion, the total for transfers of currencies is SDR 1.5 billion. In accordance with Decision No. 6772, amounts of U.S. dollars are to be included on the basis of ad hoc proposals, and it is proposed that SDR 600 million in U.S. dollars be used in transfers; this would be 40 per cent of total transfers of currencies. 2/ The remaining SDR 900 million is distributed in proportion to the other members' gold and foreign exchange holdings, subject to the limitations proposed below on the sale of certain currencies.

As in recent quarterly periods, an ad hoc limitation is proposed on the amounts used for transfers of the currencies of a few members whose quotas are relatively low in absolute terms and where the Fund's holdings of their currencies would be reduced below 10 per cent of quotas by transfers in proportion to their resources. These members are Malta, Oman, Paraguay, Singapore and Trinidad and Tobago. It is proposed that, as in the existing budget, transfers of their currency be limited to the lesser of 6 per cent of their quotas, or the amount of transfers that would reduce the Fund's holdings of their currency to 10 per cent of their quotas. The overall amount by which the proposed use of these currencies was affected by these limitations was SDR 24 million, and this was redistributed among other members in proportion to their gold and foreign exchange holdings.

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1/ See SM/83/63 (4/18/83), "Review of the Sales of SDRs and Proposal on the Level of the Fund's SDR Holdings".

2/ The Fund's holdings of U.S. dollars is about 36 per cent of the total of the Fund's holdings of usable currencies, taking account of the changes in the list of usable currencies proposed in this memorandum.

The Fund's holdings of currencies of a number of members, particularly those of Colombia (18 per cent of quota), Germany (23 per cent), Norway (20 per cent) and Saudi Arabia (18 per cent), are already at relatively low levels and will be further reduced under the proposed budget to levels not far from the 10 per cent which has been deemed to be a guide for working balances. Depending on the precise extent of net use of these currencies in the next three months, the continued use of these currencies in the September - November 1983 budget period in proportion to the members' gold and foreign exchange holdings would bring the Fund's holdings of these currencies close to, and perhaps somewhat below, 10 per cent of the members' quotas. An alternative would be to place some form of emphasis on the use of those currencies that the Fund still holds at relatively high levels in relation to the members' quotas. Appropriate proposals would be made to the Executive Board, as necessary, in the next operational budget.

b. Receipt of currencies

The distribution of currencies (including the U.S. dollar) on the receipt side of the budget is made in relation to members' reserve tranche positions in the Fund; for Germany and Japan, the amounts of outstanding GAB loans are added to the reserve tranche positions. 1/

In accordance with usual practice, the currencies of members that have no purchases outstanding and are not considered sufficiently strong, and whose reserve tranche positions are relatively high proportions of their gold and foreign exchange holdings, are also included on the receipt side of the budget. The members in this position for whom amounts appear on the receipt side are Finland and Venezuela. 2/ These members have ratios of reserve tranche positions to their gold and foreign exchange holdings which are above the projected average ratio of 7.8 per cent for all members considered sufficiently strong excluding the United States.

6. Execution of the proposed operational budget

In order to aim at the target of SDR holdings of SDR 1.5 billion by end December 1983, it is proposed to give some emphasis to sales

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1/ This is in accordance with Decision No. 6772-(81/35)G/S under which ... "A member's "position in the Fund" shall be defined as its reserve tranche position plus any outstanding loans to the Fund by the member, or an institution of a member, under credit arrangements that are judged by the Fund to provide it, on a continuing basis, with the ability to finance uses of its resources by members on terms comparable to those applicable to the Fund's use of its currency holdings for this purpose."

2/ Other members in this category are Cameroon, Congo, Niger and Upper Volta but the calculated amounts were less than SDR 0.5 million.

of SDRs, particularly in the early part of the quarterly period, so as to ensure that a substantial proportion of the SDRs included in the budget are, in fact, used. It is also proposed to continue to use currencies to finance purchases in broad proportions to the amounts in the proposed budget.

7. Consultations with and concurrence of members in the use of their currencies

To the extent that members' currencies might be used in those transactions and operations for which members' concurrence in the use of their currencies is required, it is proposed that--as with previous budgets--the discussion of the budget by the Executive Board will be considered to constitute the necessary consultations. <sup>1/</sup> Thus members' concurrence in the use of their currencies for all transactions and operations will be assumed unless an objection is raised by the Executive Director elected or appointed by the members during the discussion.

8. Execution of the current operational budget

Details of the execution of the existing budget are set out in Table 4. As of May 27, 1983, SDR 1,413 million of the total amount of SDR 2,994 million provided in the budget for transfers was used or advised for use. Reserve tranche purchases were appreciably lower than the margin which had been provided for in the budget for these purchases. Total receipts of currencies by May 27, 1983 amounted to the equivalent of SDR 622 million or over three-quarters of the total amount provided for in the budget. As a result, net transfers of ordinary resources were about SDR 0.8 billion.

The means of payment used in repurchases under the oil and supplementary financing facilities, and in repayments of borrowing under these facilities, are shown in Table 5. Repurchases and repayments to oil facility and SFF lenders could not be "matched" to the extent of SDR 12.5 million, as the repurchases were made with SDRs and lenders requested currencies in repayment.

9. Utilization of SFF in substitution for EAR borrowed resources

It was agreed by the Executive Board that the substitution of SFF for EAR resources would be considered on the occasion of each

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<sup>1/</sup> This includes all transactions and operations for transfers and receipts other than those for purchases and repurchases. All members whose currencies are not freely usable and are included in the budget have already given this concurrence in connection with the establishment of procedures for exchange of currencies under Rule 0-4(a).

operational budget (see Buff 82/2, 1/15/82). So far a total of SDR 924 million of SFF resources have been substituted in purchases by The Gambia, India, Liberia, and Mauritius.

The balances under SFF lines of credit that can be called upon total SDR 750 million and undrawn balances of SFF commitments under arrangements are somewhat over SDR 500 million. The margin is thus some SDR 250 million. However, there is the possibility that an SFF lender holding claims on the Fund in excess of this amount may wish to encash these claims in the near future, and the available margin would need to be used to refinance the encashment of these claims. Accordingly, it is not proposed to substitute any SFF for EAR resources in the coming quarter. Disbursements of SFF resources may be made up to February 22, 1984, and this matter will be reviewed again for the next two quarterly periods in light of the prevailing circumstances.

#### 10. Fund Liquidity

The actual results through end April were as estimated in the last liquidity paper (EBS/83/59, March 18, 1983).

During the period May 1, 1982 - April 30, 1983 actual purchases under arrangements amounted to SDR 5.7 billion, of which SDR 2.6 billion was ordinary resources and SDR 3.1 billion borrowed resources. Purchases under the compensatory financing decision were SDR 3.7 billion and under the buffer stock facility were about SDR 0.4 billion. Reserve tranche purchases were SDR 1.1 billion.

The Fund's adjusted uncommitted ordinary resources would be over SDR 10.0 billion, as a result of the proposed inclusion of Italy and the exclusion of Venezuela in this budget, or at a slightly higher level than indicated in EBS/83/59.

Since early April, commitments of borrowed resources under enlarged access have been very much as indicated in the liquidity paper, and the present excess of commitments over lines of credit is SDR 2.1 billion. If account is taken of lines of credit that are unusable at present, the excess of commitments over credit lines that are actually available is about SDR 2.5 billion. Thus the Fund's net uncommitted resources, excluding GAB resources, are of the order of SDR 8 billion.

At present, reserve tranche positions total SDR 20.6 billion and loan claims on the Fund SDR 10.9 billion, of which about SDR 4.5 billion and SDR 0.5 billion, respectively, are held by members that have prospective current account deficit positions.

Commitments under arrangements and purchases under the compensatory financing decision are now expected to be at somewhat higher levels

than estimated in EBS/83/59. Unless further borrowing can be arranged (or the quota increase comes into effect) the Fund's total commitments under stand-by and extended arrangements will exceed its usable resources by about the end of the year, as the commitment gap for borrowed resources under the EAR would have risen to the range of SDR 7-8 billion and the Fund's holdings of uncommitted usable ordinary resources would be less than this gap.

The usual data relevant to the Fund's liquidity are set out in Annex Tables 1 and 2. The next full review of the Fund's liquidity is scheduled for September, 1983.

11. Recommended Decision

The following draft decision is proposed for adoption by the Executive Board:

The Executive Board approves the list of members considered sufficiently strong as set out in EBS/83/112, page 3, footnote 2, and the operational budget for the quarterly period beginning June 15, 1983, as set out in EBS/83/112.

Attachments



Table 1. Proposed Use of Currencies and SDRs for Transfers and Receipts  
for the Quarterly Period June - August 1983

(In millions of SDRs)

	Transfers	Receipts
Austria	31.8	11.1
Canada	24.5	10.9
Colombia	16.4	8.3
Finland	--	2.7
Germany	263.5	106.7
Italy	104.3	21.9
Japan	127.4	48.9
Kuwait	23.0	9.6
Malta	1.8	0.9
Netherlands	65.7	23.2
Norway	35.1	12.3
Oman	1.8	0.8
Paraguay	2.1	1.0
Qatar	2.4	0.9
Saudi Arabia	127.8	59.6
Singapore	5.5	2.4
Trinidad and Tobago	7.4	3.4
United Kingdom	59.5	55.6
Venezuela	--	14.8
Sub-total	900.0	395.0
United States	<u>600.0</u>	<u>255.0</u>
Total Currencies	1,500.0	650.0
SDRs	1,500.0	--
Total Budget	<u>3,000.0</u>	<u>650.0</u>

Table 3. Calculations in Accordance with Guidelines on  
Early Repurchases for the Quarterly Period June - August 1983

(In millions of SDRs)

Member	Quota (1)	Amount Outstanding Subject to Repurchases (2)	Gross Reserves (3)	Change in gross Reserves Over Last Six Months (4)	1.5% of Gross Reserves (5)	5% of Change in Gross Reserves (6)	Calculated Early Repurchase total Col. (5) & Col. (6) (7)	'Credit' for Advance Repurchase (8)	Maturing Obligations (9)	Expected Early Repurchase
China	1,800	116.16	10,724	3,607.28	160.85	180.36	341.22	--	--	116.16 <sup>2/</sup>

<sup>1/</sup> Latest available data: December 31, 1982.

<sup>2/</sup> Amount for early repurchase was reduced to equal the amount subject to repurchase of SDR 116.16 million.

Table 2. Proposed Use of Currencies and SDRs for Transfers and Receipts and Related Statistics  
for the Quarterly Period June-August 1983

(In millions of SDRs)

	Official Gold and Foreign Exchange Holdings (GFE) (1)	Reserve Tranche Position (RTP) <sup>1/</sup> (2)	RTP as Percent of GFE (3)	Fund's Holdings --of Currencies-- Amount (4)	Norm as Percent of Quota (5)	Norm Percent of Quota (6)	Transfers (7)	Receipts (8)	Status After Use ---Holdings--- Percent of Amount Quota (9)	Percent of RTP/GFE (10)	RTP/GFE (11)
(Continued)											
TOTAL	169,022	18,701	7.5	15,731	46.7	87.6	1,500.0	650.0	14,881	44.2	7.9 <sup>2/</sup>
II. SDRs							1,500.0				
GRAND TOTAL							3,000.0				

Note: Data on gold and foreign exchange holdings as of April 30, 1983 or latest available; other data as of May 27, 1983.

<sup>1/</sup> Reserve Tranche Position and GAB loan. The average RTP/GFE ratio excludes the United States.

<sup>2/</sup> Excludes the United States. Excluding also members that are not considered sufficiently strong, the ratio is 7.8%.

Table 2. Proposed Use of Currencies and SDRs for Transfers and Receipts and Related Statistics for the Quarterly Period June-August 1983

(In millions of SDRs)

	Official Gold and Foreign Exchange Holdings (GFE) (1)	Reserve Tranche Position (RTP)1/ (2)	RTP as Percent of GFE (RTP/GFE) (3)	Fund's Holdings --of Currencies--			Transfers (7)	Receipts (8)	Status After Use ---Holdings---		RTP/GFE (11)
				Amount (4)	Percent of Quota (5)	Norm as Percent of Quota (6)			Amount (9)	Quota (10)	
<b>I. Currencies</b>											
AUSTRIA	4,833	320	6.6	175	35.4	86.4					
CAMEROON	11	14	126.3	54	79.4	87.1	31.8	11.1	154	31.2	7.1
CANADA	3,722	315	8.5	1,721	84.5	86.5	--	--	54	79.4	126.3
COLOMBIA	2,483	239	9.6	51	17.5	86.4	24.5	10.9	1,707	83.9	8.9
CONGO	30	3	10.9	22	87.1	87.5	16.4	8.3	43	14.7	10.0
FINLAND	827	77	9.4	316	80.3	87.9	--	--	22	87.1	10.9
GERMANY	39,999	3,074	7.7	742	22.9	87.6	--	2.7	318	81.0	9.0
ITALY	15,830	631	4.0	1,229	66.1	86.6	263.5	106.7	585	18.1	8.1
JAPAN	19,339	1,410	7.3	1,273	51.1	87.9	104.3	21.9	1,147	61.7	4.5
KUWAIT	3,495	276	7.9	118	29.9	95.9	127.4	48.9	1,194	48.0	7.7
MALTA	892	25	2.8	5	15.4	86.7	23.0	9.6	104	26.5	8.3
NETHERLANDS	9,979	669	6.7	753	53.0	87.7	1.8	0.9	4	12.4	3.0
NIGER	10	6	61.4	18	74.4	86.5	65.7	23.2	711	50.0	7.2
NORWAY	5,329	353	6.6	89	20.2	86.4	--	--	18	74.4	61.4
OMAN	1,102	22	2.0	8	26.0	94.2	35.1	12.3	66	15.0	7.1
PARAGUAY	589	29	4.9	6	16.2	86.2	1.8	0.8	7	22.7	2.1
QATAR	363	25	6.8	41	62.6	92.4	2.1	1.0	4	13.0	5.1
SAUDI ARABIA	19,398	1,719	8.9	381	18.1	98.4	2.4	0.9	40	60.3	7.3
SINGAPORE	7,851	69	0.9	23	25.0	90.0	127.8	59.6	313	14.9	9.2
TRINIDAD AND TOBAGO	2,362	97	4.1	26	21.0	87.2	5.5	2.4	20	21.7	0.9
UNITED KINGDOM	9,045	1,607	17.8	2,780	63.4	84.0	7.4	3.4	22	17.8	4.3
UNITED STATES	17,147	7,288	42.5	5,320	42.2	86.7	59.5	55.6	2,776	63.3	17.8
UPPER VOLTA	40	6	14.1	18	76.5	86.5	600.0	255.0	4,975	39.5	44.5
VENEZUELA	4,346	427	9.8	563	56.9	91.7	--	--	18	76.5	14.1
							--	14.8	578	58.4	9.5

Table 4. Use of Currencies and SDRs in Transfers and Receipts under the Operational Budget for the quarterly period March - May 1983

(In millions of SDRs)

Member	Operational Budget					
	Transfers		Receipts		Net Change	
	Proposed (1)	Used <sup>1/</sup> (2)	Proposed (3)	Used (4)	Proposed (5)	Actual <sup>2/</sup> (6)
Austria	69.2	31.6	13.9	10.1	55.3	21.5
Canada	49.3	12.0	14.7	12.2	34.6	-0.2
Colombia	28.3	10.0	10.8	3.5	17.5	6.5
Germany	595.4	319.9	131.8	96.3	463.6	223.6
Japan	274.7	120.2	64.0	45.9	210.7	74.2
Kuwait	68.0	34.7	11.5	7.2	56.5	27.6
Malta	0.9	---	1.2	---	-0.3	---
Netherlands	149.3	51.3	29.7	26.6	119.6	24.7
Norway	47.5	15.0	16.4	9.8	31.1	5.2
Oman	1.8	---	1.0	0.2	0.8	-0.2
Paraguay	1.3	---	1.4	0.8	-0.1	-0.8
Qatar	5.1	---	1.2	---	3.9	---
Saudi Arabia	301.0	189.6	73.3	44.4	227.7	145.2
Singapore	5.5	---	3.3	0.9	2.2	-0.9
Trinidad and Tobago	7.4	1.2	4.8	2.6	2.6	-1.4
U.K.	119.5	44.0	75.0	41.2	44.5	2.8
U.S.A.	1,100.0	583.2	325.0	313.6	775.0	269.7
Venezuela	70.0	---	20.3	6.6	49.7	-6.6
Total	2,894.2	1,412.7	799.3	621.9	2,094.9	790.9
SDRs	100.0	48.1				
GRAND TOTAL	2,994.2	1,460.8				

Note: Details may not add to total due to rounding.

<sup>1/</sup> Including payments of interest on Fund borrowings and "mismatched" repayments to lenders under the oil and supplementary financing facilities.

<sup>2/</sup> Including amounts advised to members for pending transactions as of May 27, 1983.

Table 5. Means of Payments Used in Oil and Supplementary Financing Facilities Repurchases and Repayments to Lenders March - May 1983

(In millions of SDRs)

Currencies/SDRs	Repurchases		Repayments		Cumulative*			
	Oil	SFF	Oil	SFF	Repurchases Oil	SFF	Repayments Oil	SFF
SDRs	16.7	3.7	1.1	--	1,466.9	20.1	416.0	4.2
U.S. dollars	26.2	0.9	33.0	6.6	2,615.3	15.5	3,399.0	33.4
Deutsche mark	0.9	--	0.9	--	761.4	--	860.5	--
Japanese yen	--	--	--	--	382.1	--	393.6	--
Other currencies	<u>8.5</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>63.4</u>	<u>--</u>	<u>220.0</u>	<u>1/ --</u>
Total	52.3	4.6	35.0	6.6	5,289.1	35.6	5,289.1	37.6

Note: Details may not add to totals due to rounding.

\* Transactions shown for last 18 quarterly budgets beginning December 1, 1978 for the oil facility and for last three quarterly budgets beginning September 1, 1982 for SFF.

1/ Exchanged for U.S. dollars under Rule 0-4.

Annex Table 1. Selected Balance Sheet Data

(In billions of SDRs)

	April 30						
	1977	1978*	1979	1980	1981*	1982	1983
1. Usable Ordinary Resources (unadjusted)	6.6	12.7	10.1	11.9	28.9	22.2	18.0 <sup>1/</sup>
2. (a) Usable Ordinary Resources (adjusted)	4.6	8.9	7.2	8.4	21.9	18.7	15.1 <sup>2/</sup>
(b) Uncommitted Ordinary Resources (adjusted)	0.7	5.3	5.2	7.0	19.6	15.1	9.4
3. Gold at SDR 35 per fine ounce	5.0	4.5	4.1	3.6	3.6	3.6	3.6
4. BRS Accounts	—	—	—	—	—	0.2	1.8
5. Reserve Tranche Positions	10.8	9.0	8.3	8.4	13.1	15.6	20.6
6. Outstanding Borrowing	—	—	—	—	—	1.4 <sup>3/</sup>	4.1 <sup>3/</sup>
a) EAR	—	—	—	0.5	2.0	4.1	6.0
b) SFF	0.9	1.6	0.8	0.8	0.8	0.8	0.8
c) GAB <sup>4/</sup>	6.8	6.5	4.3	2.5	1.5	0.5	—
d) Others <sup>5/</sup>	7.7	8.1	5.1	3.8	4.3	6.8	10.9
Total							
7. Unused Credit Lines	—	—	—	—	—	7.9	5.2
a) EAR	—	—	7.8	7.3	5.8	3.7	1.6
b) SFF	2.2	1.7	2.5	2.5	2.5	2.4	2.4
c) GAB <sup>4/</sup>	0.2	0.2	—	—	—	—	—
d) Others <sup>5/</sup>	2.4	1.9	10.3	9.8	8.3	14.1	9.2
Total							
8. Total Outstanding Borrowing and Unused Credit Lines <sup>4/</sup>	10.1	10.0	15.4	13.6	12.6	20.9	20.1
9. Total Quotas	29.2	32.3	39.0	39.0	59.6	60.7	61.1

Note: Details may not add to totals due to rounding.

\* Years in which quota increases became effective.

<sup>1/</sup> Takes into consideration both SDR interest payments and remuneration for the financial year 1983.

<sup>2/</sup> Usable currency holdings adjusted downwards by about one fifth to take account of the Fund's holdings of the currencies of creditor members with weakening balance of payments positions and necessary working balances.

<sup>3/</sup> Including borrowing temporarily invested in the BRS Accounts.

<sup>4/</sup> The total of GAB credit lines at April 30, 1983 was SDR 6.4 billion of which SDR 777 million had been used, leaving a balance of about SDR 5.6 billion. For the purposes of this table the definition in the guidelines for borrowing is used. These guidelines provide that the GAB be included for an amount equal to outstanding borrowing by the Fund under the GAB or one half of total credit lines under the GAB, whichever is the greater. The one half of the total, or SDR 3.2 billion, which is the greater amount at present, is composed of SDR 0.8 billion (line 6(c)) and SDR 2.4 billion (line 7(c)).

<sup>5/</sup> Oil facility and special borrowing arrangements with Swiss National Bank in connection with activation of the GAB.

Annex Table 2. Fund Liquidity - Selected Ratios  
(In per cent)

	April 30						
	1977	1978	1979	1980	1981	1982	1983
1. Quota ratio <u>1/</u>	34.6	31.0	39.5	34.9	21.1	34.3	32.9
2. Liquidity ratio <u>2/</u>	3.8	31.0	38.8	57.4	112.6	68.3	35.6
3. Ratio of uncommitted ordinary resources to reserve tranche positions	6.5	58.9	62.7	83.3	149.6	96.8	45.6
4. Asset ratio <u>3/</u>							
(i) excluding gold	35.7	74.3	75.4	97.5	166.1	100.0	62.9
(ii) including gold	62.7	100.6	106.0	127.0	186.8	116.1	74.3

1/ The quota ratio is the ratio of total Fund borrowing plus unused credit lines to total Fund quotas as defined under the decision on guidelines for borrowing.

2/ The liquidity ratio is the ratio of uncommitted ordinary resources (adjusted) and temporary investments in BRS accounts to outstanding borrowing and total reserve tranche positions.

3/ The asset ratio (i) is the ratio of usable ordinary resources (unadjusted) and temporary investments in BRS accounts to outstanding borrowing and total reserve tranche positions; (ii) is the ratio which includes gold valued at SDR 35 per fine ounce in the Fund's Assets.





c.

OK  
r.

I agree with the  
few EC points  
on p 3.

Delors wait run - I guess,  
and wouldn't be ideal for  
us. Stortenbergh is a  
bit heavy-footed.

But if either acquired  
a EC majority, we

should back him.

Failing that, re Belgium.

JOB.

20/VI.

FROM: J.G.LITTLER  
DATE: 20 JUNE, 1983

CHANCELLOR OF THE EXCHEQUER

cc Mr. Middleton  
Mr. Unwin  
Mr. Battishill  
Mr. Lavelle  
Mr. Bottrill

CHAIRMANSHIP OF IMF INTERIM COMMITTEE

Sir Geoffrey's Howe's move leaves the chairmanship of the IMF Interim Committee vacant. (We are arranging separately a formal letter of resignation). The appointment is a personal - not a national - one, with no particular rules as to rotation, length of tenure, etc. The chosen candidate emerges from soundings and canvassing.

As far as one can state the requirements, I think they are:

- some experience of the Committee;
- good command of the English language, in which IMF business tends mainly to be done (French might just do, but would have some inconvenience);
- competence in the general qualities of chairmanship;
- acceptability to the membership generally, which tends to be a negative consideration, ruling out people with known extreme views.

There is also a feeling that the choice should fall on an industrial country (since developing countries naturally claim the chairmanship of the parallel Development Committee); that choice of the United States Finance Minister would not be acceptable; and therefore that Europe has a strong claim. An occasional additional consideration is that the chairmanship should not be held by one who is already chairman of another major group in the same field.

I attach a list of those who have held the chairmanship previously. I also attach a list of current members of the Interim Committee.

As I see it, the choice on this occasion is pretty limited. Possibilities might be:



- Delors (France): among the most senior, and very competent, but his command of English is not strong, he is already currently G.10 Chairman, and I am pretty sure the United States would refuse French Chairmanship;
- - Ruding (Netherlands): would be a competent Chairman, but is rather junior and, although sensible, a bit light-weight;
- Stoltenberg (Germany): a strong choice, although his Chairmanship in the Community has been variable in quality and his known views may make him unwelcome to developing country members;
- de Clercq (Belgium): held the post previously with reasonable success (which could count either way), has a middle position on most subjects, and is very anxious for the job.

Sir Geoffrey Howe. himself would have felt a very slight obligation towards de Clercq because of the relatively graceful way in which de Clercq eventually withdrew his own rival candidature last September. There was even a partial understanding that, if the Chancellor were absent on any particular occasion, de Clercq would be the natural substitute.

→ So far, we know that the Belgians are already mobilising a campaign for de Clercq. I learned over the weekend that they claim support already from Netherlands (which would rule out Ruding) and Denmark. There has also been a suggestion from a German source, probably not under instructions, that the choice would lie between Stoltenberg and Takeshita (Japan). I feel sure the latter must be ruled out, because he speaks nothing but Japanese and has been a pretty poor participant in discussions for the last year or so.

I shall no doubt become involved in soundings over the next two or three weeks. I would be grateful to know whether the Chancellor has any views as to the personalities or politics of the choice. Subject to his views, what I would like to do, initially among Community colleagues but also with the United States, Japan and others who may sound me, is as follows:



- indicate a preference for a Community candidate (in talking with the US and Japan I would do it by drawing attention to shortcomings of others);
- show some preference for de Clercq on consideration of likely acceptability to others, unless France and Germany are making a bid;
- if there seem to be potentially rival bids within the Community, urge colleagues there to sort them out privately, before we go public outside the Group;
- in a Community conflict, I would initially urge the merits of de Clercq above Stoltenberg, and both above Delors, unless there emerged strong Franco-German support for either of the two latter, in which case I think we would have to join them.



(J. G. LITTLER)



INTERIM COMMITTEE

	<u>Venue</u>	<u>Chairman</u>
1. October 1974	Washington	J N Turner (Can.)
2. January 1975	Washington	J N Turner (Can.)
3. June 1975	Paris	J N Turner (Can.)
4. August 1975	Washington	J N Turner (Can.)
5. January 1976	Kingston	W de Clercq (Bel.)
6. October 1976	Manila	W de Clercq (Bel.)
7. October 1976	Manila	W de Clercq (Bel.)
8. April 1977	Washington	W de Clercq (Bel.)
9. September 1977	Washington	D Healey (UK)
10. April 1978	Mexico City	D Healey (UK)
11. September 1978	Washington	D Healey (UK)
12. March 1979	Washington	D Healey (UK)
13. October 1979	Belgrade	F M Pandolfi (Italy)
14. April 1980	Hamburg	F M Pandolfi (Italy)
15. September 1980	Washington	H Andrasch (Aus.)
		<u>[R Monory (Fr.)]</u>
16. May 1981	Libreville	A J MacEachen (Can.)
17. September 1981	Washington	A J MacEachen (Can.)
18. May 1982	Helsinki	A J MacEachen (Can.)
19. September 1982	Toronto	A J MacEachen (Can.)
20. February 1983	Washington	G. Howe (UK)





MEMBERS OF THE INTERIM COMMITTEE

Abal-Khail	Saudi Arabia
Al-Najafi	Iraq
Bouraoui	Algeria
Chidzero	Zimbabwe
de Clercq	Belgium
Delors	France
Galveas	Brazil
Goria	Italy
Keating	Australia
Lalonde	Canada
Lawson	United Kingdom
Mukherjee	India
Nordal	Iceland
Prachuabmoh	Thailand
Regan	United States
Ruding	Netherlands
Sambwa	Zaire
Shang Ming	China
Silva Herzog	Mexico
Stoltenberg	Germany
Takeshita	Japan
Wehbe	Argentina



20/6/83

Argentina

Mr Denison's minute of 22 June explains Britain's financial links with Argentina. You may like to take the opportunity to emphasise our interest in Argentina's IMF programme with the Managing Director.

2. So far the IMF seems disposed to play the question of the next scheduled drawing by Argentina next month very much by the book. M. de Larosiere told Mr Wicks on 16 June that Argentina's failure to permit repatriation of British companies' profits constituted a breach of the terms of Argentina's programme. He would <sup>not</sup> be able to recommend to the Board that the programme should continue. No further drawings would be possible until the restrictions were lifted. So far so good.

3. The danger is that de Larosiere may succumb to one or both of the arguments that:

(a) the technical breach is minimal (Argentina's finance minister del Solar claims that it is not an exchange restriction, and therefore outside the Fund's jurisdiction); or will be put right soon. We want proof that the prevailing selective victimisation of British companies will be lifted;

(b) suspending Fund support for Argentina risks default by some major banks by provoking a collapse of international banks' already fragile confidence in Latin America as a whole. This argument is most likely to be put by the US, many of whose banks are heavy lenders to Latin America.

4. Line to take: you should encourage the Managing Director's strict legalistic stance. We have no indication as yet of any deviation from it.



ANNEX BOTHER CURRENT FUND ISSUES(a) Eighth Quota Review: Implementation

As Chairman of the Interim Committee, Sir Geoffrey Howe secured agreement to accelerate the Fund's Eighth Quota Review agreed last February. Members' quotas (ie subscriptions to the Fund) are to be raised on average by 47.5% with significant redistribution in favour of the industrialised and OPEC members. This will furnish the Fund with some \$33 or so more "ordinary" resources (in the jargon), of which about half will be in useable currency eg deutschemark, dollar, yen etc. (The rest is in weak currencies.)

2. The vast bulk of the 146 IMF members have yet to ratify their quota increases although a few have already done so. As you know, our plans are well ahead. A statutory instrument, subject to Affirmative Resolution, was introduced on 23 June. We hope for approval by the summer recess.

3. At the same time, the International Monetary Arrangements Bill has been introduced to arrange for our increased subscription to the General Arrangements to Borrow (GAB: up from £357m to SDR 1.7 bn). This parallel international arrangement by the G10 (major industrialised countries) was agreed in January and will offer access to further resources should the Fund be faced with inadequate resources at a time of threat to the international monetary system.

4. Our plans are pretty well ahead, despite the intervention of the general election. Other countries are not doing so well. In particular, the US is facing considerable difficulty with the passage of its comparable legislation in the Senate. Clauses have been inserted requiring the US Executive Director to vote against support for countries practising apartheid and demanding frequent reports to the Senate. It is not clear whether the additions will remain in the Bill or not.



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Line to Take

Report on our expectations of fairly rapid progress to the Managing Director and invite his latest appraisal of the US difficulties.

- 2 -

CONFIDENTIAL





(b) Access to IMF Facilities

Fund quotas also traditionally determine members' drawing rights. Since 1979 maximum access has actually been higher than quota. At present, access is pitched at 150% of quota per year subject to need, with a ceiling of 600% of quota. Certain other facilities, notably on compensatory finance, may be mixed into the cocktail to top up support for primary producer countries. These are not directly counted against the access limit. The developing countries are already arguing for unchanged nominal access when the new quotas come into effect - ie a straight 47.5% rise in cash access.

2. The hawks among the Fund's members (the US, Germany, Japan) are arguing that cash access should be maintained after the Eighth Quota Review. This would mean that access as a proportion of the new quotas would be 102% a year, with a ceiling of 408%. That would involve a substantial real reduction in access for all Fund members, falling particularly heavily on the non-oil less developed countries, who did least well in the redistribution of quotas at the Eighth Review.

3. The Fund staff have argued for a more liberal approach; access at 125% a year, with a ceiling of 600%. This would give scope for modest additional support for the most heavily indebted countries (Brazil, Mexico, Jamaica, Turkey) without being over-generous. Without some such headroom, the Fund fears that it may find it almost impossible to help debtor countries through the next year or two until world recovery pulls them out of recession.

4. We are sympathetic to this approach. Restricting access runs the risk of default, perhaps simultaneously, by several of the most heavily indebted countries. If that happened, it is not obvious that the international banking community would be able or willing to cope without the Fund as ringleader. If the Fund had no more support to offer those countries which already have large programmes, they may be reluctant to return for further doses of the Fund's unpopular if efficacious medicine.



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5. We do not expect this issue to be resolved quickly. In all probability it will have to wait for the annual meeting in September.

Line to Take

We are consulting our colleagues among the industrialised countries (de Larosiere will know of an official meeting of the G5 on 8 July) so we cannot offer him a firm view. Express guarded sympathy for the Fund's relatively liberal approach.



(c) Compensatory Financing Facility (CFF)

Another aspect of the access question concerns the Fund's support for producer countries facing temporary balance of payments difficulties because of unfavourable trade conditions. The CFF is attractive to members because it involves relatively low conditionality and is additional to the 600% cumulative ceiling available under programmes.

2. New access limits will have to be set for use with the new quotas in force after the eighth review. At present, access is restricted to 100% of quota, with more stringent conditionality applied above 50%. These limits would translate to 23%/68% if simple cash access were to be maintained. But again, there is pressure for continuing with the present nominal limits of 50%/100% after the eighth review. The Fund's Board is to discuss this next month.

3. Surprisingly, some of the hawks among the Fund's members - including the US - are in favour of a generous approach to the CFF. This seems inconsistent with their tightness on conditional access to Fund facilities. We are more inclined to argue for keeping cash access about the same, though perhaps rounding the limits: say to 25%/75%. That would usefully import a slightly higher degree of conditionality too.

4. Another dimension of the problem concerns the oil exporting countries. Some of them could technically qualify for the CFF given the collapse of the oil price and the OPEC restrictions on production. We are somewhat sceptical about opening up the CFF automatically to any OPEC member, and would prefer to rest on a case by case approach. We hope that only a few - Nigeria, Indonesia, perhaps Venezuela - will actually get such support.

Line to Take

Be non-committal. For the time being we should be prepared to maintain cash access, perhaps reviewing the case for greater generosity when the general access and liquidity questions are settled - again probably at the Annual Meeting in September.



(d) Liquidity

Despite SDR 15 billion useable subscriptions from the Eighth Quota Review, the Fund will shortly find itself short of resources. Not of "ordinary" resources: the shortage is in borrowed resources, used to finance the largest and most severe Fund programmes, normally stretching over several years.

2. The characteristics of the problem are:

(i) The Fund's borrowed resources are already over-committed to the tune of SDR 2 bn, although the Fund actually has some SDR 8½ bn cash in hand because not all programmes are drawn down in full immediately; but

(ii) without further injections of borrowed resources, the Fund is likely to run out of borrowed resources in the middle of next year; and

(iii) by the end of 1984 borrowed resources will be substantially overdrawn, perhaps by about SDR 3bn.

3. There is an obvious read across to the access question here. The hawks' line on access seems to stem largely from their reluctance to stump up more loans. They take the view that the Fund should be a lender of last resort only. We believe this short-sighted and, in the long run, false economy: if the international banking system collapsed, it would be industrialised countries' treasuries who would have to pick up the tabs for rescuing the international banks. We are therefore interested in finding enough finance to permit modest enhancement in cash access.

4. It is debatable how much the Fund actually needs. To cover its commitments to the end of next year, we believe it probably needs some SDR 10 bn, though only SDR 3 bn or so of this is likely to be disbursed. However the sum required could rise by SDR 2 bn or so if access is enhanced to 125%/600%; or fall if it were decided to leave a gap, as at present, between the Fund's commitments and its available resources. On balance, we guess that the Fund probably needs some SDR 8-10 billion to tide it over to the end of next year. De Larosiere would probably pitch the figure a bit higher out of caution.





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5. The financing options are:

- (i) further borrowing from the Saudi Arabian Monetary Agency (SAMA). The Fund already has two loans totalling SDR 8 bn from it, and a further tranche has been promised. The Saudis are now both less well off and reluctant to lend except in concert with others: any further loans are likely to be smaller than previous ones;
- (ii) any other official loans which industrialised countries may be able to manage. De Larosiere recently passed the hat round for about SDR 4 bn, split as in the attached list. We should be reluctant to find our proposed share of SDR 282m not least given the relatively low level of our available reserves. We are also unhappy about the absence of an American element, left out because of Congressional sensitivities;
- (iii) drawing on the GAB, although a substantial proportion of the SDR 17 bn would have to be reserved for use by GAB members themselves;
- (iv) underwriting by central banks or the BIS - probably helpful only to cover a short-term gap;
- (v) medium term market borrowing, possibly using the BIS as agent. Syndicated bank loans would be the obvious method;
- (vi) transferring ordinary resources to cover purposes for which borrowed resources are normally used. The main drawback of this legal trick is that it would tend to accelerate the Ninth Quota Review, not really due for five years.

6. Most would prefer the Fund to continue to obtain its loans from official sources: ie (i), (ii) and (iii). Underwriting (iv) could only be a stop-gap, so any deficit would have to be filled by commercial borrowing (v) or switching ordinary resources (vi). The US, Germany and Japan have so far opposed market borrowing, so de Larosiere has started to make warning noises about accelerating the Ninth Quota Review in the expectation that switching (vi) could not last long.



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7. We have favoured market borrowing (v) to top up (i), (ii) and (iii). We need to tread carefully here. There is a danger that the banks may prefer to lend to the Fund and not in their own right. We should not want that. The Fund's support should not be the sole means of finance for countries in balance of payment difficulties. It should act as a catalyst by unlocking commercial loans from elsewhere. But recently - eg for Brazil, Mexico and some other Latin American countries - there have been worrying signs that banks have only been prepared to continue lending when coerced by the Fund, usually by the Managing Director himself. We have tried to prevent this spreading in the case of minor Latin American countries which do not pose a threat to the banking system.

Line to Take

- Shelter behind the need to consult our partners in G5. Express caution about UK lending to the Fund, and interest in market borrowing. Do not be drawn into details.



## Illustrative Amounts of New Borrowing Arrangements and Related Data

(In millions of SDRs)

	Gold and Foreign Exchange <sup>1/</sup> (March 1983) (1)	Foreign Exchange (March 1983) (2)	Illustrative Amounts of Borrowing <sup>2/</sup> (3)	Amounts as Per Cent of Foreign Exchange Holdings <sup>3/</sup> (4)
Australia	5,355	5,077	80	1.6
Austria	4,858	4,119	120	2.9
Belgium	4,713	3,517	60	1.7
Canada	3,526	2,819	90	3.2
Denmark	2,100	2,043	30	1.5
Finland	914	870	20	2.3
France	16,041	13,176	200	1.5
Germany	44,036	40,705	1,250	3.0
Iceland	120	118	--	--
Ireland	1,729	1,716	30	1.7
Italy	14,173	11,840	180	1.5
Japan	19,203	18,355	650	3.5
Netherlands	10,048	8,510	290	3.5
New Zealand	886	885	20	2.3
Norway	4,860	4,819	140	2.9
Spain	6,711 <sup>4/</sup>	6,200 <sup>4/</sup>	90	1.5
Sweden	3,034	2,822	40	1.4
United Kingdom	8,693	8,028	280	3.5
Switzerland	<u>15,270</u>	<u>12,355</u>	<u>430</u>	<u>3.4</u>
	166,270	147,974	4,000	2.7

<sup>1/</sup> With gold valued at SDR 35 per ounce.<sup>2/</sup> The illustrative amounts are subject to a minimum of SDR 20 million.<sup>3/</sup> Based on position at end-March 1983.<sup>4/</sup> February 1983.



CONFIDENTIAL

(e) SDR Allocation

From time to time there is pressure for Fund to create additional unconditional liquidity in the form of more Special Drawing Rights and then distribute them to members. The present Articles require any allocation to be justified in terms of long term global need for reserves and to be made in proportion to quota. An allocation requires an 85% majority in the Fund, so the US has a veto. The least developed countries were interested in this device at the time of the Eighth Quota Review, largely because it would help them meet their quota subscriptions. The issue is to be discussed in July in the Board.

2. Until recently we, the US and the Germans were opposed to an allocation. We now have a more open mind. We still believe that the case for an SDR allocation rests on the need for international liquidity, not on developing countries' desire for finance; but, like most of the rest of G5, are willing to see what evidence, on grounds of liquidity need, the Fund come up with.

Line to Take

Temporise. The time to consider the need for an SDR allocation is when the bigger issues have been resolved. De Larosiere will probably be happy to go along with this, if he raises the point at all.





CONFIDENTIAL

20/6/83

## MULTI-LATERAL SURVEILLANCE AMONG G5 COUNTRIES

Summit leaders agreed at Versailles to strengthen their co-operation with the IMF in its work of surveillance of countries' economies, particularly those whose currencies make up the SDR (US, Japan, Germany, France and the UK). This has resulted in periodic meetings between G5 Finance Ministers and the IMF Managing Director.

2. The first meeting was at the time of last autumn's annual IMF meeting in Toronto, the most recent in the margins of April's Development Committee meeting. Each time, the Managing Director has produced a short personal note on prospects for the major countries' economies and the appropriate policies they should pursue. The April version is attached.

3. The Chancellor's predecessor attached importance to developing these meetings into a frank and useful exchange of views with the MD's contribution providing an objective focus for discussion. We have urged the MD to develop a framework for assessing G5 countries' policies as a whole and for suggesting on which countries the main burden of any adjustment should rest. His remarks in the April paper were close to our own thinking in most respects.

4. We attach importance to continuing these discussions and we shall hope that the MD stresses again the need for prudent and consistent policies among G5 countries. There may, however, need to be some changes of emphasis.

5. It is becoming clear that the US Administration lacks either the will or the ability to control its budget deficit - at least in advance of next year's election. The MD, therefore, may need to give greater stress to the role of US monetary policy. We would hope that the budget deficit was at least not monetised but we fear that an over-strict tightening of US monetary policy could put at risk the world recovery. A prudent but flexible US monetary stance therefore seems appropriate.

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6. At the same time, the MD might consider how Japan and the major European countries might best conduct their own policies against this difficult US background and in the light of their own severe structural problems. To what extent might it be desirable /feasible for others to decouple from US interest rates. Japan and Germany with their good inflation performance, strengthening external position and control over budget deficits are perhaps best placed not to follow US interest rates without too detrimental effects on their exchange rates. Others, such as France, probably need continued prudent monetary and fiscal policies.

CONFIDENTIAL



20/6/83

NOTE BY THE MANAGING DIRECTOR OF THE IMF

We all agree on the importance of promoting a durable recovery, for which the consolidation of the gains achieved in the fight against inflation is a necessary condition. There are now clear signs of an upturn in the largest economies, although we do not know how strong nor, more important, how lasting it will be. The recent weakening of the international market for oil can be expected to strengthen this incipient recovery. Its implications for prices, incomes and production in the oil importing countries are distinctly favourable. A 15 per cent decline in the price of crude oil, approximately what has taken place so far, could by itself reduce the price level in the oil importing countries as a group by more than 1 per cent in 1983. The magnitude of the associated stimulus to output is more uncertain, but the direction is clear.

In the present circumstances, it is essential to maintain the resolve to keep down inflation. The experiences of the 1970s suggest that a weakening of the commitment to enduring price stability could only erode the successes already achieved and endanger the recovery. In this note I review developments and policies in three interrelated areas since our last meeting, and discuss the conditions for a lasting recovery.

1. Cautious monetary policies have contributed substantially to lowering the rate of inflation. Since September 1982, inflation has decelerated sharply, particularly in the United States where the consumer price index has shown virtually no change over this period. The considerably lower inflation rates that have now been reached in Japan, Germany, the United States and, to some extent, in the United Kingdom, are also more uniform than at any time in recent history. France, by contrast, remains out of line with the other countries, although to a somewhat lesser extent than a year ago.



During the past six months, the main monetary aggregates in the United States and Germany have been allowed to grow at rates exceeding the upper ends of official target ranges. In the United States, interpretation of these movements is complicated by changes in financial structure and a rise in the propensity to hold monetary balances. The recent acceleration in monetary growth in Germany is largely related to exchange market intervention within the EMS. In Japan, the United Kingdom and France, growth in the money aggregates has been held within target ranges and there has, in fact, been a tendency for these rates to decline in the most recent period. In the case of France, this is directly attributed to reserve losses, while for Japan exchange rate considerations have been relevant.

Interest rates have declined markedly in nominal terms, particularly at the short end of the market, but in most countries they remain high in real terms for this stage of the business cycle. In the United States, in particular, the high real rates reflect the large borrowing needs of the public sector. Long-term interest rates also seem to include a sizeable risk premium incorporating expectations of a possible resurgence of inflation and concerns about the monetization of Government debt. This suggests that the process of dampening inflationary expectations is not yet complete and that attempts to push down interest rates could be counterproductive.

Most major countries have announced growth ranges for the monetary aggregates in 1983 which are similar to or lower than those set for 1982. In the United States, the target ranges for M1 and M2 have been raised. However, the Federal Reserve has stressed that the new ranges are consistent with a slowdown in monetary expansion from 1982 to 1983, after adjusting for shifts in the demand for money. In view of the decline in inflation, the official monetary targets in the United States and Germany are consistent with the expected recovery in economic activity and there is no scope for a relaxation of monetary policy in these





countries. Indeed, the recent rates of monetary growth in these two countries, unless brought back within the target ranges, would raise questions about their compatibility with enduring price stability.

In Japan, although inflation has fallen to a low level, there is no room for an easing of monetary policy as long as the exchange rate of the yen is not well established at an adequate level. The lowering of monetary targets in the United Kingdom, in line with medium-term objectives, does not imply a tightening of monetary conditions. Indeed, in view of the rapid decline in inflation, monetary expansion well within the target range would be adequate to accommodate the expected recovery. In France, given the balance of payments difficulties, greater restraint on domestic credit expansion is, in my view, required.

By persevering with steady monetary policies which avoid triggering a renewed inflationary impulse, the prospects not only for lower but also for more stable interest rates would be markedly improved.

2. This brings me to the second point. Public finances almost everywhere need to be strengthened. The large deficits that confront most governments today reflect expenditure patterns established in previous periods of rapid economic growth. To these trends have been added the effects of the recession. In all countries public expenditures have become larger in relation to GNP although this reflects, in part, cyclical developments. This has been particularly evident in France, even on a cyclically adjusted basis, and in the United States. While the cyclical portion of the deficit will shrink with the recovery, fiscal policy changes are still required to ensure that structural deficits do decline. The time frame over which adjustment must be sought will depend, of course, on the particular circumstances of each country.



Concerns about the size of budget deficits stem from the demands they make on domestic savings and from their consequences on price and growth objectives. By contributing to the persistence of relatively high interest rates, they discourage productive capital formation without which the recovery is not sustainable. Although there is much unutilized productive capacity in most industrial countries, changes in economic structure and in comparative advantage will make some of it difficult to mobilize. New capital formation will then be needed to meet the recovery of demand and to avoid bottlenecks, particularly after the relatively prolonged period of low investment activity. An important medium-term objective for fiscal policy should be to make room for the volume of investment needed to support an adequate rate of growth. In considering alternative ways of reducing deficits, their impact on private savings must be taken into account. This argues for placing greater weight on expenditure reductions. In implementing these reductions, countries should consider the composition of expenditures, and the need to reduce the share of transfer payments.

Since we last met, efforts have been initiated to restrain or reduce budget deficits and the growth of public spending. These have found expression in the budgets for fiscal years beginning in 1983. In Japan, the budget aims at a reduction in both government expenditure and in the deficit in relation to GDP. However, in view of the constraints on monetary policy the Government needs to demonstrate the same flexibility in implementing the budget as was evident last year. In Germany, as in Japan, fiscal restructuring is best pursued as a medium-term process requiring a careful assessment of the short-term implications of a reduction in expenditures or an increase in taxes. In other countries, there is no alternative to renewed efforts to reduce government budget deficits, particularly through expenditure cuts. In France, this is especially necessary to restore external balance. Substantial success has already been achieved in the United Kingdom and the recently presented budget appears to provide the basis for further gradual consolidation in line with medium-term objectives.



Concerns about the size of the budget deficit are greatest for the United States, where deficits are large in relation to private savings and are likely to remain large even assuming implementation of the recent budget proposals. Most calculations suggest a substantial deficit will remain even as the economy returns to a high level of resource utilization. This highlights the need for urgent and decisive action by the authorities to reduce the structural fiscal deficit.

3. A revival of activity and world trade will be facilitated by exchange rate relationships that better reflect underlying economic conditions. Some movement in this direction has already taken place since we last met. The dollar has weakened somewhat against some of the main currencies especially the yen, and this should exert a favourable impact on the current account position of the United States. The yen's appreciation over this period has broadly restored its nominal effective exchange rate to the end-1981 level, but only partly offset the gains in competitiveness realized in recent years. The steep depreciation of sterling, partly related to oil market developments, has eased the competitive constraints on economic expansion in the United Kingdom. Finally, the recent EMS realignment has also resulted in a set of exchange rates more in line with relative economic and competitive strengths.

In the period ahead, countries must continue to strive for convergence in economic policies toward the achievement of sustained and non-inflationary growth. Such convergence is desirable in itself and also for the effect it would have on improving the prospects for reduced exchange rate volatility. Disruptive exchange rate movements have often resulted from shifts in policies and expectations regarding disparities in inflation rates. Already the lower and more uniform inflation rates in the largest economies provide an opportunity for greater exchange rate stability.



In the process of achieving greater stability in the medium term, increased co-operation between the major countries will be required. In conducting their financial policies, countries should seek to avoid effects on exchange rates that are clearly inconsistent with underlying economic conditions. In particular, countries should watch carefully the impact of their monetary policies, including the effects on interest rate differentials, and of their policies toward capital flows.

I have not, on this occasion, talked again about the need for specific actions to improve the functioning of markets, though these remain essential. In particular, structural unemployment is unlikely to shrink significantly unless the upward trend in labour costs is reversed and other disincentives to productive employment removed. I also continue to be seriously concerned by the spread of protectionism. Although a revival of activity and a realistic and stable pattern of exchange rates hopefully will ease protectionist pressures, an initiative by some of the major countries toward dismantling the barriers to trade that have recently been introduced or strengthened might be appropriate at this time.





Table 1. G-5: Movements in Output and Employment

	<u>1973-78</u> Average	1979	1980	1981	1982	1983 <u>1/</u>
<u>(Year-to-year changes, in per cent)</u>						
Real GNP/GDP						
United States	3.3	2.8	-0.4	1.9	-1.7	2.4
Japan	4.2	5.2	4.8	3.8	3.0	2.8
France	3.1	3.4	1.1	0.4	1.5	—
Germany	2.5	4.0	1.8	-0.2	-1.2	0.5
United Kingdom	1.0	2.0	-2.1	-2.2	0.7	1.5
Employment <u>2/</u>						
United States	2.7	2.9	0.5	1.1	-0.9	0.2
Japan	0.6	1.3	1.0	0.8	1.0	0.9
France	0.3	-0.1	0.1	-0.6	-0.9	-0.3
Germany	-0.3	1.8	1.3	-0.5	-1.9	-1.3
United Kingdom	—	0.4	-1.0	-4.5	-3.2	-1.3
<u>(Annual averages, in per cent)</u>						
Unemployment rate <u>2/</u>						
United States	6.6	5.9	7.2	7.6	9.7	10.2
Japan	1.8	2.1	2.0	2.2	2.4	2.5
France	4.0	5.9	6.3	7.3	8.6	9.5
Germany	3.2	3.3	3.4	4.9	6.8	8.7
United Kingdom	3.8	5.4	6.5	10.1	11.9	13.2

Sources: World Economic Outlook--General Survey; and Fund staff estimates.

1/ Staff projections.

2/ Figures are not strictly comparable across countries.



Table 2. G-5. Movements in Prices and Costs

(Year-to-year changes in per cent)

	1973-78 Average	1979	1980	1981	1982	1983 <sup>1/</sup>
<b>GNP/GDP deflator</b>						
United States	7.0	8.7	9.3	9.4	5.9	4.1
Japan	9.4	2.6	2.8	2.7	2.1	1.8
France	10.6	10.2	11.8	12.0	12.2	9.8
Germany	5.1	4.0	4.4	4.2	4.8	4.0
United Kingdom	13.3	15.0	19.2	12.1	8.0	6.0
<b>Consumer prices</b>						
United States	7.7	11.3	13.5	10.3	6.2	3.8
Japan	11.3	3.6	8.0	4.9	2.6	2.0
France	10.2	10.6	13.5	13.3	11.8	10.0
Germany	5.1	4.1	5.5	6.0	5.3	3.5
United Kingdom	14.9	13.4	18.0	11.9	8.5	6.6
<b>Unit labor costs in manufacturing</b>						
United States	6.7	9.0	11.6	7.2	9.6	2.9
Japan	9.0	-1.7	1.4	3.3	4.7	3.5
France	10.5	7.6	12.1	11.3	10.1	7.7
Germany	5.0	1.6	7.3	4.3	3.3	2.1
United Kingdom	14.9	14.1	22.6	8.9	5.0	3.6

Sources: World Economic Outlook—General Survey; and Fund staff estimates.<sup>1/</sup> Staff projections.



Table 3. G-5: Current Account Balances

	<u>1973-78</u> Average	1979	1980	1981	1982	1983 <u>1/</u>
(In billions of U.S. dollars)						
Current account balances <u>2/</u>						
United States	0.5	-0.5	1.5	4.5	-8.1	-28.0
Japan	4.5	-8.8	-10.7	4.8	6.9	14.9
France	0.6	5.2	-4.2	-4.7	-12.0	-5.2 <u>3/</u>
Germany	6.0	-6.1	-15.7	-6.5	3.3	7.1
United Kingdom	-2.8	-1.8	6.7	12.4	6.8	3.1
(In per cent of GNP/GDP)						
Current account balances <u>2/</u>						
United States	0.1	—	0.1	0.2	-0.3	-0.9
Japan	0.8	-0.9	-1.0	0.4	0.7	1.3
France	0.2	0.9	-0.6	-0.8	-2.2	-0.9
Germany	1.3	-0.8	-1.9	-1.0	0.5	1.0
United Kingdom	-1.1	-0.4	1.3	2.5	1.4	0.7

Sources: World Economic Outlook—General Survey; and Fund staff estimates.

- 1/ Staff projections.  
2/ Including official transfers.  
3/ Official target.



Table 4. G-5: Fiscal Developments

(In per cent of GNP/GDP)

	1970-74 Average	1975-79 Average	1980	1981	1982	1983 <sup>1/</sup>
<b>General government expenditures <sup>2/</sup></b>						
United States	31.5	32.6	33.1	33.5	35.5	36.0
Japan	21.4	28.9	32.3	33.1	33.3	33.0
France	38.2	43.0	43.8	46.2	48.0	49.4
Germany	41.6	48.6	48.7	49.8	50.2	49.7
United Kingdom	39.5	44.0	44.3	45.8	45.7	45.4
<b>General government financial balances <sup>2/</sup></b>						
United States	-0.6	-1.3	-1.3	-1.0	-3.8	-5.0
Japan	0.7	-4.1	-4.2	-3.9	-3.9	-3.2
France	-0.6	-2.0	0.5	-2.1	-2.9	-3.0
Germany	-0.1	-3.4	-3.1	-4.0	-3.9	-3.8
United Kingdom	-0.7	-4.1	-3.3	-2.5	-1.6	-1.7
<b>Central government financial balances <sup>3/</sup></b>						
United States	-1.3	-2.8	-2.4	-2.6	-4.3	-6.0
Japan	-1.2	-5.0	-6.0	-6.1	-5.5	-4.6
France	0.1	-1.6	-1.1	-2.6	-3.1	-3.1
Germany	-0.4	-2.4	-1.9	-2.5	-2.3	-2.5
United Kingdom	-1.5	-5.4	-4.9	-4.1	-2.9	-2.8
<b>Government debt <sup>4/</sup></b>						
United States	27.0	28.0	27.6	27.5	30.5	34.5
Japan	5.6	17.1	29.3	32.4	36.3	39.0
France	8.5	8.5	9.6	10.7	12.2	14.1
Germany	18.4	27.1	31.1	34.6	37.9	40.1
United Kingdom	...	46.3	42.2	45.6	43.8	43.4

Sources: National statistical reports; and Fund staff estimates. Figures are not comparable across countries.

<sup>1/</sup> Staff projections. French figures take account of measures announced on March 25, 1983.

<sup>2/</sup> National accounts basis unless otherwise indicated. French figures throughout are on a transactions basis.

<sup>3/</sup> Federal/central government on a cash basis including social security unless otherwise indicated. Figures for Japan show the balance of the central government general account on a fiscal year basis; for France, the figures exclude operations with the Fonds de Stabilisation des Changes and the social security system; and for Germany the figures are on an administrative basis and exclude social security. Figures for the United States are based on the unified budget.

<sup>4/</sup> Debt figures for the United States are for the total federal debt outstanding at the end of the fiscal year, excluding debt held by government agencies; for Japan, central government bonds outstanding at the end of the fiscal year; for France, central government debt excluding social security; for Germany, territorial authorities' debt excluding social security; and for the United Kingdom general government as of end-March.





Table 5. G-5: General Government Expenditure <sup>1/</sup>  
 (Year-to-year changes in per cent)

	<u>1975-79</u> Average	1980	1981	1982	1983 <sup>2/</sup>
Total—nominal	10.3	16.0	13.1	10.0	8.2
United States	16.3	10.8	9.2	5.8	4.8
Japan	16.7	15.4	18.4	18.4	12.6
France	8.5	7.9	6.3	4.3	3.5
Germany	14.4	22.7	13.4	8.5	7.0
United Kingdom					
Total—real	2.8	6.2	3.4	3.8	4.0
United States <sup>3/</sup>	10.9	7.9	6.6	3.4	2.1
Japan <sup>3/</sup>	4.4	1.1	4.1	5.6	3.3
France	4.0	3.4	2.0	-0.5	-0.5
Germany <sup>3/</sup>	0.8	3.5	1.2	0.5	1.0
United Kingdom					
Total excluding unemployment compensation benefits—real	2.9	5.6	3.7	3.1	3.5
United States <sup>3/</sup>	10.9	8.0	6.6	3.4	2.1
Japan <sup>3/</sup>	3.9	1.0	3.1	4.8	3.4
France	4.0	3.3	1.3	-1.1	-0.8
Germany <sup>3/</sup>	0.8	3.1	0.9	0.5	1.0
United Kingdom					

Sources: National statistical reports; and Fund staff estimates.

<sup>1/</sup> For definition, see Table 4.

<sup>2/</sup> Staff projections.

<sup>3/</sup> Deflated by the GNP/GDP deflator.



Table 6. G-5: General Government Financial Balance and Savings

	1975	1979	1980	1981	1982	1983 <sup>1/</sup>
<b>General government financial balance <sup>2/</sup></b>						
<b>(as percentage of gross private savings)</b>						
United States	22.6	-3.5	7.6	5.6	21.9	28.7
Japan	9.6	17.2	15.5	14.5	13.8	12.0
France	10.8	-3.3	1.8	-11.8	-16.4	-17.4
Germany	25.9	13.0	15.2	19.8	18.4	16.9
United Kingdom	28.9	15.8	17.3	14.6	9.2	10.3
<b>Gross private savings less general government financial deficit (in per cent of GNP)</b>						
United States	14.1	17.4	15.4	16.2	13.6	12.5
Japan	25.3	22.9	22.9	23.0	23.1	23.5
France	18.6	19.5	18.5	16.1	14.8	14.2
Germany	16.3	18.3	17.4	19.2	17.2	18.7
United Kingdom	11.5	16.9	15.8	14.8	15.4	14.9
<b>Net private savings less general government financial deficit (in per cent of GNP)</b>						
United States	3.8	6.8	4.2	5.0	1.9	0.7
Japan	14.3	11.3	11.1	11.2	11.3	11.7
France	8.7	9.4	8.1	5.5	4.0	3.2
Germany	4.9	7.0	5.5	4.2	4.6	5.7
United Kingdom	0.9	5.5	3.8	2.5	3.0	2.6

Source: National statistical sources.

<sup>1/</sup> Staff projection.

<sup>2/</sup> For definition, see Table 4.



Table 7. G-5: Fiscal Impulses, 1978-83 <sup>1/</sup>

(In per cent of GNP)

	1978	1979	1980	1981	1982	1983 <sup>2/</sup>
<b>Central Government</b>						
Fiscal impulse (expansionary +, contractionary -)						
United States	—	-0.8	0.4	—	0.5	1.7
Japan	1.1	0.2	-0.2	0.2	-0.7	-0.6
France	0.1	-0.3	—	0.8	-0.2	-0.3
Germany	0.3	0.1	-0.4	-0.6	-1.0	-0.6
United Kingdom	2.7	0.2	-2.1	-2.7	-1.6	0.7
<b>General Government</b>						
Fiscal impulse (expansionary +, contractionary -)						
United States	-0.3	-0.5	0.9	-0.6	1.3	...
Japan	2.0	-0.4	-0.4	-0.3	-0.5	...
France	1.0	-1.3	-1.7	1.3	0.3	...
Germany	0.6	0.8	—	-0.3	-1.8	...
United Kingdom	1.7	-1.2	-1.5	-2.6	-1.7	...

Sources: National statistical sources; and Fund staff calculations.

<sup>1/</sup> Defined as the change (from previous year) in the difference between the cyclically neutral financial balance and the actual financial balance (defined in Table 4). Revenue is regarded as cyclically neutral when it grows in proportion to actual GNP, while expenditure is regarded as cyclically neutral if it grows in proportion to potential output at current prices. In the case of the Central Government, expenditure is net of unemployment compensation (which is regarded as cyclically neutral).

<sup>2/</sup> Staff projections.



Table 8. G-5: Monetary Aggregates: 1/ Recent Trends and Targets  
(Percentage changes, seasonally adjusted at annual rates)

		Official Target 1982 <u>2/</u> (1)	Official Target 1983 <u>3/</u> (2)	Month of Last Observation (3)	From Target Base Period <u>4/</u> (4)	Last Twelve Months <u>5/</u> (5)	Memorandum Items:	
							Nominal GNP growth, 1982 (6)	Nominal GNP growth, 1983 <u>6/</u> (7)
United States	M1 <u>7/</u> M2	2.5-5.5 6.0-9.0	4.0-8.0 7.0-10.0	February	15.5 ...	8.6 11.0	4.1	6.5
Japan	M1 M2+CD	... 8.0	... 7.0-7.9	December	7.5	8.1	5.1	4.7
Germany	M1 CBM	... 4.0-7.0	... 4.0-7.0	February	11.0	6.5	3.5	4.5
France	M1 M2	... 12.5-13.5	... 9.0	November	9.4	12.9	14.0	9.8
United Kingdom	M1 M3	8.0-12.0 8.0-12.0	7.0-11.0 7.0-11.0	February February	10.8 9.8	10.8 9.8	8.7	7.6

Sources: National statistical reports; and Fund staff estimates.

1/ M1 is the narrowly defined money supply, i.e., currency plus domestic demand deposits. M2, sterling M3 for the United Kingdom, and M3 for Germany are money stocks broadly defined, which add to M1 domestic savings deposits (and, in the case of Japan, certificates of deposit). German CBM is "central bank money" defined as currency in circulation plus commercial banks' minimum required reserves held at central bank, calculated at constant reserve ratios.

2/ For the United States and Germany, targets were for fourth quarter 1982/fourth quarter 1981. For France, the target was for December 1982/December 1981; for the United Kingdom, April 1983/February 1982 (annual rate); for Japan, the projection for 1982 fourth quarter 1982/fourth quarter 1981.

3/ For the United States, the target rate of growth of M1 is for fourth quarter 1983/fourth quarter 1982, and of M2 for fourth quarter 1983/February-March 1983. For Japan, the projection is first quarter 1983/first quarter 1982. For Germany, the target range of growth is for fourth quarter 1983/fourth quarter 1982; for France, November 1983-January 1984/November 1982-January 1983; and for the United Kingdom, April 1984/February 1983.

4/ Actual or estimated development over the base for the "target" period as specified in column (1) or column (2).

5/ Most recent 3-month average relative to the 3-month average ending 12 months earlier.

6/ Staff projection.

7/ Since the fall of 1982, the growth of M1 has been distorted by several factors. As a result, the Federal Reserve has been giving much less emphasis than usual to M1.





Table 9. G-5: Monetary Developments

(Percentage changes from year-end to year-end) 1/

	1979	1980	1981	1982
<b>Narrow money (M1)</b>				
United States	7.4	7.2	5.1	8.5
Japan	8.0	-1.1	8.9	4.7
France	12.2	7.0	14.6	5.1
Germany	3.9	4.2	-0.8	6.8
United Kingdom	8.6	7.3	8.1	11.0
<b>Broad money</b>				
United States (M2)	8.1	9.0	9.4	9.3
Japan (M2)	11.2	7.8	10.6	8.1
France (M2)	14.4	9.8	11.4	12.0
Germany (M2)	5.9	6.3	5.0	7.1
United Kingdom (£M3)	12.7	21.0	13.7	10.2
<b>Domestic credit expansion</b>				
United States <u>2/</u>	11.4	7.7	8.7	7.6
Japan	9.8	8.7	9.3	8.8
France <u>2/</u>	15.2	11.2	17.1	16.2
Germany	11.9	9.5	8.8	6.5
United Kingdom	15.3	16.4	16.1	...
<b>Narrow money (real) <u>3/</u></b>				
United States	-0.7	-2.7	-3.4	3.9
Japan	6.2	-4.8	6.8	3.1
France	1.7	-4.3	2.3	-6.3
Germany	-0.1	--	-5.2	1.9
United Kingdom	-10.1	-10.1	-1.4	2.8
<b>Broad money (real) <u>3/</u></b>				
United States (M2)	—	-1.1	0.5	4.7
Japan (M2)	9.3	3.8	8.4	6.4
France (M2)	3.7	-1.8	-0.5	-0.2
Germany (M2)	1.8	2.0	0.4	2.2
United Kingdom (£M3)	-6.0	3.7	4.2	2.0
<b>Reserve money</b>				
United States	6.6	6.0	3.7	6.2
Japan	7.5	6.4	2.7	6.2
France <u>2/</u>	6.6	14.9	4.7	13.1
Germany	5.2	-3.7	-1.6	5.3
United Kingdom <u>2/</u>	9.9	-2.9	4.0	3.5

Sources: IMF, International Financial Statistics; and national statistical sources.

1/ For the United States and Japan, from fourth quarter to fourth quarter.

2/ For 1982, from third quarter of 1981 to third quarter of 1982.

3/ Deflated by GNP/GDP deflator.



Table 10. G-5: Indicators of Profitability

(In per cent)

	1970-73	1977	1978	1979	1980	1981	1982
Labor share in national income							
United States	74.6	74.3	73.9	74.1	75.5	75.1	76.2
Japan	62.0	66.6	66.3	67.2	67.3	...	...
France	63.9	71.3	71.5	71.3	73.0	75.5	75.4 <sup>1/</sup>
Germany	69.6	72.2	71.4	71.5	73.3	74.3	73.7
United Kingdom	67.8	67.2	66.7	67.8	69.1	69.1	68.1 <sup>1/</sup>
Share of profits of nonfinancial corporations in gross value added <sup>2/</sup>							
United States	20.5	24.1	24.2	24.1	23.1	22.1	19.7
Japan <sup>3/</sup>	33.6	26.6	29.3	33.6	32.4	30.3	...
France	...	25.3	25.3	25.5	24.4	23.6	23.0
Germany	...	19.5	20.5	22.0	21.2	20.4	20.6 <sup>1/</sup>
United Kingdom	30.3	34.2	34.1	36.0	32.1	31.9	32.7 <sup>1/</sup>
Share of nonlabor income in value added (manufacturing) <sup>4/</sup>							
United States	24.3	24.2	23.5	20.9	18.1	18.9	12.9
Japan	53.2	41.8	43.9	44.0	43.3	41.0	38.7
France	35.5	31.5	30.9	31.4	29.8	29.3	29.8
Germany	32.4	30.3	30.7	31.0	29.1	29.2	29.0
United Kingdom	25.6	25.0	24.3	23.3	16.6	16.8	19.0

Sources: National statistical sources; and Fund staff estimates. Figures are not comparable across countries.

<sup>1/</sup> Staff estimate.

<sup>2/</sup> Gross trading profits of nonfinancial enterprises as a share of the sector's GDP at factor cost.

<sup>3/</sup> For manufacturing only, on a fiscal year basis.

<sup>4/</sup> Based on ratio of unit labor costs to value added deflator. Benchmarked on actual



## PROPOSALS FOR A "NEW BRETTON WOODS"

The most publicised calls for a major new international monetary conference have come from Mr Robert Muldoon, the New Zealand Prime Minister, at last year's Commonwealth Finance Ministers' meeting, and from President Mitterand of France in the margins of this year's OECD Ministers' meeting.

2. The Muldoon initiative has resulted in a study group, chaired by Sir Jeremy Morse, under the aegis of the Commonwealth Secretariat, which will report back to this year's CFM meeting in Trinidad.

3. The Mitterand proposal was subsequently taken up at Williamsburg where Summit leaders 'invited Ministers of Finance, in consultation with the Managing Director of the IMF, to define the conditions for improving the international monetary system and to consider the part which might, in due course, be played in this process, by a high-level international monetary conference.'

4. G5 Deputies will discuss in Paris on 7 July how the Summit leaders' remit might best be taken forward. Our own preliminary view is that it would be wrong to call a conference unless a significant measure of agreement exists. Failure could be more damaging to confidence than the present rather volatile working of the flexible exchange rates system.

5. We expect work will proceed between G7 Finance Ministries (and central banks). The EC Commission is also anxious to be consulted, as are smaller industrial countries. G10, therefore, may be a useful subsidiary forum. The UK will have a special responsibility as organisers of next year's Summit and hence putative authors of any report.

6. The shape of the study has yet to be decided. We have a preference for giving priority to improving the consistency and convergence of major countries' policies. These should be



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designed to achieve non-inflationary growth and should at the same time create a more stable international monetary framework within which the multi-currency reserve system can work. It is for this reason that we attach importance to the multilateral surveillance exercise among the SDR countries in consultation with Larosiere.

7. An important strand in this exercise in our view is that countries should 'have a care' for the exchange rate when deciding both the overall thrust and the mix of their domestic policies. It is not easy, however, to secure agreement on appropriate policies among countries, still less on an appropriate pattern of exchange rates. Developments will affect any study.

8. International monetary conditions have been less volatile in the past year compared to the large fluctuations in interest rates and exchange rates in the previous two years. Nevertheless, we cannot rule out further instability in the period ahead.

9. The path of the dollar will be crucial. This seems likely to be subject to conflicting pressures. The large emerging current deficit, particularly if compounded by at least partial monetisation of the domestic budget deficit, could put sharp downward pressure on the dollar facing other countries with a choice between letting their currencies appreciate or importing inflationary pressures.

10. On the other hand, tight monetary policies by the Fed in the face of the US budget deficit could raise interest rates sharply facing other countries with the choice of following suite or seeing their currencies depreciate.

11. A further round of such volatility in interest rates and exchange rates might be taken as evidence of the failure of policy co-ordination leading to renewed calls for a return to a more fixed exchange rate system, coupled perhaps with a reform of the reserve base of the system (last discussed in the context of the substitution account at the Hamburg Interim Committee meeting in 1980).

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12. Our own view is that no new system will prove durable unless underpinned by prudent policies. The US and Germans share this. The French and some smaller countries place perhaps more faith in an overhaul of the system. We should be interested in any views the MD has on the scope of the study and the role the Fund might play.

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20/6/83

## WORLD ECONOMIC PROSPECTS

World economic prospects are improving slowly as further signs of recovery, especially in the US continue to appear. The latest IMF assessment up to 1984 sees output in the US and Japan growing by 2-3 per cent this year and 3-4 per cent next. The latest 'flash' US GNP forecast is for  $1\frac{1}{2}$  per cent growth in the second quarter following only  $\frac{1}{2}$  per cent in the first. European recovery is expected to be much slower. Generally growth is strongest in those countries which have achieved the greatest success against inflation.

2. With this scale of recovery in prospect unemployment is unlikely to be reduced significantly. It may fall slightly in the US from now on but is expected to rise further in Europe.

3. World trade (UK-weights) declined in 1982 and the slow recovery expected now may not be enough to prevent a further year-on-year fall in 1983. Next year world trade picks up more strongly.

4. Inflation in the major countries in aggregate declined sharply last year and is expected to decelerate a little further in 1983 and 1984. However, in some countries the fall may now have bottomed out and inflation may pick up again as faster activity raises wages, commodity prices and profit margins. Despite some limited convergence, inflation disparities remain significant amongst the major countries.

5. Exchange rates have remained volatile. The dollar has strengthened considerably over the last three years while the yen weakened through 1982 but has recovered since. Strains within the Community led in March to the third major (franc-DM) EMS realignment.

6. These exchange rate movements have contributed to the growing imbalances in the industrial countries' current account position. The US deficit is forecast to rise to around \$45 bn in 1984. This



is only partly offset by an increase in the Japanese surplus to \$18 bn and a healthy German surplus of \$8 bn. France is expected to reduce its deficit but only slowly. These current account developments point to further exchange rate instability.

7. OPEC moved into current account deficit last year as demand for oil weakened. Further weaknesses and low oil prices generate an increased deficit in 1983-84. Non-oil developing countries reduced imports sharply last year cutting their deficit. Despite some recovery in import volumes this year IMF is forecasting a continuing improvement in their current account position.

8. The international financial scene remains fragile and still requires close monitoring. The solution lies in sustained world recovery, prudent adjustment by the major debtors and continuing finance from both private and official sources. The agreed increase in IMF resources should help the Fund to play its role effectively. However the growth of net new bank lending to NODCS slumped last year and the IMF staff now expect a further fall in 1983.

#### Problem countries

9. Most major debtors now have IMF adjustment programmes but some financing difficulties remain. Brazil failed to meet IMF performance targets in the May review and the programme has been suspended, withholding the drawing due on 1 June. Since, as a result, the Brazilians were unable to make a scheduled repayment of \$400 mn on its BIS bridging loan, the BIS agreed a postponement of one month in the expectation that a new agreement on Brazil's financial package would have been reached by then, and the IMF programme and drawings resumed. Although Brazil failed to meet a number of performance criteria, the main problem is the \$1.5 billion shortfall on interbank lending and the need to finance it with new money.

10. The situation in Mexico is encouraging. They are making good progress with their IMF programme. Commercial banks have finalised the rescheduling of public sector banking debts. An agreement was reached last week (22 June) in the Paris Club (at a meeting



which, by agreement, is regarded as confidential) on the rescheduling of private sector officially guaranteed debts. Despite this rescheduling, the ECGD commitment to provide \$150 million (as the UK share of a \$2 billion credits package) still stands, but only on public sector business.





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FROM: J O KERR  
DATE: 21 June 1983

*(Handwritten initials)*

MR LITTLER

cc Mr Middleton  
Mr Unwin  
Mr Battishill  
Mr Lavelle  
Mr Bottrill

CHAIRMANSHIP OF THE INTERIM COMMITTEE

The Chancellor has seen your minute of 20 June, and agrees to the proposals listed on its third page.

*(Handwritten signature)*

J O KERR

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MANAGING DIRECTOR

INTERNATIONAL MONETARY FUND  
WASHINGTON

June 21, 1983

Dear Mr Chancellor,

May I convey a personal  
note of congratulations to you on  
your recent appointment.

I will remember our meetings  
on earlier occasions and the convergence  
of our ideas on so many important  
issues.

I look forward to working  
closely with you in the future and  
to developing the fruitful relations  
that I have enjoyed with your predecessor  
and the U.K. Treasury.

With my warm personal regards

Jacques de Larosière





INTERNATIONAL MONETARY FUND  
WASHINGTON, D. C. 20431

MANAGING DIRECTOR

CABLE ADDRESS  
INTERFUND

JUN 22 1983

Dear Mr. Chancellor:

On behalf of the Executive Board and staff, I wish to welcome you into the International Monetary Fund as Governor for the United Kingdom.

Sincerely yours,

*Larosière*

J. de Larosière  
Managing Director

Rt. Hon. Nigel Lawson, M.P.  
Governor of the International  
Monetary Fund for the  
United Kingdom  
H.M. Treasury  
Great George Street  
London, SW1P 3AG, England

A  
and I should be grateful if  
you would convey my thanks to  
the <sup>IMF</sup> Executive Board and staff  
//NP. It was a great pleasure  
to see you in London 2.3 weeks



(amp)

Wall Street Journal  
22/6/83

**Declercq Seeks Support  
On IMF Reappointment**

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON - Belgium's finance minister, Willy Declercq, reportedly wants finance ministers of other nations to support him for a return as chairman of the International Monetary Fund's Interim Committee.

The incumbent, Sir Geoffrey Howe, Britain's former chancellor of the exchequer, is ~~due to step down~~. Mr. Declercq earlier held the chairman's job on the IMF policy-making panel. But Dutch Finance Minister Onno Ruding, who previously served as an IMF executive director representing the Netherlands and other countries, is rated as another possible choice to succeed Sir Geoffrey.

The recent decision of British Prime Minister Margaret Thatcher to shift Sir Geoffrey to the Foreign Ministry and to appoint Nigel Lawson as the U.K.'s new finance minister required Sir Geoffrey to give up the chairmanship of the IMF panel.

Pr  
of Affairs, with  
Ruding, whom  
I don't know.  
Mr.  
  
(The Dutch  
me don't  
help out  
the BBC Budget)

C.

1. see p 2 of Litterer, below.
2. Ruding is incredibly young (ie my age).  
He's also impressively well-informed on IMF issues — he was The Dutch Aussenwörter "Some years ago. And his English is OK.  
BUT (a) he is a bit new in office — less than a year, and it's his first ministerial job, I think;  
(b) not everyone feels that jeunesse saie;  
(c) There's the Benelux solidarity point, and de ~~Declercq~~ clercq is an ex-PM, an ex-chairman but (thee), and clearly dead keen.
3. So I don't think Ruding will run. JDD.



Mr. L. M. ...

1942

Memorandum

Subject: [Illegible]

[Illegible typed text]

[Illegible handwritten notes]

1. The first of these points

2. The second of these points

3. The third of these points

4. The fourth of these points

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9. The ninth of these points

10. The tenth of these points

MR APLEYARD ERD

MR CARSE  
MR LITLER } HMT  
MR LAVELLE }

MR CHRISTIE BANK OF ENGLAND

RC

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FM UKDEL IMF/IBRD WASHINGTON 232320Z JUN 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 232 OF 23 JUNE

IMF: ARGENTINA - FINANCIAL RESTRICTIONS

YOUR TELNO 186 OF 21 JUNE

1. I HAVE TAKEN THE ACTION REQUESTED IN TELEGRAM UNDER REFERENCE. I CALLED A MEETING THIS MORNING OF MY G7 COLLEAGUES AND A FEW OTHER DIRECTORS. A FULL LIST OF THOSE ATTENDING IS ERB (US), LASKE (GERMANY), LE LORIER (FRANCE), YAMASHITA (JAPAN), LOVATO (ITALY ETC), JOYCE (CANADA ETC), SCHNEIDER (AUSTRIA, REPRESENTING THE BELGIAN CONSTITUENCY), POLAK (NETHERLANDS ETC), TVEDT (NORWAY, REPRESENTING THE SCANDINAVIANS) AND MORRELL (NEW ZEALAND, REPRESENTING THE AUSTRALIAN CONSTITUENCY).
2. I TOOK THEM THROUGH DEVELOPMENTS SINCE THE TORONTO MEETINGS LAST SEPTEMBER AND SAID THAT REMOVAL OF THE DISCRIMINATORY RESTRICTIONS WOULD BE NECESSARY FOR COMPLETION OF THE REVIEW DUE BY 31 JULY. LAW 22820 REPRESENTED ON A PARTIAL AND PREPARATORY AMENDMENT TO LAW 22591. BRITISH COMPANIES WERE STILL UNABLE TO USE THE CHANNELS FOR REMITTING DIVIDENDS ETC AVAILABLE TO OTHER FOREIGN FIRMS, ALTHOUGH WE UNDERSTOOD THAT CERTAIN BRITISH BANKS MIGHT NOW BE PERMITTED TO REMIT DIVIDEND PAYMENTS. SO LONG AS THE PROVISIONS OF THIS LAW REMAINED IN EFFECT, ARGENTINA WOULD NOT HAVE FULFILLED ITS COMMITMENT TO THE FUND UNDER THE STANDBY.
3. I ASKED FOR THESE VIEWS TO BE PASSED BACK TO QUOTE COMMUNITY,

3. I ASKED FOR THESE VIEWS TO BE PASSED BACK TO QUOTE COMMUNITY  
610 AND MAJOR COMMONWEALTH CAPITALS UNQUOTE.

4. THERE WERE ONE OR TWO QUESTIONS. ERB ASKED WHETHER ADMINISTRATIVE  
DELAYS WERE NOW BEING EXPERIENCED IN RELATIONS TO REMITTANCES BY  
BRITISH COMPANIES. I SAID ALL WE KNEW ON THIS WAS THAT ARGENTINE  
OFFICIALS HAD SAID THAT CERTAIN BANKS WOULD BE PERMITTED TO REMIT  
PAYMENTS. JOYCE ASKED WHETHER LAW 22820 SPECIFIED SPECIAL  
TREATMENT FOR BANKS. I SAID THAT ALL LAW 22820 DID WAS PASS GENERAL  
DISCRETION TO THE SUPERVISORY COMMISSION. LASKE ASKED WHETHER A  
CESSATION OF THE RESTRICTIONS IN PRACTICE, ~~WHILE LEAVING THE LAW~~  
IN PLACE, WOULD SATISFY ARGENTINA'S COMMITMENT TO THE FUND. LE  
LORIER AND POLAK SAID THEY THOUGHT IT WOULD. I SAID I COULD NOT  
JUDGE THIS, BUT THERE SHOULD BE FULL REMOVAL OF THE LAWS THEMSELVES.  
(THIS MAY ALSO BE A POINT THAT WILL SOON EXERCISE THE FUND STAFF  
AND THE MANAGING DIRECTOR MAY SEEK VIEWS ON IT WHEN HE VISITS  
LONDON NEXT WEEK.)

5. I HAVE PASSED COPIES OF MY REMARKS AND OF LONDON'S TRANSLATION  
OF THE TEXT OF LAW 22591 AS AMENDED BY LAW 22820 ON A CONFIDENTIAL  
BASIS TO ALL WHO ATTENDED. SCHNEIDER SUBSEQUENTLY CONFIRMED THAT  
HE WOULD BE REPORTING TO VIENNA AS WELL AS BRUSSELS AND LUXEMBOURG.

6. FCO PLEASE ADVANCE TO CAREY, LITTLER AND LAVELLE (HMT),  
GILCHRIST (BANK OF ENGLAND) AND APPELYARD (ERD).

WICKS

NNNN

FROM: R G LAVELLE  
DATE: 24 June 1983

1. MR LITTLER
2. CHANCELLOR

cc: Economic Secretary  
Mr Middleton  
Mr Unwin  
Mr Carey  
Mr Bottrill  
Mrs Diggle

*Cover only  
Perth (ASG)  
2 Archy  
M.*  
*(the 2 red flags  
are new material.)*

*7. Bottrill*

MEETING WITH M DE LAROSIERE: 28 JUNE

Mr Littler's minute of 17 June outlined the principal subjects of current interest on the international scene. Many of these involve the IMF in one way or another and could be touched on when the Managing Director calls on you next week.

2. The attached EF briefing accordingly presents a rather more detailed account of some of these issues. It is much fuller than is needed for this short meeting: the Managing Director will not expect you to have more than at most a nodding acquaintance with items of current Fund business, and he will have talked over a number of them with Mr Littler and Mr Middleton earlier in the morning. The material is designed to enable you to pursue points you find of interest while providing a temporising line to take in other areas.

3. The natural place for discussion to start is perhaps the area covered in Annexes C-E - the general world economic outlook and the way forward in development of multilateral cooperation. On the first we share the IMF's general analysis except that we would expect inflation to have bottomed out by the end of 1983. On the second, I suggest you need do no more than show understanding of the thinking behind the Williamsburg Declaration and indicate scepticism about premature calls for a new Bretton Woods. Following your meeting with Mr Volcker earlier in the morning, you may want to touch on the implications for others of absence of early progress in the US Budget deficit.

4. The Managing Director may say something about your predecessor's work as Chairman of the Interim Committee and touch on the question



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of his successor. You might simply indicate that you are looking forward to meeting new colleagues.

5. Of the current Fund topics, two likely to be at the top of the Managing Director's mind are progress with implementation of IMF quota increases and the problem of Fund liquidity. As indicated in Annex B we have a reassuring story to tell on the first. We suggest you can reasonably not at this stage be drawn yourself into the detail of the second.

6. There is one issue which we believe that you should yourself raise - you have asked for advice on this - viz Argentina.

*my minute at the back of the document.*

7. The basic line we recommend is that in Annex A. We welcome the Managing Director's clear stand on discriminatory restrictions and we believe it is essential that he stick to it. He will be seeing Del Solar again today and we hope to have a further report on this.

8. Since the briefing at Annex A was prepared we have had a report from Mr Wicks (Tel No 186) of his meeting with G7 colleagues and others on this issue. One point raised there (paragraph 4) is whether if discrimination ceases in practice, leaving Law 22820 in place, that will do.

9. On this our position is that this could only be enough on three conditions:

(i) that there was concrete evidence that the restrictions were no longer operating and dividends had actually been remitted by British companies as well as banks;

(ii) the evidence on the ground at (i) was supported by some new bankable assurances from Argentina that this is how the Law would be operated pending its removal; and

(iii) the Fund reaffirmed that any evidence that points (i)-(ii) were not being met would lead to suspension of the programme.



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The precise modalities of this require further thought. On (i), the Bank are hoping that four test applications will be made by the end of the month. The danger is that these will be subjected to bureaucratic delay. Our position is that in that situation, no more IMF money can flow into Argentina.

*R*

R G LAVELLE







Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

1 July 1983

Mr A W Clausen  
President  
The World Bank  
Washington DC 20433  
USA

(14)

*Mr Clausen*

Thank you so much for your kind congratulations on my new appointment. I do not underestimate the magnitude of the task facing me, but I can assure you that I am greatly looking forward to it. The messages of support I have received are a great encouragement. Many thanks too for your invitation to the lunch on 28 September. It is firmly in my diary, and I greatly look forward to it.

*Yrs sincerely  
Nigel Lawson*

NIGEL LAWSON





Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

1 July 1983

M. J de Larosiere  
Managing Director  
International Monetary Fund  
Washington DC 20431  
USA

plp

A handwritten signature in cursive script, appearing to read "Ian Jacques".

Thank you so much for your kind congratulations on my new appointment. I do not underestimate the magnitude of the task facing me, but I can assure you that I am greatly looking forward to it. The messages of support I have received are a great encouragement, and I should be grateful if you would convey my thanks to the IMF Executive Board and staff.

It was a great pleasure to see you in London this week.

A handwritten signature in cursive script, appearing to read "Nigel Lawson".

NIGEL LAWSON



✓ I don't know of 3(c)(ii),  
but 4 is re-assuring.

FROM: J.G.LITTLER  
DATE: 1 JULY, 1983

CHANCELLOR

cc Mr. Middleton  
Mr. Lavelle

JGL

IMF

I understand that this subject may come up when you see the Prime Minister this weekend, and that she may express some worries about risks of the IMF being or becoming too indulgent, towards borrowers or developing countries generally, or on world liquidity. You may like to have a few notes as background.

IMF Resources

2. These consist of the usable element of quotas (say, about 30 billion SDR, or about 50% of total quotas, representing currencies of creditor countries) and certain borrowed resources (mainly from Saudi Arabia, Germany, Japan and other industrial countries). Almost the whole of the present tally of resources is used up, or committed for fairly early use. Actual cash flow might come to an end somewhere about the turn of the year.

3. Prospective additional resources consist of:-

(a) Results of the increase of quotas agreed in February, subject still to ratification by legislatures, adding another 30 billion in total quotas, and therefore about 15 billion usable.

(b) GAB resources (contingent obligations of the 11 leading industrial/financial countries), whose enlargement and extension of use was agreed in principle in February but is still subject to ratification by some participants. Some of this has to be reserved for possible balance of payments needs of Members (? France, Italy), but there might be about, say 6 - 8 billion SDR made available to the IMF, in the event of threat to the world financial system.

(c) The Managing Director is seeking additional borrowed resources from Saudi Arabia (4 billion) and industrial countries in a good position (another 4 billion).

→ news to me //

// ←



4. So far, he has made little progress with (c), and we are of course still awaiting ratification, especially by the United States, on the first two. As regards (c), the UK position has been that we cannot afford more than a trivial amount ourselves; additionally, I have questioned in discussion among international officials, whether the IMF need both the extra borrowed resources and the extra potential from the GAB. This will be pursued further in Paris next week.

#### Use of Resources

5. Partly in the effort to mobilise support for his fund-raising, partly with the understandable financial conservatism of the IMF Treasurer, the Managing Director has been circulating papers illustrating the future demand for IMF resources which probably overstate a little the likely net need, unless the world situation deteriorates badly. There is much ground for debate here, and my own view is that there are some parts of the debate which need not be resolved immediately, but can wait upon the better information which the evolution of events will give us. The cash-flow crunch will not arise for some time (except possibly for a very small bridging operation at the end of this year, before new quota resources are available).

6. I do not think it is fair to accuse the Managing Director of taking an over-generous attitude towards demands for funds. It is true that - with some reluctance - he has committed the maximum enlarged access to drawings to half-a-dozen countries, including Brazil, Mexico and Argentina. It is a matter of more than passing interest that in every case he did so under very strong United States pressure. One of the points I have raised in a message to G.5 colleagues in advance of our Paris meetings is that we ought, in future arrangements, to make provision for a considerably smaller proportionate total in relation to quotas to be granted in initial IMF drawings and programmes than has been allowed in these half-dozen cases, and I expect a good deal of support.

7. In the debate on the adjustment of access by borrowers, following the increase of quotas, the Managing Director has taken an intermediate position between the generous and the extremely restrictive.





CONFIDENTIAL

Discipline

3. My impression so far - and I imagine you will have received the same impression during our discussion with him about Brazil, is that the Managing Director is acutely conscious of the damage that would be done to his own credibility if he accepts the weakening of adjustment programmes, or overlooks failure of performance in granting successive tranches of IMF drawings. I propose that we give him the maximum support in this, but I am afraid we must be on the watch lest the United States - contrary to all the arguments they have used over the last few months - go soft on Brazil or some other country in their geographical sphere of influence, or politically sensitive to them.

General

9. I hope you could assure the Prime Minister - if she should show any doubt - that the Treasury view is tough on all aspects of these issues. Broadly, I think the same goes for the Bank of England.



(J. G. LITTLER)



*Spart*

FROM: J G LITTLER  
DATE: 6 JULY 1983

MR KERR —

cc Mr Middleton  
Mr Unwin  
Mr Lavelle

CHAIRMANSHIP OF IMF INTERIM COMMITTEE

It is quite likely that this subject will be raised privately, in the margins or at the lunch for ministers, at ECOFIN on Monday, 11 July. May I suggest you hold the following note in reserve to show to the Chancellor, unless I am able to send you later advice from meetings in Paris tomorrow and Friday (either by telegram or telephone over the weekend).

2. As things stand at present, there is a potential embarrassment within the community (although not directly for us). From soundings in the monetary committee yesterday, I learn the following:

- Delors (France) will not stand: too busy, and possibly realises that his candidate tour would not be welcome to the United States;
- Stoltenberg (Germany) will not stand;
- De Clercq (Belgium) wants the job and is busily canvassing: he has been promised support by Ruding (Netherlands) and Delors (who now rather wishes he had not given his casual friendly affirmative!);
- Ruding would be prepared to stand, if he had the support of others, but does not want to have a public row with his Belgian colleague.



3. The inwardness of the last point is that the Germans very much dislike the idea of De Clercq as Chairman, and would like to promote a campaign for Ruding.

4. I was asked about the UK view by both German and French colleagues (but not by others). I made the point that the Chancellor is not personally acquainted with some of the candidates, which must induce us to hang back. I said that I had advised that we ought to field and collectively support a community candidate; that I would not have advised opposition to any of the four named above; and that I had totally refused to commit UK support on the only approach I have received (from the Belgians) at this stage.

5. My German colleague (Tietmeyer - who may well represent the German Finance Minister next Monday) was fishing for UK help in disuading De Clercq and promoting Ruding. I refused, and said that, although I would happily advise the Chancellor to support Ruding if his name emerged above others, I really thought it must be for Germany to take the lead in trying to resolve any Belgian/Netherlands dispute.

6. I am afraid that the only polite argument that I can think of for suppressing De Clercq is the fact that he has already had the privilege of chairing the IMF interim committee before, and we could argue to give somebody else a turn. The true German reason for preferring Ruding is that they think he will be more effective in resisting wild ideas from developing countries and keeping the tone of discussion with the IMF on a disciplined track. I have sympathy with this, although I think they exaggerate the advantage of Ruding and the disadvantage of De Clercq in this respect. My recollection of De Clercq as Chairman was that he was responsible, competent in the conduct of meetings, but lacking in ideas.

  
(J G LITTLER)



FROM: J G LITTLER  
DATE: 11 JULY 1983

*Thanks  
me*

BRAZIL AND BIS

As I had agreed with Mr Loehnis on 4 July (and reported immediately afterwards to the Chancellor) I tried out in Paris, first among G5 colleagues and then at the dinner we had with the IMF Managing Director, the idea that the principal criterion for deciding whether or not to allow some further modest extension of the date for repayment by Brazil to the BIS should be the judgment made with the help of the IMF Managing Director of which action would be most fruitful in pressing the Brazilian authorities to take prompt action to come into line with the IMF programme.

2. The Managing Director appeared not to have thought of the BIS credit problem in quite this context, but he immediately welcomed the idea. He said that he thought the timing would fit very well. As he understood it, the Brazilian president was due to go to the United States for hospital treatment on 15 July. The IMF team currently in Brazil were expecting decisions from the Brazilian government to be determined, and probably announced immediately before this date. (There was just a possibility of announcement being deferred until after the departure of the president). In the judgment of the managing director, if the Brazilians at this point fail to undertake satisfactory action, it must be judged that they had no real intention or ability in the immediately foreseeable future to do what was necessary.

3. Against this background, he felt it could be an excellent idea if the BIS were to reach a conditional but very clear agreement on 11 July: /





- If the Brazilian authorities took satisfactory action by the middle of the month, then the conditions would be set for their next drawing from the IMF, commercial lending programmes would be resumed, and it would be appropriate for the BIS to allow a modest further delay in payment, simply for the mechanics of getting the various sums transferred around;
- If, on the other hand, there were not satisfactory measures by Brazil, then the BIS should call their credit and make clear to Brazil their dissatisfaction;
- The intention of the BIS to make this judgment on this basis should be made clear to the Brazilian authorities as soon as possible after 11 July.

All present at the dinner agreed that this seemed pretty sensible, and we all undertook to report to our governments and central bank colleagues. We were conscious that precise details of timing and modalities could only be left to the central bankers and the Managing Director in Basle.

4. I returned to London on Saturday morning, 9 July. I reported these discussions to Mr Scholar at No.10, who thought they would usefully back up the advice the Chancellor had offered the day before. He was at that time still awaiting a response from the Prime Minister to the Chancellor's note. I then reported to Mr Loehnis, on the basis that the Bank of England should be guided by this line in discussions in Basle, subject to any further message from No.10. I also reported to Mr Unwin, who will have an opportunity to pass this on to the Chancellor during the visit to Brussels.

  
(J G LITTLER)



FROM: J G LITTLER  
DATE: 11 JULY 1983

*Wk  
had a mtg  
on that  
re*

IMF FUNDING

There was much discussion among officials in Paris on 7/8 July, and between G5 deputies and the IMF Managing Director at dinner on the second day, about IMF funding.

2. It became clear in the discussion with the Managing Director that he is totally and somewhat publicly committed to securing some additional borrowed resources in the near future. There are two elements to this:-

a. The IMF is undertaking additional commitments for future lending from month to month. The accumulated total is rapidly approaching the point at which it can not be covered if the increase in quotas and the availability of money from the extended GAB arrangements both fall through. Everybody assumes (although with a worried eye on the US congress) that this disaster will not happen. But with some justification the Managing Director maintains that he cannot totally and credibly undertake commitments which are not actually covered or under-written. For this purpose he needs, well in advance of the end of 1983, a guarantee of funds which would cover his rising commitments, which are not conditional on US congress or other potential difficulties. Without that cover, he asserts (indeed we had a somewhat bad-tempered quarter of an hour on this theme) that he must immediately call a halt to all negotiations for future commitments. He agreed, however, that his need in this respect is not for immediate cash flow, but for some form of under-writing, and he would



not have a call for actual funds until sometime well into 1984, and of course not then if a new quota increase and extended GAB funds were available.

b. Separately, the Managing Director wants to get additional cash funds from Saudi Arabia. He is trying to negotiate in firm terms a third annual tranche of the agreement reached with Saudi Arabia in 1981 in principle for three years, but with no final commitment as to amount for the third year. After many exchanges, and at least one period of extreme pessimism, he now has some hope of getting \$3-3½ billion from Saudi Arabia, if, and only if, industrial countries are prepared to put up a broadly similar amount. We noted that an arrangement of this kind, in order to take real advantage of Saudi Arabia help, would have to be a cash loan, although the transaction need not take place until 1984.

3. Several of the industrial countries have difficulties. In particular, the United States position hitherto has been that there is no way in which they can make additional funds available without approval from congress, which will not be forthcoming. For Germany, the government has been relatively sympathetic, but offering no money of its own, while the Bundesbank has vacillated, with those opposed to any further lending to the IMF appearing recently/have been in the ascendant. United Kingdom has expressed reservations, with some concern about the amount, and refusal to contemplate contributing unless all others, especially United States and Germany, do so.

4. The kind of deal which is now being contemplated, including elements which emerged in our discussion at the meetings in Paris last week, would have the following components:



a. Following the precedent of 1981, funds from Saudi Arabia would be fairly straightforward lending, for five years or so. Funds from industrial countries could take the 1981 form of a standby. (Main points were that the money was available to be drawn at any point over a 2-year period; it could be drawn initially for six months, but the repayment could then be postponed for four successive periods of six months). Funds would not need to be called during 1983, but if the Saudi money was to give good value, both it and the funds from industrial countries would have to be called thereafter, probably fairly early in 1984.

b. The industrial country contribution would be about ~~£~~ 3 billion. It <sup>would</sup> be provided by the BIS (or the BIS plus United States, it being uncertain whether that country would operate separately but in parallel, or under the BIS umbrella). But the BIS would require guarantees from central banks. In the case of the Bank of England, the government would in turn have to guarantee the central bank. In our case, this could be on the basis that implementation by HMG of the guarantee would be carried on the Exchange Equalisation Account as a reasonable temporary investment of funds, which would still count in our reserves, although of course illiquid for the period in question. A substantial part of any guarantee fee received by the Bank of England would be passed on to the EEA.

5. For Germany there is a particular problem for which Tietmeyer proposed a curious solution of which we all took note as a possibly useful arrangement. His concern and that of the Bundesbank, is that any additional resources made available to the IMF should not add more to what was hitherto planned under the quota increases and enlarged GAB taken together. Therefore, the proposal is that any amount made available by industrial countries (the £3 billion in question here) would by private arrangement between G10





countries be notionally deducted from what they would be prepared subsequently to make available to the IMF from the enlarged GAB.

6. From the United Kingdom point of view, what is proposed is a relatively convenient way of meeting the contribution which must in any case be judged likely to be necessary at some stage, towards GAB funds for the IMF. The chance of the BIS having to call the guarantee from central banks is small, so that the operation could be cost-less. Even if called, the arrangement to meet the need by temporary redistribution of a part of our reserves has attractions (we have done this in the past on at least two occasions).

7. On return to London, I ran over the whole of this plot with Mr Loehnis, and agreed with him that - provided that satisfactory arrangements can be made for adequate United States, German and other contributions, the Bank of England could agree ad referendum to participation in an arrangement on these lines.



(J G LITTLER)



Dunne

Thanks.  
2. No para 4, I take it that the date is OK.  
3. Re X, this is presumably what begins lunch with Speaker in the Car.  
4. No para 6 as we spoke to the Car.  
5. See also below.

FROM: J G LITTLER  
DATE: 11 JULY 1983

MR KERR

- cc PS/Economic Secretary
- Mr Middleton
- Mr Burns
- Mr Unwin
- Mr Carey — Mr Bottrill
- Mr Lavelle
- Mr Lankester
- Mr Bottrill — Mr Ridley or
- Mr Peretz — Mr Hall
- Mrs Diggle — Mr Level

MEETINGS OF OFFICIALS IN PARIS: 7/8 JULY

In the margins of the WP3 and G10 deputies meetings last Thursday and Friday, we had a series of meetings of G5 deputies, including a dinner with the IMF Managing Director.

2. I attach separate notes on the two main subjects of discussion with the Managing Director: Brazil and IMF funding. Other points which maybe of interest to the Chancellor are mentioned below. In some cases, I am circulating selectively fuller notes.

Argentina

3. I took the opportunity among G5 deputies to make clear our position on Argentina and discrimination. The response was a quite unequivocal agreement that the principle of "no discrimination" must be maintained.

Future Meetings of G5 Ministers

4. The Regan invitation to a July meeting has not been withdrawn, but four of us said that ministers were not now expecting such a meeting, and Sprinkel accepted this. We foresee a need for two sessions of G5 Ministers at the time of the IMF/IBRD Annual meeting - one with the IMF Managing Director for 'surveillance', and one for IMF and other business. Provisionally, dinner sessions on successive evenings of Friday, 23. September and Saturday, 24 September are earmarked. There is likely also to be a meeting of G5 deputies during the Friday, which will mean my leaving Trinidad a day early. I would like to check the acceptability of these dates with you.



## Meeting of G10 Ministers

X | 5. The earlier provisional arrangement was confirmed: an-all day meeting on Saturday, 24 September. The agenda provisionally agreed would be:

- World Economic outlook.
- Questions for decision at the subsequent IMF interim committee.
- IMF liquidity, including allocation of SDR (no positive interest except from France).
- Preliminary discussion of 'Williamsburg point 5' (see below).

## Williamsburg point five

6. This is shorthand for the agreement secured by President Mitterand at Williamsburg, that Finance Ministers should consider the conditions necessary for an improvement of the international monetary system, and the role which might be played by a future high-level international monetary conference. The French want to pursue this in the G10 forum. Some other countries which are not members of the Summit Group have also made it known that they regard the G10 as the only respectable forum of industrial nations. Officials in G5, and Italy and Canada, have seen two advantages in getting the subject out of the Summit Group: first, that we do not want to institutionalise that group for indefinite continuing work; secondly, we all agree in preferring to avoid the extra focus on a particular date, and the dramatisation, which inevitably goes with subjects known to be for summit consideration.

7. A particular interest is the fact that my French Treasury colleague, and according to him his Minister also, are anxious to play the subject down, and to concentrate on relatively modest and practical things which might be done, rather than indulge in system-building.

## Trade and Finance Ministers

8. The OECD Secretary/General gave a lunch on Friday for Senior Finance Ministry members of WP3, at which he proposed arrangements to carry forward some modest joint exploration by Trade and Finance experts of possibilities of stopping and reversing



protectionist trends. (An American initiative to convene a meeting of a group of Trade and Finance Ministers of leading industrial countries in Paris in May led to a moderately interesting encounter, but was fraught with diplomatic problems: refusal of the French to participate on French ground under US Chairmanship; trouble with the Commission on the basis of their 'competence' in trade matters). The Secretary-General simply proposed a future meeting of WP3 to which the Chairman and Vice Chairman of the parallel trade group would be invited; to be followed by a meeting of the Trade Group at which there would be similar WP3 representation. The object would be to explore the possible value of developing such links, and to define more concretely areas of potential action.

9. I joined in the fairly general welcome for this proposal. Sprinkel (United States) asked plaintively whether this did not pre-empt the idea of a further meeting of Trade and Finance Ministers, was told very brutally by Tietmeyer (Germany) that he would do better to forget about that idea for the time being, and appeared to subside reasonably happily, saying that he too welcomed the OECD initiative. For immediate purposes, this helpfully dispenses with the need to think of yet another meeting in Washington in September, which the Americans had been rather unhopefully toying with.

#### IMF Questions

10. The G10 meeting, half that of WP3 and a good deal of the G5 discussions were dominated by IMF questions due for resolution in September, especially the problem of scale of continued enlarged access by borrowers to IMF resources. We failed to reach agreement. At one stage, a compromise proposal which I put forward came to the verge of being accepted within G5, but we then had a bout of French intransigence, which provoked retreats by US and Germany. We now have to make further efforts to pick up the pieces. There will need to be a battle in September, but I will not trouble you with details now: I am circulating a full account separately.





Other Questions

11. I reported separately by telephone on discussions of the Chairmanship of the IMF interim committee, and of the export credit consensus, but these will probably have been overtaken at ECOFIN today.

A handwritten signature in blue ink, appearing to be 'J G Littler', written in a cursive style.

(J G LITTLER)





FROM: J O KERR

DATE: 12 July 1983

A handwritten signature in blue ink, possibly 'JOK', enclosed in a hand-drawn oval.

cc PS/Economic Secretary  
 Mr Middleton  
 Sir T Burns  
 Mr Unwin  
 Mr Battishill  
 Mr Carey  
 Mr Lavelle  
 Mr Lankester  
 Mr Ridley o.r.  
 Mr Bottrill  
 Mr Peretz  
 Mr Hall  
 Mr Lord

MR LITTLER

**G5D, WP3, AND G10 MEETINGS: 7/8 JULY**

The Chancellor was grateful for your minutes of 11 July about last week's meetings in Paris. The following are his reactions.

2. Future G5 Ministerial meetings. He is content with the plan for two working dinners in Washington on 23 and 24 September. And he accepts that if there were to be a meeting of G5 deputies earlier on 23 September, you would have to rethink your Trinidad plans.
3. G10 Ministerial meeting. He is similarly content with the plan for a G10 Ministerial meeting in Washington on 24 September. M. Delors talked about the meeting at yesterday's ECOFIN lunch - though he was vague about the date. He suggested that the morning session would cover interest rate, exchange rate, and intervention issues; while the afternoon session would cover the world economic outlook. But this may be only his slightly idiosyncratic summary of the agenda described in your paragraph 5.
4. International Monetary System. The Chancellor would like to see an early analytical paper by the Treasury setting out:-
  - a. our perception of current problems affecting the International Monetary System;
  - b. the similar perception of those who seek a "new Bretton Woods";
  - c. our views on how the problems we identify can best be handled; and
  - d. our assessment of the case which those who perceive the problems differently make for a "new Bretton Woods".



In this context, the Chancellor would be grateful for advice on the progress of the Ramphal "Muldoon Group", due to report at the CFM at Trinidad. He has it in mind that he ought perhaps to see Sir Jeremy Morse this month, with a view to influencing the drafting and/or preparing counter-arguments.

5. Meetings of Trade and Finance Ministers. He is glad to hear that the Sprinkel suggestion of a repetition in Washington of the Paris May meeting has apparently been squashed.

6. IMF Funding Issues. He has noted your account of the debate with Larosiere about additional finance for the Fund. We shall be arranging a meeting on this.

7. Interim Committee Chairmanship. As you fore-shadowed, he was lobbied at ECOFIN yesterday by Tietmeyer, on Ruding's behalf, and by Ruding, somewhat bashfully, on his own behalf. He made it plain to both that we would wish to support an agreed Community candidate, but he indicated to Tietmeyer that we would not be prepared to take the lead in arguing against de Clercq.

A handwritten signature in dark ink, appearing to read "J O KERR".

J O KERR

FROM: R G LAVELLE  
DATE: 12 July 1983

CHANCELLOR

cc: Economic Secretary  
Mr Littler  
Mr Bottrill  
Mr Salveson  
Mr Sheridan

IMF RESOURCES

As you know, their IMF Quota Bill is giving Secretary Regan a lot of trouble. Important votes are likely in the coming week. Mr Wicks tells us that Mr Regan would welcome a letter from you about progress on this side of the Atlantic. This could help to rally the troops.

2. The Economic Secretary successfully took the IMA Bill through the Commons yesterday and secured the House's approval to the IMF Subscription Order in the small hours. Their Lordships are expected to have a second reading debate of the Bill next Monday and give it a Third Reading on the following Monday.

3. I attach a letter to Mr Regan which, if you are content, we would arrange to be telegraphed today.

  
R G LAVELLE



DRAFT The Honorable Donald T Regan  
Secretary to the Treasury,  
Washington, DC.

Please type ✓

IMF RESOURCES

I am glad to inform you of the stage reached in  
~~You asked to be kept in touch with progress on~~ the legislative  
procedures required in ~~the UK~~ <sup>the country</sup> to authorise increases in the  
credit lines under the General Arrangements to Borrow and in  
IMF quotas.

3. As regards our contribution to the enlarged GAB, the related  
International Monetary Arrangements Bill completed all its stages  
in the House of Commons yesterday. The Bill's final consideration  
by the House of Lords is now in train, and Royal Assent is expected  
~~within the next two weeks.~~  
~~before the Summer Recess.~~

4. ~~It~~ In short, we are on course to complete both parts of the exercise by this month.

~~The implementing the~~  
2. ~~an~~ increase in IMF quotas requires a separate Resolution  
of the House of Commons. This Resolution was approved early  
this morning <sup>That means</sup> so that the necessary legislative action here has  
now been completed.





From: J B UNWIN  
12 July 1983

pwf  
12/2

MR LITTLER

cc Mr Kerr  
Mr Middleton  
Mr Lavelle

COPY FOR

CHAIRMANSHIP OF IMF INTERIM COMMITTEE

The Chancellor was button-holed on this by both Tietmeyer and Ruding in the margins of ECOFIN yesterday.

2. Tietmeyer wanted the Chancellor to take the lead in promoting Ruding. His argument seemed to be that it would be proper for the successor to the retiring Chairman to do so. The Chancellor politely declined to do so. He said that, since he did not know personally any of the contestants, he thought it would be better for a Finance Minister of longer experience to take the lead.

3. Mr Ruding also suggested that the Chancellor, since he represented a major country, should take the lead. In reply to a direct question from the Chancellor, Ruding said that he himself was "available" if drafted, but that he would not be actively campaigning. The Chancellor gave him a similar reply to that to Tietmeyer.

4. Both Ruding and De Clercq made what appeared to us to be "campaign" speeches in the discussion of the international monetary item on the agenda. We thought that De Clercq perhaps had a narrow points victory on that; but Ruding hauled himself into the lead later by a good statement on the consensus.



J B UNWIN





EST. MR LITTLE.  
MR LAVELLE. MR BOTTRILL.  
MR SALVESON. MR SHERIDAN.

Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

13 July 1983

H Walsh Esq  
Counsellor (Economic)  
British Embassy  
Washington DC

*(Handwritten initials)*

*Dear Harry,*

IMF RESOURCES

I should be grateful if you could arrange for the enclosed letter from the Chancellor of the Exchequer to be passed to Secretary Regan. The text of the letter has already been transmitted by telegram.

*Yours,*

*David H*

MISS J C SIMPSON  
Private Secretary





Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

12 July 1983

The Honourable Donald T Regan  
Secretary to the Treasury  
Washington DC

A handwritten signature in cursive script, appearing to read 'Donald T Regan'.

IMF RESOURCES

I am glad to inform you of the stage reached in the legislative procedures required in this country to authorise increases in the credit lines under the General Arrangements to Borrow and in IMF quotas.

Implementing the increase in IMF quotas requires a separate Resolution of the House of Commons. This Resolution was approved early this morning. That means that the necessary legislative action here has now been completed.

As regards our contribution to the enlarged GAB, the related International Monetary Arrangements Bill completed all its stages in the House of Commons yesterday. The Bill's final consideration by the House of Lords is now in train, and Royal Assent is expected within the next two weeks.

In short, we are on course to complete both parts of the exercise during this month.

A handwritten signature in cursive script, appearing to read 'Nigel Lawson'. Above the signature, the word 'SIGNED' is written in capital letters.

NIGEL LAWSON



FROM: J G LITTLER  
DATE: 20 JULY 1983  
(with paper but without attachments)

MR KERR

*Q. which it is well worth talking about "British Woods II"*  
*But the main purpose should be to discuss Flag G : IMF Funding.*

- cc PS/Economic Secretary
- Mr Middleton
- Sir T Burns
- Mr Unwin
- Mr Battishill
- Mr Carey
- Mr Lavelle
- Mr Lankester
- Mr Ridley
- Mr Bottrill
- Mr Peretz
- Mr Hall
- Mr Lord

*and now see (3) The new British SDR's submission*

INTERNATIONAL MONETARY SYSTEM

Your minute of 12 July commented on my report of meetings on 7/8 July among officials in Paris.

2. You suggested a meeting to discuss IMF funding issues, now arranged for Friday of this week; you also asked for an early analytical paper on aspects of the International Monetary System, and raised the question of a possible talk between the Chancellor and Sir Jeremy Morse.

3. I attach a fairly short, and by no means comprehensive, paper, which I hope will help chart the course, and indicate those things which I think worth pursuing, and those which might be best left aside.

4. The possible value of a talk with Sir Jeremy Morse may become clearer in a few days, after:

- The Chancellor's talk with the Commonwealth Secretary/General today, on which separate briefing was put forward; and
- a dinner which the Commonwealth Secretary/General is giving on Monday evening, 25 July, for the Study Group (unfortunately neither Mr Middleton nor I could attend, but Mr Lavelle is doing so).

*JG*  
(J G LITTLER)

*Flags E & F*

*\* Flag G is due paper for this*

*? later vs pos. (copying)*





FROM: J G LITTLER  
DATE: 20 JULY 1983

## INTERNATIONAL MONETARY SYSTEM

### The Idea Of a "New Bretton Woods"

After the break-down of the exchange rate system established under the Bretton Woods arrangements, there was wide spread demand for the development of a replacement system, which led to the setting up under IMF ~~in~~ auspices of the Committee of Twenty at the level of finance ministers, with a supporting committee of officials and central bankers. The labours of nearly 5 years (1971-1976) produced some interesting technical analyses and proposals, but eventually foundered on irreconcilable differences between advocates of floating and fixed exchange rates, resulting in a patching operation, under which IMF articles were revised to permit almost any exchange rate system with recommendations of good and co-operative behaviour.

2. The more recent demands for "a new Bretton Woods" or a "high-level conference" have arisen under the pressures and worries of the last couple of years. There have been many unspecific suggestions of reform and re-establishment of order. Among them, three particular strands have had more prominent backing:-

a. A demand from many developing countries, addressed in part to the need for stability, in part to their perception of the need for industrial countries to alleviate debt problems and increase flows of resources, and taking an overall form very similar to long-standing demands for a "New International Economic Order", an essential feature of which would be larger voting-power for developing countries in the IMF and elsewhere. Although the feelings of some of the advocates are very strong, there is no evidence that the demand has developed particular strength, coherence or focus recently, and much of its expression is little more than rhetoric. The recent UNCTAD conference was an occasion which saw



the demand expressed, but broadly speaking dismissed on the same lines as in the past.

b. Muldoon: The New Zealand Prime Minister launched his demand at the meeting of Commonwealth finance ministers last August, catching the headlines and causing some disruption without attracting widespread support. His theme seems to concentrate on the need to avoid protectionism and expand trade, although he has passing references to the need for greater stability in exchange rates, and points out in particular that large swings in exchange rates can be just as disruptive/trade as tariff barriers. The most recent - and probably the best - statement of Mr Muldoon's views is in the speech he made on 17 May in London, copy attached at annex A.

*to general, not so*

... Flag 'B'

c. President Mitterand: After sundry public hints, President Mitterand made a public demand in a speech to Ministers assembled in Paris on 9 May for the Annual OECD Ministerial meeting. A copy of the text in French, with a brief summary of main points in my minute to Mr Kerr of 12 May, is attached. This address contained a bit of everything, but the demand for a new Bretton Woods and a high-level conference was specifically addressed to exchange rate stability. Interestingly, since that time the French administration, including the President himself, have softened their approach. At Williamsburg, the French President insisted on a reference to his ideas in the final declaration, but was content with a remit to finance ministers to discuss the conditions necessary for improving the system, and in that context the role which a high-level conference might in future play. The French Finance Minister is keen to carry forward international discussion, but on the evidence of his officials has no great ambitions of success and could well argue for little more than a modest attempt to identify practical and helpful measures which can be taken in the foreseeable future.

Flag 'C'



3. The United States and Germany have repeatedly shown hostility to this general run of ideas. Japan may be more sympathetic, but has not ventured, and is unlikely to do so, against German and American views. The UK has been sceptical:-

a. The former Chancellor made a point of discussing the question in his evidence to the Treasury and Civil Service Committee on 31 January 1983. The Chancellor might like to glance over the passage beginning a few lines down page 4 of the attached record of evidence.

Flag 'D'  
marked \* - \*

b. Since then, and this would be my advice still, we have concentrated on nurturing the objective of convergence (a difficult but nonetheless meaningful concept) between the economies of leading industrial countries, and especially the frank and informal discussions between the G5 and the IMF Managing Director, as the way towards a necessary basis for any re-establishment of greater world-wide stability of exchange rates.

7 different  
sub-  
- 2 different  
contexts

#### Problems Other Than The International Monetary System

4. The discussions at Williamsburg covered what the United Kingdom, other countries and most commentators would regard as the major current world economic problems:

- Inflation: Still by no means out of the system.
- Recovery of output: To be achieved without rekindling inflation.
- Structural imbalance within and between countries, with a good deal of focus on the United States economy.



- The international debt problem.
- The threat of rising protectionism.
- Exchange rate instability (including a widespread feeling that current major exchange rates are wrong, as well as liable to be volatile).

5. A theme of Williamsburg discussion was the inter-relationship between many of these problems, and the way in which resolution of some of them can help resolution of others.

6. Some commentators have gone further in putting the various problems together:

- Towards the notion that some single act of political will is necessary to grapple with them all (not a view shared at all generally by governments); or
- towards the belief that one single change will provide the basis for tackling all the problems. There is a trace of this occasionally in French concentration on exchange rate policy; although more recognisably in the form of believing that other problems will be more difficult to resolve unless and until a satisfactory exchange rate system is devised.

7. The UK view, very much in the main stream, is that we have to tackle the various problems on various fronts. The fact that success in one will help with others does not lead to the conclusion that any one should be concentrated on. We have to tackle them all. And we have contributed, in international discussion and in our own policies, to action directed towards each of the problems.





8. If we were to put emphasis on something like a single root cause of the whole range of problems, we would focus, as we have indeed done, on the damaging effects of inflation caused by excessive monetary expansion and excessive public sector deficits.

*Excessive deficits create other problems, not simply inflation*

The International Monetary System

9. The UK perception, very much shared by Germany, and at least in words by the United States, embraces the following ideas:-

a. A stable (which does not mean rigid) system is certainly desirable.

b. But the only satisfactory basis of stability is the development of compatible internal policies of major countries.

c. Hence the weight we put on the convergence and associated surveillance themes (lamenting at present that the United States is by its actions the very damaging odd one out; France is also badly out of line, but attempting policies in the right direction).

d. Until better convergence is achieved, we doubt the value of exchange rate intervention - this is where we part company with France, hold firmly with the United States and Germany, and find Japan ambivalent.

e. We see the merit of a "system", in imposing a degree of discipline, and in helping to sustain stability once the basic conditions of convergent policies and performance have been achieved. But it has hitherto seemed to us to be manifestly premature to move in this direction yet.



10. I have already indicated that we see the United States as a major obstacle in the way of progress. There have been some hesitant signs recently of a possible future change in US attitudes. There is some growing recognition - though little evident within the US Treasury - that the present mix of US policies has created an exchange rate which is doing damage, within the US economy, in stimulating protectionism in the US, and on the world debt scene, with some risks of threat also to recovery of world output. The US authorities do not yet seem able or willing to do anything about it, but at least they are more readily recognising the arguments now than in the past. We have to keep plugging away, because it is inconceivable that a world monetary system could be agreed and operated, without the willing and effective participation of the United States.

11. As regards the framework of a possible future system, we have done little fresh thinking since the Committee of Twenty. I believe there are some elements in the work of that period which could be resurrected at the appropriate time, and found to be valid and useful. There can be no question of building a system around a single currency, as under Bretton Woods. The nexus of the five SDR currencies is the most promising centre of gravity. There were some interesting studies in the Committee of Twenty on multi-currency intervention arrangements and the development of the SDR as a focal definition of value, which deserved not to be lost.

*Handwritten notes in red ink:*  
No: whatever we  
multi-currency  
not tied for the SDR in  
& 'focal' def'n of value

(J G LITTLER)





INTERNATIONAL MONETARY FUND  
WASHINGTON, D. C. 20431

(Pup)

EXCHEQUER  
27 JUL 1983 ✓  
Mr LITTLE CABLE ADDRESS INTERFUND  
Mr LAWSON.  
Mr LAWSON.  
Mr BOTTSVILLE.

JUL 21 1983

Sir:

This is to acknowledge and thank you for your message, which was conveyed to us on July 18, 1983 by the Executive Director for the United Kingdom, notifying the Fund that the United Kingdom consents to the increase in its quota in the International Monetary Fund to SDR 6,194 million, in accordance with Board of Governors Resolution No. 38-1, entitled "Increase in Quotas of Fund Members--Eighth General Review," adopted March 31, 1983.

Very truly yours,

*Joseph W. Lang, Jr.*  
Joseph W. Lang, Jr.  
Acting Secretary

Rt. Hon. Nigel Lawson, M. P.  
Chancellor of the Exchequer  
H. M. Treasury  
Great George Street  
London, SW1P 3AG, England





INTERNATIONAL MONETARY FUND  
WASHINGTON, D. C. 20431

EXCHEQUER	
28 JUL 1983	
TO	
FROM	
COPY TO	
CABLE ADDRESS INTERFUND	

JUL 21 1983

REC'D 27 JUL 1983

Sir:

Pursuant to our letter to you of April 6, 1983 regarding the adoption of the Board of Governors Resolution on the increase in quotas of members, we have received from the Chancellor of the Exchequer the consent by the United Kingdom to the increase in its quota to SDR 6,194 million. Please find enclosed a copy of our letter of acknowledgment.

As you are aware, increases in quotas under the Eighth General Review will not take effect until all the conditions in the Resolution are met. Your Government will be notified in due course concerning the timing and operational details for payment of the increase in subscription.

Very truly yours,

Joseph W. Lang, Jr.  
Acting Secretary

Enclosure

Mr. Robert Leigh-Pemberton  
Governor  
Bank of England  
London, EC2R 8AH, England







INTERNATIONAL MONETARY FUND  
WASHINGTON, D. C. 20431

CABLE ADDRESS  
INTERFUND

- COPY -

JUL 21 1983

Sir:

This is to acknowledge and thank you for your message, which was conveyed to us on July 18, 1983 by the Executive Director for the United Kingdom, notifying the Fund that the United Kingdom consents to the increase in its quota in the International Monetary Fund to SDR 6,194 million, in accordance with Board of Governors Resolution No. 38-1, entitled "Increase in Quotas of Fund Members--Eighth General Review," adopted March 31, 1983.

Very truly yours,

A handwritten signature in cursive script that reads "Joseph W. Lang, Jr." in dark ink.

Joseph W. Lang, Jr.  
Acting Secretary

Rt. Hon. Nigel Lawson, M. P.  
Chancellor of the Exchequer  
H. M. Treasury  
Great George Street  
London, SW1P 3AG, England



# INTERNATIONAL MONETARY FUND

ADDRESSED TO THE GOVERNOR

PRESS RELEASE NO. 83/47

FOR IMMEDIATE RELEASE  
July 26, 1983

*ppp*

The International Monetary Fund has approved a stand-by arrangement for the Government of Ecuador, authorizing purchases up to the equivalent of SDR 157.5 million over the next 12 months, in support of the Government's economic and financial adjustment program. Purchases under the arrangement, equivalent to 150 per cent of Ecuador's quota of SDR 105 million, will be financed in part from the Fund's ordinary resources (SDR 79.94 million) and in part from resources borrowed by the Fund (SDR 77.56 million). Presently, Ecuador has no outstanding purchases.

Ecuador's economic and financial performance has weakened considerably in recent years, partly reflecting unfavorable price developments for Ecuador's export commodities, including oil, and a rise in world interest rates. In 1982 the growth of real gross domestic product (GDP) slowed to 2 per cent, domestic inflation accelerated to 25 per cent, and the balance of payments registered a large overall deficit.

In view of the recent difficulties, the Ecuadoran authorities have undertaken an adjustment program, which the stand-by arrangement supports, aimed at strengthening the balance of payments through the implementation of a flexible exchange rate policy, interest rate adjustments, and tighter demand management. These policies are expected to cut the current account deficit by more than one half by the end of 1983 and to lead to a substantial improvement in the overall balance of payments with respect to the previous year.

	<b>CHEQUER</b>
	<b>- 1 AUG 1983</b>
ACTION	Mr Litter 4/8
COPIES TO	Mr Unwin, Sir T. Burns Mr Havelle, Mr Peret Mr Bottill, Mrs Doyle Mr Hall, Mr Ridley.



# INTERNATIONAL MONETARY FUND

CHEQUE  
- 3 AUG 1983  
Account Mr. K. L. Miller  
MFS Mr. Ussin Sir T. Brown  
Mr. Lavelle  
Mr. Peretz  
Mr. Bostwick, Mrs. Dagle, Mr. Hale  
Mr. Ridley.

Pay

PRESS RELEASE NO. 83/48

FOR IMMEDIATE RELEASE  
July 28, 1983

Saudi Arabia and the International Monetary Fund have entered into an agreement under which the Fund will be able to borrow up to a total amount of SDR 1.5 billion to assist in financing purchases by members for the same purposes and in the same circumstances as are prescribed in the recently revised General Arrangements to Borrow (GAB). The agreement, which will establish a revolving line of credit, will enter into force when the revised GAB becomes effective.

Under the existing GAB, ten industrial members of the Fund stand ready to lend to the Fund to enable it to finance drawings by GAB participants when the Fund needs to supplement its resources in order to forestall or cope with an impairment of the international monetary system. The total size of the credit lines under the GAB is at present approximately SDR 6.4 billion. On February 24, 1983, the Executive Board approved revisions and an enlargement of the GAB (see Press Release No. 83/19), including a provision for participation by Switzerland. The modifications will, inter alia, increase the amount of resources available to the Fund under the GAB to SDR 17 billion, and can make GAB resources available to finance drawings by any Fund member. The revised GAB will become effective when all ten participants--Belgium, Canada, Deutsche Bundesbank, France, Italy, Japan, Netherlands, Sveriges Riksbank, United Kingdom and the United States--have notified the Fund that they concur in the amendments and in the enlarged credit commitments. Participants are asked to do so by December 31, 1983.

The credit arrangement with Saudi Arabia will be separate from but associated with the revised GAB. The effect of the agreement will be to increase the total amount of resources available to the Fund under or associated with the revised and enlarged GAB to SDR 18.5 billion. The Fund will be able to make calls under the credit arrangement during a period of five years, corresponding to the initial period of effectiveness of the revised GAB. Thereafter the arrangement can be renewed for further periods, either in its present form or in a modified form, as subsequently agreed between Saudi Arabia and the Fund.





FROM: J O KERR  
DATE: 28 July 1983



MR LITTLER

cc Mr Middleton  
Sir T Burns  
Mr Unwin  
Mr Battishill  
Mr Carey  
Mr Lavelle  
Mr Lankester  
Mr Ridley  
Mr Bottrill  
Mr Peretz  
Mr Hall

#### IMF FUNDING

This note records, for the benefit of those not then present, that you yesterday had the discussion with the Chancellor on IMF funding issues, and the Annex to your minute of 11 July, which was foreshadowed in paragraph 6 of my minute of 12 July.

2. The Chancellor noted the Tietmeyer proposal that additional resources for the Fund should not add to what had been hitherto planned under the quota increases and the enlarged GAB, and that there should therefore be a private GLO arrangement for notionally deducting any "additional" amounts made available in advance by industrial countries from the amounts which they would subsequently be prepared to make available to the IMF from the enlarged GAB. It was agreed that this was an attractive solution; though the Saudis would have to be fully informed. It was noted that the issue would be likely to come to the boil in September, at the Basle BIS meeting, and conceivably in the Interim Committee in Washington.

3. There was some discussion about IMF requirements if the US Administration's efforts this week to secure Congressional approval for their contribution to the quota increase were to fail. It was agreed that further advice would in that event be submitted; but the Chancellor's





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initial instinct was that we should not be inclined to accede to requests from Larosiere to rush in and bail <sup>out</sup> the Fund, but should instead let pressure on Congress and the Administration build up.

A handwritten signature in dark ink, appearing to be "J O Kerr".

J O KERR

CONFIDENTIAL



# INTERNATIONAL MONETARY FUND

PRESS RELEASE NO. 83/50

FOR IMMEDIATE RELEASE  
July 29, 1983

The International Monetary Fund has agreed to a purchase equivalent to SDR 360 million by the Government of Indonesia, under the compensatory financing facility, in respect of a shortfall in the value of merchandise exports calculated for the 12-month period ended March 1983. Data for the last three months of the shortfall period are based on estimates under a Fund provision that permits estimation of export data for up to six months.

The shortfall in aggregate exports is largely accounted for by shortfalls in the exports of non-energy products, including timber, rubber, and other primary products such as coffee, palm oil, and tin. Earnings from the exports of petroleum, as well as of liquified natural gas, were close to their medium-term trend, and consequently did not show a shortfall. Timber exports stagnated in the shortfall year largely because of weak external demand caused by the world recession. The exports of other primary products all suffered from low world market prices.

Indonesia's quota in the Fund is SDR 720 million and its outstanding financial obligations to the Fund resulting from past operations and transactions currently total the equivalent of SDR 65.1 million.



# INTERNATIONAL MONETARY FUND

PRESS RELEASE NO. 83/49

FOR IMMEDIATE RELEASE  
July 29, 1983

The Executive Board of the International Monetary Fund has adopted two Decisions on the SDR interest rate and related matters, effective from August 1, 1983. The general purpose of the decisions on the SDR interest rate is to further enhance the role of the SDR as an international reserve asset by bringing its yield closer in line with yields on other reserve assets included in the SDR interest basket.

The first Decision amends the Fund's Rules relating to the determination and payment of interest and charges on SDRs (Rule T-1) and of remuneration (Rules I-9 and I-10). Starting on July 29, 1983 the rate of SDR interest and charges, and the rate of remuneration, which the Fund pays on creditor positions in the General Department, will be calculated weekly instead of quarterly, as is the case at present. The combined market interest rate used to determine the SDR interest rate will be calculated on Friday, enter into effect the following Monday, and will apply until the end of the following Sunday. This change in the frequency with which the SDR interest rate is calculated will help to improve the liquidity of the SDR among participants and prescribed holders of the asset. With a weekly determination of the SDR interest rate, the 15-day reference period used to calculate the combined market interest rate will be replaced with a single reference day.

Furthermore, SDR interest and charges, as well as remuneration, will be paid quarterly instead of annually as at present. The more frequent payment of interest on SDR holdings will make the yield on the SDR more comparable with the return on reserve assets which are held for three-month maturity.

The second Decision introduces a new Rule B-6 to be included in the Rules and Regulations of the Fund, which adopts usage of the term "SDR" as standard procedure in Fund documents, correspondence, and publications where a reference to the special drawing right is intended. Rule B-6 allows for retention of a different usage of the term if the text is in a language in which that usage has been established.

Net interest is received by Fund members on their holdings of SDRs exceeding allocations, and by prescribed holders of SDRs and the Fund's General Department on their SDR holdings. Net charges, at the same rate, are paid by Fund members with holdings below their allocations.

- over -

Under the Fund's rules, the SDR interest rate is equal to the combined market interest rate derived as a weighted average of yields or rates on certain short-term instruments in the United States, the Federal Republic of Germany, France, Japan and the United Kingdom. The rate of remuneration on members' creditor positions in the General Department is 85 per cent of the SDR interest rate and both rates are rounded to two decimal places.

The weekly SDR interest rate and the rate of remuneration may be obtained from the Fund each Friday after 6:00 p.m. Washington D.C. time, by calling the Fund's SDR telephone service: (202)473-7171. This service will become operational this coming weekend.