

25X1

Approved For Release 2006/09/26 : CIA-RDP85T00875R001900010125-9

Approved For Release 2006/09/26 : CIA-RDP85T00875R001900010125-9

CIA/OER / S-05843-74 5-5843

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
UNCLASSIFIED	X	CONFIDENTIAL	SECRET
<b>OFFICIAL ROUTING SLIP</b>			
TO	NAME AND ADDRESS	DATE	INITIALS
1	Mr. Foster Collins		
	Office of National Security Room 4328 (Green-5330) Department of the Treasury		
2	Mr. Robert Pelikan		
	Room 5100 Department of the Treasury		
ACTION	DIRECT REPLY	PREPARE REPLY	
APPROVAL	1 DISPATCH	RECOMMENDATION	
COMMENT	FILE	RETURN	
CONCURRENCE	2 INFORMATION	SIGNATURE	
<b>Remarks:</b>			
1/ Please forward to 2/			
2/ Per your request			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
			21 Jan 74
UNCLASSIFIED	X	CONFIDENTIAL	SECRET

STAT

STAT

STAT

STAT

FORM NO. 1-67 237 Use previous editions (40)

CONFIDENTIAL

21 January 1974

SUBJECT: Freely Available Gold Reserves - Selected Countries

1. The attached Table is in response to your request of 18 January for information on unpledged gold reserves of selected countries.

2. The use of gold reserves as collateral for loans is legal under IMF regulations and international understandings if the gold is valued at the official rate. A number of nations have availed themselves of such loans in the past, with the Bank for International Settlements the principal lender. However, some countries -- Chile, Uruguay, and others -- eager to take advantage of the higher free market price of gold, have borrowed from commercial banks against the full market value.

3. Your extremely short deadline forced us to restrict our research to in-house files. A more comprehensive search conceivably would yield more information. [redacted] will be happy to answer any further questions on this topic.

25X1

Attachment:  
As stated

Distribution: (S-5343)  
Orig & 1 - Addressee (LDX'd in advance)  
1 - D/OER  
1 - D/I  
1 - SA/ER  
1 - St/P  
1 - I/TM

25X1

OER/I/TM, [redacted] (21 January 1974)

CONFIDENTIAL

**CONFIDENTIAL**Table 1

<u>Country</u>	<u>Comments</u>
Brazil	There is no evidence that Brazil has ever borrowed against its gold. Although Brasilia has substantial foreign debt, its reserves amount to almost \$6.5 billion -- including \$56 million in gold -- and it is unlikely to have had to pledge gold as collateral.
Chile	In March 1972, Chile transferred about 40% of its gold reserves from New York to Paris depleting its New York account. It was rumored at the time that Santiago borrowed against that stock, but this has not been confirmed.
Ethiopia	No information available.
India	It is unlikely that India has borrowed against its gold reserves. Such action would appear to be contrary to New Dehli's conservative reserve management policies.
Pakistan	It is unlikely that Pakistan has borrowed against its gold reserves. Other collateral and credits are readily available.
Philippines	There is no evidence that the Philippines have borrowed against its gold reserves. Indeed, they reportedly have sold gold from reserves. Foreign exchange reserves are also substantial.
South Korea	South Korea, with total reserves of over \$1 billion and gold reserves of only \$4.6 million, is unlikely to have borrowed against its gold.
Taiwan	Taiwan, with total reserves of \$1.2 billion and gold reserves of only \$97 million, is unlikely to have a lien against any of its gold.

**CONFIDENTIAL**

CONFIDENTIAL

Table 1 - cont'd

<u>Country</u>	<u>Comments</u>
Thailand	Thailand is unlikely to have borrowed against its gold reserves. Other collaterals and credits are readily available.
Turkey	Turkey has borrowed substantially against its gold reserves in the past. Since 1970, however, there has been a rapid build-up of foreign exchange reserves minimizing Turkey's credit problem. There is no information to indicate how much, if any, of its gold reserves remain encumbered.
Zaire	No information available.

CIA/OER  
21 January 1974

-2-

CONFIDENTIAL