



Department of State

TELEGRAM

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ACTION 00-11

INFO OCT-01 EUR-25 EA-11 ISO-00 L-03 H-23 SSO-00 NSCE-00
 INRE-00 SP-03 AID-20 NSC-07 RSC-01 CIEP-03 TRSE-00
 SS-20 STR-08 OMB-01 CEA-02 CIAE-00 COME-00 FRB-03
 INR-11 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01 PA-04
 PRS-01 USIE-00 ORC-01 /165 W

083920

O R 242334Z SEP 74
 FM AMEMBASSY CANBERRA
 TO SECSTATE WASHDC IMMEDIATE 4136
 INFO AMCONSUL BRISBANE
 AMEMBASSY LONDON
 AMCONSUL MELBOURNE
 USMISSION DECD PARIS
 AMCONSUL PERTH
 AMCONSUL PORT MORESBY
 AMEMBASSY SUVA
 AMCONSUL SYDNEY
 AMEMBASSY TOKYO
 AMEMBASSY WELLINGTON

UNCLAS CANBERRA 6260

R.O. 11652: N/A
 TAGS: EFIN, A3
 SUBJECT: DEVALUATION OF AUSTRALIAN DOLLAR

1. PRIME MINISTER ANNOUNCED AT 6:00 A.M. SEPTEMBER 25 LOCAL TIME, WITH IMMEDIATE EFFECT, 12 PCT. DEVALUATION OF AUSTRALIAN DOLLAR, AND ENDING OF LINK TO U.S. DOLLAR.

2. FUTURE EXCHANGE RATE FOR AUSTRALIAN DOLLAR WILL BE DETERMINED BY CHANGES IN AVERAGE OF FOREIGN CURRENCY VALUES WEIGHTED IN ACCORDANCE WITH TRADING SIGNIFICANCE TO AUSTRALIA. INITIAL RATE AGAINST U.S. DOLLAR WILL BE

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DOLS A1 EQUALS DOLS US1.3090. PREVIOUS RATE, EFFECTIVE
SEPTEMBER 1973, WAS DOLS A1 EQUALS DOLS US1.4875.

3. PRIME MINISTER'S OFFICIAL STATEMENT REVIEWED
PAST HISTORY OF REVALUATION, CITED CHANGED OUTLOOK
FOR AUSTRALIAN BALANCE OF PAYMENTS AND DOMESTIC
ECONOMY AND STATED DEVALUED DOLLAR WILL BENEFIT
EXPORT INDUSTRIES AND DOMESTIC INDUSTRIES EXPERIENCING
UNDUE PRESSURE FROM IMPORT COMPETITION.

4. EMBASSY WILL BE DISCUSSING BACKGROUND AND DETAILS
WITH TREASURY THIS MORNING AND WILL REPORT FURTHER
FOLLOWING THOSE DISCUSSIONS.

8. MEANWHILE, WE ARE ALSO REQUESTING CONGENS
MELBOURNE AND SYDNEY TO TAKE SPOT SURVEY OF OPINION
IN TRADE SOURCES RESPECTING EFFECT OF THIS MOVE ON
KEY U.S. EXPORT CATEGORIES.
GREEN

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