PUBLIC AS OF JANUARY 1, 2009

RFD 507

L.5.2

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Division of International Finance

REVIEW OF FOREIGN DEVELOPMENTS

October 14, 1964

Recent Economic Developments In France:
June-September 1964

18 pages

Rodney H. Mills

This article was prepared primarily for internal circulation, and should not be cited or quoted. The views expressed do not necessarily represent the views of the Board of Governors of the Federal Reserve System.

October 14, 1964

Rodney H. Mills

# Recent Economic Developments in France: June-September 1964


## Summary

Even though restrictive monetary and fiscal policies brought further moderation of the pace of business expansion in France during the spring and summer months, the French authorities took two steps in the period under review which highlighted their determination to keep domestic demand under tight control.[1/] At the end of July, the present limits on credit expansion to the private sector were extended for another year beyond September 30, 1964. In addition, the budget for 1965, which was announced on September 16, was the first balanced set of accounts presented by a French government in over three decades.

The effectiveness of financial restraints has been evidenced by the further reduction in the expansion in money supply and in continued small price rises--although progress toward price stability is partly illusory because of the role of direct price controls. For the second quarter, the seasonally-adjusted money supply expanded at an annual rate of 6.3 per cent compared with annual rates of growth of 14 to 18 per cent per annum in most of 1963. The expansion in industrial output also slowed down, especially in the output of automobiles and other consumer goods. A change in the business climate was revealed in surveys in July which indicated that as many industrialists expected a near-term downturn in output as expected near-term increases.


1/ For a review of earlier developments, see Recent Economic Developments in France, March-June, 1964, dated July 9, 1964.

At the same time, order backlogs apparently declined continuously from April to July. Even though price pressures have moderated and business sentiment has shifted, the authorities will apparently continue the freeze on factory prices imposed in September 1963.

The monetary authorities have sought to hold money market rates under 5-1/2 per cent from June to September after a rise in rates to over 6 per cent in the Paris money market in May produced a substantial inflow of funds from abroad. Both Treasury operations and official reserve accruals supplied funds to the commercial banks. When currency withdrawals produced a seasonal tightness of liquidity over the summer, the reserve requirements of the banks were temporarily reduced and Bank of France market intervention was larger than usual.

The French external position strengthened in the second quarter; imports from April onward tended to stabilize at a level well under the first quarter peak, exports held steady, and the surplus on services rose. The overall balance of payments surplus rose from $103 million in the first quarter to $250 million in the second. Official reserve gains (adjusted for changes in France's IMF position) dropped to an estimated $94 million in the third quarter.

Monetary expansion again slows down; credit ceiling to remain

On a seasonally-adjusted basis the rise in the active money supply decelerated in April-June for the third consecutive quarter, according to new data published by the IMF. (See Table 1.) Since the inception (and subsequent reinforcement) of restrictive monetary and fiscal policies early in 1963, the annual rate of increase has been reduced from 17.6 per cent to 6.3 per cent in the space of five quarters.

Table 1. France: Increases in Seasonally Adjusted Money Supply, 1961-64
(in per cent, end-of-quarter to end-of-quarter)

| | 1961 | 1962 | 1963 | 1964 |
|---|---|---|---|---|
| Quarterly rate | | | | |
| I | 4.5 | 4.1 | 4.4 | 2.1 |
| II | 3.0 | 5.3 | 3.4 | 1.6 |
| III | 3.0 | 4.3 | 3.8 | n.a. |
| IV | 3.9 | 3.3 | 2.3 | |
| Annual rate by quarters | | | | |
| I | 18.1 | 16.3 | 17.6 | 8.3 |
| II | 11.9 | 21.3 | 13.8 | 6.3 |
| III | 12.2 | 17.1 | 15.1 | n.a. |
| IV | 15.5 | 13.4 | 9.3 | |

Source: IMF, International Financial Statistics, October, 1964.

On an unadjusted basis, the rise in the active money supply in the second quarter was a little over one-half the increase a year earlier. Bank credit to the Treasury was reduced by several factors: the steps taken since last September to cut the cash deficit, the March bond flotation, and the reduction in the commercial banks' required holdings of Treasury certificates. (See Table 2.) The much smaller expansion of bank credit to the private economy (all borrowers but the Treasury) has reflected both the lowering last September of the bank credit expansion ceiling, as well as short-run factors. Although the balance of payments surplus in the second quarter was smaller than a year earlier, it had a greater monetary effect because of a step-up of official reserve gains.

Table 2. France: Increases in Money Supply and Counterparts, 1963-64
(in billions of francs)

| | 1963 I | 1963 II | 1964 I | 1964 II |
|---|---|---|---|---|
| I. MONEY SUPPLY (demand deposits and currency in circulation) | 0.92 | 6.13 | -0.97 | 3.42 |
| II. COUNTERPARTS | 0.92 | 6.13 | -0.97 | 3.42 |
| A. Official foreign assets, net | 1.91 | 1.27 | 0.42 | 1.43 |
| B. Credit to Treasury | 3.39 | 0.13 | 1.84 | -0.83 |
| 1. Bank of France | 2.17 | -1.06 | 2.35 | -0.27 |
| 2. Commercial banks | 1.37 | -0.15 | -0.08 | -1.27 |
| 3. Non-banks 1/ | -0.15 | 1.34 | 0.13 | 0.71 |
| C. Credit to "economy" | -2.48 | 4.37 | 0.11 | 0.96 |
| 1. Bank of France 2/ | -4.51 | 1.79 | -4.02 | 0.65 |
| 2. Commercial banks 3/ | 2.03 | 2.58 | 1.65 | 0.31 |
| D. Time deposits with commercial banks (- = increase) | -0.62 | 0.59 | -1.03 | -0.17 |
| E. Unidentified | -1.28 | -0.23 | 0.17 | 2.03 |

1/ Postal checking accounts and other accounts of individuals and business enterprises with the Treasury; and Treasury coin, all of which are included in money supply.
2/ Rediscounts for banks and the specialized institutions, and holdings of private money market paper.
3/ Excluding paper rediscounted with the Bank of France, which is shown as credit from the latter.
Source: Conseil National du Crédit.

The 10 per cent per year ceiling on bank credit expansion, due to expire at the end of September, was renewed in late July for another 12 months.

Pace of economic expansion moderates

Recent indicators of business activity show some further, but moderate, slowing of economic expansion. Current business surveys suggest the possibility of a further deceleration in the coming months.

The rise in seasonally-adjusted industrial production was slightly smaller in the second quarter than in the first. (See Table 3.) This reduction was largely concentrated in production of consumer goods, and in particular in output of automobiles, which declined appreciably from April to June. A mid-year survey of buying intentions implied that new car purchases would fall in the second half of 1964; in recent weeks, French auto firms have cut their work week by 2 to 12 per cent. In industry as a whole, stocks of finished goods increased in the second quarter.

Labor market statistics present a mixed picture. On the one hand, seasonally-adjusted unemployment tended to rise slightly from March to July, and the number of job vacancies (seasonally adjusted) underwent a small decline. But the average work week lengthened from March to June, and the second quarter increase in hourly wage rates of 1.9 per cent matched the first quarter increase.

According to the monthly INSEE industrial surveys, business enterprises found the state of order books and current demand becoming progressively less satisfactory in nearly each month from April to July, notably in the consumer goods industries. (See Table 4.) These surveys also reported a marked cooling of the optimistic tone in which industrialists viewed production prospects over the next 3 to 4 months; respondents to the July survey were about evenly divided as to whether output would rise or fall.

Table 3. France: Selected Economic Indicators, 1963-64

| | Consumer prices | Wholesale prices (1953 = 100) | Ind. prod. 1/ | Unemployed 1/ thousands | Job vacancies 1/ thousands | Work week Hours | Wage rates (Jan. 1956 =100) |
|---|---|---|---|---|---|---|---|
| **Quarters** | | | | | | | |
| 1963 - I | 149.0 | 139.8 | 189 | 99 | 63 | 2/ | 176.9 |
| II | 150.6 | 140.2 | 204 | 97 | 49 | 46.3 | 181.3 |
| III | 152.7 | 140.5 | 202 | 96 | 52 | 46.3 | 184.6 |
| IV | 154.3 | 143.4 | 212 | 94 | 53 | 45.8 | 187.4 |
| 1964 - I | 155.4 | 143.2 | 215 | 88 | 53 | 45.8 | 191.0 |
| II | 155.9 | 142.6 | 217 | 92 | 47 | 46.2 | 194.6 |
| **Months** | | | | | | | |
| 1963 - March | 149.6 | 139.1 | 179 | 99 | 56 | 2/ | 176.9 |
| April | 149.9 | 139.0 | 199 | 97 | 48 | -- | -- |
| June | 151.4 | 139.4 | 207 | 96 | 51 | 46.3 | 181.3 |
| July | 152.0 | 139.3 | 198 | 96 | 53 | -- | -- |
| 1964 - March | 155.5 | 141.9 | 214 | 88 | 51 | 45.8 | 191.0 |
| April | 155.7 | 141.3 | 217 | 94 | 48 | -- | -- |
| June | 156.1 | 143.4 | 217 | 92 | 45 | 46.2 | 194.6 |
| July | 156.6 | 141.4 | n.a. | 95 | 46 | -- | -- |

1/ Seasonally adjusted.
2/ Not published because of strikes.
Sources: OECD and INSEE.

Table 4. France: Selected Results of INSEE Industrial Surveys, 1963-64
(in percentages of industrialists replying to questionnaire) 1/

| | 1963 Nov. | 1964 April | May | June | July |
|---|---|---|---|---|---|
| I. Orders | | | | | |
| A. Order books | | | | | |
| 1. Well filled | 27 | 20 | 20 | 19 | 17 |
| 2. Not well filled | 24 | 26 | 27 | 28 | 32 |
| 3. Balance | +3 | -6 | -7 | -9 | -15 |
| B. Current demand 2/ | | | | | |
| 1. Strong | 26 | 26 | 29 | 28 | 22 |
| 2. Weak | 15 | 12 | 12 | 14 | 13 |
| 3. Balance | +11 | +14 | +17 | +14 | + 9 |
| II. Production Outlook 3/ | | | | | |
| A. For economy | | | | | |
| 1. Increase | 37 | 29 | 26 | 21 | 17 |
| 2. Decrease | 10 | 11 | 14 | 23 | 23 |
| 3. Balance | +27 | +18 | +12 | - 2 | - 6 |
| B. For own firm | | | | | |
| 1. Increase | 35 | 31 | 27 | 25 | 23 |
| 2. Decrease | 10 | 10 | 11 | 14 | 16 |
| 3. Balance | +25 | +21 | +16 | +11 | + 7 |

1/ Respondents are asked to take seasonal factors into account.
2/ For concerns that do not regularly keep order books.
3/ For the next 3 or 4 months.
Source: INSEE

Inflation is slowed; price controls will continue

Increases in consumer prices continued to be considerably smaller this year than in the corresponding months of last year because of the easing of demand pressures and the maintenance of the freeze on factory prices of manufactures. The consumer price index rose 0.6 per cent from April to July compared to 1.4 per cent in the like period of 1963. (See Table 3.) Semi-annual rent increases, suspended in January, were resumed in July.

Stability of wholesale prices of industrial raw materials and semi-manufactures from April to July compared favorably with the increase last year. Wholesale prices of foodstuffs rose, in contrast to last year's decline, but the extremely large monthly fluctuations in these prices make interpretation of short-period movements very difficult.

Prime Minister Pompidou announced in September that the general freeze on factory prices of manufactures would be continued until it was certain its removal would not lead to price increases. However, he said that "indispensable increases" in certain prices would be granted over a period of time if they did not endanger over-all stability. The fact of the continuing freeze, however broad or limited its coverage, does indicate that some wage-cost and demand inflation is not being registered in price indexes, which therefore reflects some degree of artificiality.

Money market tension abates

Conditions in the Paris money market eased in June-September, and no longer attracted funds in volume from abroad. Banks had no need to rediscount with the Bank of France at the "super-hell" penalty rate and accommodation at the 5 per cent penalty rate was small, so that market rates were under 5-1/2 per cent even during periods of month-end tightness.

There were four main reasons for the easier tone of the market. In the first place, Treasury recourse to direct Bank of France credit, which earlier fell 4.3 billion francs in the 12 weeks ending May 28, rose 3.3 billion francs from May 28 to September 17.1/ Second, bank liquidity was also increased by additions to official foreign assets amounting to 1 billion francs between May 28 and September 17.

Third, temporary reductions in the banks' liquid assets reserve ratio helped offset the exceptional currency drain at end-June and end-July caused by the heavy concentration of vacations in July and August. The normal ratio of 36 per cent was restored for the August 31 accounting, following the application of ratios of 33 and 34 per cent, respectively, to the required reserve calculations for June 30 and July 31. Finally, the Bank of France stepped up its purchases of open-market paper in the closing days of June and July. These purchases, which were largely reversed after the month-end tightness, exceeded by wide margins the usual limits accorded to the banks for accommodation at the Bank of France open market window.

On the bond market, yields on public sector bonds remained in the range of 5.6 to 5.7 per cent, but yields on corporates eased in August to around 6.2 per cent from the 6.3 to 6.4 per cent range prevailing previously.

The 1964 decline in stock prices was partly reversed in late June and during July, in large degree because of expectations that the 1965 budget would provide some tax relief for investment income. The gain from June 26 to July 31 was 13 per cent. The measures actually adopted proved somewhat disappointing to investors and prices weakened after the budget was announced. For the week ending September 25 the index was down 15 per cent from its January 1964 high.

---

1/ Direct recourse excludes small amounts of Treasury bills bought on the open market.

Balanced budget for 1965 will aid capital formation

The draft budget estimates for 1965 presented to Parliament in September by Finance Minister Giscard d'Estaing show a balance between authorized expenditures and assessed receipts for the first time in 36 years. The rise of 7 per cent in outlays, which reflects a policy of limiting expenditures to the growth of GNP at current prices, is larger than in the 1964 budget but is well under the increases in earlier recent years. (See Table 5.) The Minister stated that, as was the case in 1964, there would be no supplementary expenditure authorizations.

The absence of a deficit underscores the official determination to pursue two major objectives: (1) to continue keeping the pace of over-all demand below its high 1961-63 rates; and (2) to promote capital formation by obviating the need for further long-term Treasury loans (3 billion francs were floated in 1963 and 1.5 billion francs in March 1964). This second objective is to be promoted by two other steps in the 1965 budget: (1) the abolition of special surtaxes on incomes from securities, which will raise yields by 6 per cent on stocks and 3 per cent on bonds; and (2) the exemption from all income taxes of the first 500 francs of interest on nonindexed bonds.

The 1965 budget will probably not constitute a marked fiscal tightening relative to 1964 (although it does so relative to previous years). According to official estimates, 1964 receipts will turn out to be much higher than originally anticipated and the initially-estimated 4.7 billion franc deficit will in fact give way to a small surplus.

Balance in the administrative budget in 1964 and 1965 should greatly reduce or perhaps eliminate the deficit on the cash budget, which came to 8.2 billion francs in 1963. (See Table 5.)

Table 5. France: Budget and Treasury Operations, 1961-65
(in billions of francs)

| | 1/ 1961 | 1/ 1962 | 1/ 1963 | 2/ 1964 | 3/ 1965 |
|---|---|---|---|---|---|
| I. Budget | | | | | |
| A. Expenditure authorizations | 73.7 | 80.7 | 89.7 | 92.7 | 99.0 |
| B. Revenue assessments | 66.7 | 73.6 | 83.5 | 87.9 | 99.0 |
| C. Balance | -7.0 | -7.1 | -6.2 | -4.7 | -- |
| II. Treasury Cash Operations | | | | | |
| A. Balance on budgetary operations 4/ | -4.4 | -6.2 | -8.2 | | |
| B. Debt amortization (extrabudgetary) | -3.1 | -4.9 | -2.7 | | |
| C. Over-all balance | -7.5 | -11.0 | -10.9 | | |
| D. Financing: | 7.5 | 11.0 | 10.9 | | |
| 1. Bank credit | -1.3 | 1.3 | 0.8 | | |
| a. Bank of France | 0.3 | 0.4 | -- | | |
| b. Commercial banks | -1.5 | 0.9 | 0.8 | | |
| 2. Long-term loans | -- | -- | 3.0 | 5/ 1.5 | |
| 3. Other 6/ | 8.8 | 9.7 | 7.1 | | |

1/ Revised estimates.
2/ Initial estimates approved by Parliament. Because of undervaluation of receipts, a small surplus is now anticipated.
3/ Draft estimates.
4/ Includes operations relative to previous year's budget.
5/ No further loans are expected beyond the 1.5 billion francs raised in March.
6/ Mainly Treasury bills bought by individuals and non-bank institutions, and deposits with the Treasury (largely postal checking accounts).
Source: Ministry of Finance, Statistiques et Etudes Financières; Le Monde, September 19, 1964, for 1965 draft budget.

Payments surplus rose in second quarter

The French balance of payments surplus in the second quarter was again well below the comparable period of last year, but was up sharply from the first quarter of 1964.

The preliminary estimates for the April-June period show a surplus of $250 million, down from $400 million a year earlier. (See Table 6.) The main reason for this shift was a swing in the trade balance (payments basis) from surplus to deficit. Separate figures for import payments and export receipts are not yet available; however, customs data for trade with foreign countries show second quarter imports up 18 per cent from the same period last year, and exports up 11 per cent. There was also a big year-to-year drop in the surplus in the errors and omissions category. The private capital inflow of $137 million was about the same as a year earlier, and the net outflow of public capital was again more than offset by the surplus on the operations of the overseas franc area with third countries.

However, the second quarter was much improved over the first, when the surplus was only $103 million. The trade balance improved markedly between the two quarters. Seasonal factors and changes in leads and lags favorably affected the trade balance (payments basis), but there was also "genuine" improvement, as indicated by seasonally adjusted customs data which show a substantial fall in imports from the first to the second quarters. In addition, the balance on private services shifted from a nominal deficit in the first quarter to an $80 million surplus in the second. While this balance improves seasonally in the second quarter, the improvement was greater than in any of the preceding three years and far greater than in 1963.

Table 6. France: Balance of Payments, 1963-64
(in millions of dollars)

| | 1963 | | 1964 1/ | |
|---|---|---|---|---|
| | I | II | I | II |
| Merchandise f.o.b. | 31 | 12 | -125 | -50 |
| Private services | 49 | 53 | - 1 | 80 |
| Government services | 10 | 24 | 14 | 10 |
| Donations | 13 | 48 | 19 | 30 |
| Current account | 102 | 137 | - 93 | 70 |
| Private capital: | | | | |
| Long-term: | | | | |
| Residents | 7 | 44 | -- | 25 |
| Non-residents | 107 | 115 | 110 | 111 |
| Short-term (excluding banks) | -1 | -15 | - 27 | 1 |
| Public capital | -32 | 2/ -27 | - 32 | -15 |
| Errors and omissions, operations pending settlement | -16 | 112 | 60 | 50 |
| Net balance of overseas franc area | 50 | 23 | 66 | 20 |
| Over-all balance | 217 | 2/ 400 | 103 | 250 |
| Monetary movements (- = increase in net foreign assets) | -217 | -400 | -103 | -250 |
| Official reserves | -388 | -259 | - 20 | -260 |
| Official debt prepayments | -- | - 69 | -- | -- |
| IMF position | -- | 3 | - 51 | - 45 |
| Other official net foreign assets 3/ | 27 | - 66 | - 12 | - 2 |
| Net foreign position of commercial banks | 144 | - 9 | - 20 | 57 |

1/ Preliminary.
2/ Excluding $69 million of debt prepayments.
3/ Foreign exchange not included in official reserves; liabilities to foreigners in French francs; and balances on bilateral payments agreements.
Sources: 1963 data from Ministry of Finance; 1964 data from U.S. Embassy, Paris, and OECD (as regards commercial banks' position).

In April and May, tension in the Paris money market pulled in about $80 million of short-term funds from abroad. But because these funds were imported by French banks, they did not increase the French surplus as it is statistically defined. The rise in official reserves resulting from this inflow was offset by an increase in the foreign liabilities of the commercial banks, which are a "below-the-line" item included in the monetary movements.

Trade deficit narrows

Recent developments in France's foreign trade have been influenced by the less vigorous pace of domestic economic activity induced by the stabilization program. The seasonally-adjusted deficit on total trade (i.e., including trade with the overseas franc area) fell substantially after January because of an appreciable drop in imports and some further gain in exports. (See Table 7.) However, the decline in imports practically ceased after April, and the deficit subsequently fluctuated in a rather narrow range.

The quarter-to-quarter increase in unadjusted total imports was only 3.0 per cent in the second quarter of 1964 compared with 11.2 per cent in the second quarter of 1963. This slowing characterized all major commodity groups except foodstuffs. (See Table 8.) It was particularly marked for raw materials, petroleum products, and coal, inventories of which were apparently cut back.

Reserve gains are reduced in third quarter

Accruals of official reserves, adjusted for changes in France's IMF position, dropped to an estimated $94 million in the third quarter, a figure much smaller than in the second quarter when the adjusted gains were $305 million and the over-all surplus was $250 million.[1/] One factor in the smaller gains in

1/ Unadjusted reserves rose $76 million in July, $13 million in August, and $36 million in September. The IMF position declined $7 million in July and $9 million in August; it appears to have fallen $15 million in September.

Table 7. France: Seasonally Adjusted Foreign Trade, 1963-64 1/
(in millions of dollars; monthly average or month)

| | Imports c.i.f. | Exports | Balance |
|---|---|---|---|
| **Quarters** | | | |
| 1963 - I | 664 | 620 | -44 |
| II | 711 | 688 | -23 |
| III | 730 | 688 | -43 |
| IV | 807 | 698 | -109 |
| 1964 - I | 845 | 749 | -97 |
| II | 822 | 749 | -71 |
| **Months** | | | |
| 1964 - January | 859 | 739 | -119 |
| April | 820 | 740 | -81 |
| May | 813 | 736 | -77 |
| June | 832 | 774 | -58 |
| July | 815 | 746 | -69 |

1/ Based on revised adjustment factors.
Source: OECD.

Table 8. France: Imports by Commodity Groups, 1963-64
(in millions of francs)

| | 1963 | | 1964 | | % Change from I to II | |
|---|---|---|---|---|---|---|
| | I | II | I | II | 1963 | 1964 |
| Foodstuffs, beverages, and tobacco | 1,945 | 2,035 | 2,270 | 2,422 | + 4.6 | +6.7 |
| Coal | 450 | 1/ 642 | 619 | 512 | 1/ +42.7 | -17.3 |
| Petroleum products | 1,176 | 1,190 | 1,439 | 1,299 | + 1.2 | -9.7 |
| Raw materials | 1,971 | 2,162 | 2,403 | 2,426 | + 9.7 | +1.0 |
| Manufactures: | | | | | | |
| Chemicals | 452 | 526 | 610 | 617 | +16.4 | +1.1 |
| Metals | 941 | 1,051 | 1,188 | 1,274 | +11.7 | +7.2 |
| Machinery | 1,402 | 1,610 | 1,778 | 1,928 | +14.8 | +8.4 |
| Vehicles | 346 | 413 | 504 | 542 | +19.3 | +7.5 |
| Other | 1,409 | 1,599 | 1,970 | 2,143 | +13.5 | +8.8 |
| Total | 10,093 | 11,227 | 12,783 | 13,163 | +11.2 | +3.0 |

1/ Reflects coal miners' strike of March-April 1963.
Source: INSEE.

July-September was the apparent absence of the importation of funds by French banks such as occurred in April-May and which, while not increasing the over-all payments surplus, did put foreign exchange into official hands.

Although the smaller official reserve gains probably reflect a contraction of the over-all surplus, the changes in French official reserves, even after adjustment for known special transactions (e.g., IMF transactions and debt prepayments), have been an unreliable clue to the size of the quarterly over-all surplus, as is illustrated by the monetary movements figures in Table 9. This is partly because the net foreign position of the commercial banks usually undergoes wide quarterly swings. It is possible, for example, that the reduced reserve gains of the third quarter reflect repayment by the commercial banks of Euro-currencies borrowed in the second quarter.

Table 9. France: Balance of Payments Monetary Movements, 1961-64
(in millions of dollars; - = increase)

| | | Adjusted official reserves 1/ | Commercial banks' net foreign position | All other 2/ | Total = overall surplus |
|---|---|---|---|---|---|
| 1961 - | I | -355 | 45 | 25 | -285 |
| | II | -397 | 104 | -58 | -351 |
| | III | -557 | -82 | 218 | -421 |
| | IV | -105 | 38 | -109 | -176 |
| 1962 - | I | -264 | -16 | -28 | -308 |
| | II | -413 | 91 | -68 | -390 |
| | III | -403 | 43 | 74 | -286 |
| | IV | -198 | -30 | 19 | -209 |
| 1963 - | I | -388 | 144 | 27 | -217 |
| | II | -325 | -9 | -66 | -400 |
| | III | -318 | 31 | 78 | -209 |
| | IV | -141 | 36 | -13 | -118 |
| 1964 3/ | I | - 71 | -20 | -12 | -103 |
| | II | -305 | 57 | -2 | -250 |
| | III | - 94 | n.a. | n.a. | n.a. |

1/ Adjusted for changes in IMF position, official debt prepayments, and creation and extinction of $50 million equivalent of reciprocal balances between the Bank of France and the Federal Reserve System in March and August, 1962.

2/ Official foreign exchange not included in the official reserves; official liabilities to foreigners in francs; balances on bilateral payments agreements.

3/ Data for 1964 are preliminary except for adjusted reserves in the first and second quarters.

Sources: Ministry of Finance for 1961-63; 1964 figures from U.S. Embassy, Paris; the IMF; and the OECD.