

# CALENDAR OF ECONOMIC EVENTS:

## JULY—SEPTEMBER 1974

### Classifications for calendar items:

(A) **INDUSTRY**—including bids, mergers, commercial policy; (B) **LABOUR AND PRICES**—including strikes, claims, settlements; prices; (C) **OVERSEAS**—including policy developments overseas (Bank rate changes), strikes; (D) **INTERNATIONAL**—including IMF, monetary (exchange rates) and trade, EEC; (E) **UNITED KINGDOM GENERAL**—including domestic policy, *Cmd* papers, Bank rate and other interest rate changes.

- | July   | July   |
|--|--|
| (B) 1 Renault raises prices of its cars sold in UK by average 7 per cent, Datsun by average 3.6 per cent.  | worth equivalent of 25p a week if Government decides to introduce it in UK.  |
| (B) 2 Miners' leaders vote by narrow majority to adopt 'moderate' pay policy based on claim for 'substantial' increases, thus defeating 'militants' call for £20 per week rises.   | (B) 16 Shell's Stanlow oil refining plant shut by strike of 1,800 TGWU members and unofficial TGWU national Shell committee threatens to spread dispute to refineries at Shellhaven, Ardrossan and Teesport and to major petro-chemical plant at Carrington.   |
| (B) 3 1,000 members of National Union of Public Employees threaten withdrawal of all non-medical services to private patients unless the latter are moved out (see Calendar, 28 June, NIER No. 69).  | (A) 16 £45 million contract for design, supply and construction of steelworks won by Davy Ashmore International from Altos Hornos de Mexico.   |
| (A) 4 Government gives go-ahead for BSC to acquire outstanding shareholdings in Sheffield Rolling Mills for £2.9 million.  | (B) 16 Average 12½ per cent increase in charges on international traffic announced by British Transport Docks Board to come into effect from 1 September.  |
| (B) 5 British Leyland announces moves to reduce staff at Cowley Austin-Morris plants and MG works at Abingdon by 10 per cent.  | (C) 17 Iranian government signs agreement to buy slightly over 25 per cent of Krupp Steel corporation.   |
| (C) 8 ¼ per cent rise to 12½ per cent in prime rate of Central National Bank of Cleveland.   | (B) 17 Post Office workers offered 'catch up' pay rises averaging 11½ per cent, 6½ months after Stage 3 deal.  |
| (C) 8 Leading central banks agree in principle to act as last-resort lenders to commercial banks in their national territories which run into trouble with international capital movements.  | (E) 19 Bank of England withdraws its authorisation for Israel-British Bank (London) to deal in foreign exchange.   |
| (C) 8 Kuwait rejects all bids for its major auction of State-owned crude oil after their failure to come up to expected prices.  | (E) 19 Decision reached by British and French governments to complete 16 Concorde aircraft.  |
| (D) 8 US Customs Court declares illegal the 1971 temporary import surcharge.   | (E) 19 1 per cent rise in UK cost of living index for June triggers off another 40p per week threshold payment.  |
| (B) 10 12 per cent rise in air fares between US and Europe announced to come into force on 1 November.   | (E) 19 Mr Prentice, Secretary for Education and Science, announces £4 million grant to universities to help cushion inflation in 1974/75 academic year.  |
| (E) 10 Government announces orders for up to 4,000 MW of nuclear power based on British-designed steam-generating heavy water reactor to be placed by CEGB over next 18 months at estimated cost of £1,200 million.  | (B) 20 1,100 of 1,800 workers on strike at Shell's Stanlow refinery in Cheshire vote to accept company's offer of post-Stage 3 pay rises (see 16 July).  |
| (D) 10 OAPEC lifts oil embargo on Netherlands.   | (E) 22 Government announces expansion of its 47.6 per cent stake in Harland and Wolff to give it substantial majority holding.   |
| (B) 10 Workers at Shell's Carrington and Shellhaven plants vote to accept a post Stage 3 pay offer but Stanlow plant workers reject it.  | (D) 22 Italy ends 50 per cent import deposit scheme on most agricultural products.   |
| (B) 11 Shell shop stewards threaten to call industrial action unless the company re-opens national negotiations (see 10 July).   | (E) 22 Chancellor of the Exchequer announces a mini-budget with the main objective of attacking inflation. Measures also designed to help industry and employment (especially in development areas), but their total demand effect estimated at less than £200 million by end-1974, and they add only £340 million to public sector borrowing requirement for 1974-75. Details as follows: |
| (E) 11 Mr Varley, Secretary for Energy, announces proposals for Government to take major stake in N. Sea oil and gas activities, introduce higher taxes on profits and set up what will essentially be a new State oil company.  | (1) Value-added tax: Application of the VAT regulator powers to reduce the rate to 8 per cent with effect from 29 July.  |
| (D) 11 Israel-British Bank in London closes doors to customers pending outcome of negotiations with Israel Central Bank.   | (2) Rate relief: Immediate relief for domestic ratepayers whose rates increase by more than 20 per cent in 1974, equivalent to 60 per cent of the excess over 20 per cent.   |
| (B) 12 Average 5 per cent increases announced by Electricity Council for industrial and commercial consumers from 1 August.  | (3) Food subsidies: A further amount of £50 million to be made available for food subsidies from the £500 million provided in March Budget (see Calendar, 26 March, NIER No. 68). No addition to public sector borrowing requirement. Total impact of direct action on prices through VAT, domestic rates and subsidies estimated to   |
| (D) 16 British Government gains EEC agreement to introduction of direct subsidies supporting beef producers but acquiesces to majority wish of Agriculture Ministers for EEC ban on beef imports till end-October. Commission also agrees to make beef available cheaply to old-age pensioners and others through a voucher scheme |  |

July

reduce RPI by over 1½ per cent within next three months and eventually by 2½ per cent.

(4) Regional employment premium: Rate of REP doubled to £3 per week (for male employee) from 5 August at expenditure cost in current year of about £60 million (£118 million in full year).

(5) Dividend controls: To help industry raise funds for new investment, dividend controls eased to permit companies to increase distributions by 12½ per cent annually, compared with current limit of 5 per cent.

(6) Public sector borrowing to assist financing of UK oil deficit, Iranian Government will provide UK with a line of credit of \$1,200 million to provide loans to public sector over the next three years.

- (C) 23 1½ per cent reduction in prime rate of First Pacific Bank of Los Angeles to 10¾ per cent.
- (C) 24 ½ per cent rise to 9¼ per cent in discount rate of Bank of Canada.
- (A) 28 British Leyland wins £12.5 million order for 400 buses from Iraq.
- (B) 29 'Special case' pay rises for 360,000 nurses and midwives announced by Mrs Castle, Social Services Secretary, to come into force when the Halsbury Committee reports in week beginning 16 September. The rises to be backdated to May.
- (E)(B) 31 Tea subsidy announced by Mrs Williams, Secretary for Prices and Consumer Protection, costing government £29 million and giving average 2p on ¼lb tea.
- (D) 31 \$250 million Eurodollar standby credit arranged for Shell UK to be drawn over 4 years and repaid over following 8.
- (B) 31 ASLEF's claim for further 4½ per cent addition to Stage 3 pay deal turned down by railway arbitration tribunal.

August

- (B) 1 London Transport's 24,000 busmen to receive pay rises of up to £10 per week in 'special case' deal.
- (D) 1 IBRD raises lending rate from 7.25 to 8 per cent.
- (C) 3 Israeli banking authorities warn Bank of England that they are advising Israeli Cabinet against assuming responsibility for UK branch of Israel-British Bank (London) (see 19 July).
- (C) 4 Saudi Arabia postpones auction of participation crude indefinitely without giving any explanation.
- (C) 5 12 oil consuming countries agree to share oil stocks.
- (B) 5 Up to 300 per cent increases in London weighting allowances agreed for 13,500 electricity staff.
- (A) 6 12½ per cent increases in motor premiums by Royal Insurance approved by government.
- (B) 8 NUR leaders accept £75 million restructuring award as basis for further negotiations with British Rail.
- (E) 8 Mr Healey, Chancellor of the Exchequer, introduces White Paper on Capital Transfer Tax which will be included in his second budget in November.
- (B) 9 7,000 car workers at Chrysler UK's Linwood plant vote to accept wage offer of £6.50-£9 per week.
- (E) 6 Government announces intention to add 2 index-linked bonds schemes to the range of National Savings probably in 9-12 months time.
- (B) 8 British Aluminium raises prices for 3rd time this year by average 7 per cent on primary aluminium ingots.
- (B) 10 ASLEF accepts British Rail's £75 million arbitration award. TSSA and NUR, however, accept it only as a 'basis for negotiations'.
- (E) 12 Mr Varley, Secretary for Energy, announces nationalisation of 5 Scottish coastal sites needed to supply oil companies with production platforms

August

for North Sea oilfields. Planning permission also to be withheld for Drumbuie site on Loch Carron.

- (B) 12 2,500 mechanics in London Transport bus garages awarded immediate pay rises of £9-14 per week following recent special rises of up to £10 per week for busmen and Underground men approved in advance by government.
- (C) 14 South Africa raises discount rate from 7½ to 8 per cent.
- (E) 15 Mr Wedgwood Benn, Secretary for Industry, sets out government plans for more State ownership and new system of planning agreements with companies in key sectors of industry in White Paper entitled 'The Regeneration of British Industry'.
- (A) 15 Court Line, shipbuilding, airline and holiday group, ceases trading.
- (B) 15 Cement Makers Federation announces rise of 13½ per cent in price of cement from 2 September.
- (E) 15 0.9 per cent rise in RPI for July triggers another 40p per week threshold payment for approximately 10 million workers (see 19 July).
- (C) 15 US citizens will be allowed to buy gold from 1 January 1975.
- (E) 16 Department of Prices and Consumer Protection announces further £11 million subsidy on bread to prevent price of standard loaf rising by ½p. Department also publishes details of first unit pricing orders affecting fresh food to take effect from 16 September.
- (B) 21 GLC Staff Association votes overwhelmingly to accept offer raising 'London allowance' by £270 p.a. to £416 for all white-collar employees regardless of how far from the centre of the capital they work.
- (A) 23 £155 million contract won by Massey-Ferguson-Perkins to reconstruct and modernise Poland's tractor industries.
- (B) 28 25 per cent rise in motor premiums by Pearl Assurance from 1 October.
- (B) 29 30,000 car workers idle as result of week-old strikes at subsidiaries of Chrysler and British Leyland.
- (C) 30 17 per cent devaluation of krona in Iceland to Kr. 118.70 to \$.
- (B) 30 TSSA accepts British Rail's pay proposals leaving only 50,000 railway shopmen still to agree (see 10 August).
- (D) 31 European Commission agrees to recommend 4 per cent emergency increase in Community farm prices to Common Market Agriculture Ministers.
- (C) 31 West German Chancellor, Helmut Schmidt, agrees an immediate \$2,000 million credit to Italy.

September

- (B) 1 Miners' leaders lodge claim for further cost-of-living pay rises after their Stage 3 threshold deal expires in November.
- (B) 2 15 per cent rise in car insurance premiums by Phoenix Assurance.
- (A) 2 Lloyds Bank discloses losses which could amount to £33 million as result of irregularities in Lloyds International branch in Lugano, Switzerland.
- (A) 2 17 oil companies agree to take part in £200 million pipeline scheme to bring oil ashore from 5 North Sea fields.
- (B) 2 2,000 strikers at Birmingham transmissions plant of British Leyland vote to continue 11-day stoppage (see 29 August).
- (D) 3 Common Market Agriculture Ministers fail to reach decision on plan for 4 per cent increase in farm prices (see 31 August).
- (B) 4 2,000 British Leyland workers at Birmingham transmission factory call off 2-week old strike.

## September

- (C) 4 South Africa's Reserve Bank adjusts rand to R1 to US \$1.42 from 1.45, after devaluing from \$1.50 to \$1.47 on 14 August, and to \$1.45 on 19 August.
- (A) 4 Sun Alliance and London Insurance Group increases car premiums by average 5 per cent. Bradford and Pennine Insurance also completely reviews its motor premium rating structure.
- (B) 5 14 per cent pay offer made to 400,000 local government white-collar workers costing £115 million p.a.
- (D) 6 Asian Development Bank raises interest from 7.5 to 8.25 per cent.
- (B) 9 General Accident, Guardian Royal Exchange and Co-op Insurance Society announce higher premium rates for motorists.
- (D) 10 Central Bank Governors in Basle agree to act as last-resort lenders for banks which get into difficulties not of their own making.
- (B) 10 18 per cent pay rises awarded to 40,000 professional and technical civil servants.
- (A) 10 Capel Cure Carden announces its merger with Norris Oakley Richardson and Glover on 28 October making it the 5th largest broker on Stock Exchange.
- (E) 11 Mr Healey, Chancellor of the Exchequer, announces additional government orders of £120 million to construction industry in 1975-77 in move to curb rise in unemployment.
- (E) 11 Government publishes White Paper on pensions, proposing system of earnings-related State pensions, protected against inflation, providing approximately  $\frac{1}{2}$  pay for a married man on national average wage.
- (B) 11 600 maintenance workers at Ford Motors, Dagenham plant strike after colleagues laid off in separate dispute. All car production already halted from 2 other pay strikes at Dagenham and Halewood (see 4 September).
- (B) 12 British Leyland announces price increases of average  $7\frac{1}{2}$  per cent on its entire range of cars, trucks and buses.
- (E) 12 Government publishes White Paper proposing to bring all land needed for development into public ownership.
- (C) 13 OPEC countries continue freeze on posted prices to end of year but decide to raise tax and royalty rates on Gulf crude by 33¢ a barrel. Saudi Arabia dissociates herself at present from the latter decision.
- (E) 13 Government to introduce another £600 million issue of gilt-edged stock at short end of market carrying interest rate of  $11\frac{1}{2}$  per cent.
- (E) 16 Talks between Mr Shore, Secretary for Trade, and representatives of travel trade produce agreement on creating special reserve fund to protect customers who are victims of tour company collapses.
- (B) 17 8.4 per cent rise in price of Ford cars, trucks and tractors.
- (B) 17 Mrs Castle, Social Services Secretary, announces 30 per cent average pay rises on basic rates for 360,000 nurses and midwives after recommendations of Halsbury Committee (see 29 July).
- (A) 17 Volvo to acquire controlling interest in Daf by raising its stake from  $\frac{1}{3}$  to  $\frac{2}{3}$  per cent.
- (B) 18 Pay rises of £6.30-11.00 per week offered to 20,000 workers at Austin Morris car plant at Longbridge, Birmingham.
- (B) 19 British Leyland improve cost-of-living pay offer to

## September

- 165,000 workers from £1.50 to £1.80 from 1 October in lieu of threshold agreement.
- (D) 19 EEC offers Britain sugar supplies at reduced price 30 per cent less than £140 per ton agreed previously.
- (E) 20 Minimum lending rate reduced from 11.75 to 11.5 per cent.
- (C) 23 In Bonn proposals made for partial recompense for creditors of Bankhaus I.D. Herstatt by independent negotiators. Foreign banks can expect to recover 55 per cent of claims in cash by end-March 1975.
- (B) 23 Unofficial strikers at two Ford plants go against union recommendations and decide to remain out (see 11 September).
- (C) 23 Texaco and Standard Oil of California, largest producing group in Indonesia, report cut in output of 200,000 barrels a day due to falling demand.
- (C) 24 Bank of Italy decides to make 2nd drawing on 1,000 million SDR standby loan from IMF arranged in April.
- (B) 24 Post Office awards senior managers pay rises of up to £1,450 p.a. in defiance of recommendation by Mr Wedgwood Benn, Secretary for Industry.
- (A) 24 Commercial Union Assurance announces a rights issue which will raise £62.5 million as alternative to its previously announced takeover bid for St Martin's Property Corporation, which is being dropped.
- (C) 24 Australia devalues \$ by 12 per cent and abandons its fixed parity. New rate is initially 1.3090 US \$ to 1 A.\$.
- (C) 24 New Zealand devalues \$ by 9 per cent.
- (B) 24 140,000 non-industrial civil servants offered increases in London weighting which will establish rates above those recommended by now defunct Pay Board.
- (C) 25 Chase Manhattan and Morgan Guaranty cut prime lending rate from 12 to  $11\frac{3}{4}$  per cent.
- (B) 26 Ford rejects union moves for talks. 28,000 workers now laid off (see 23 September).
- (C) 26 Federal Reserve Bank of New York assumes full responsibility for \$800 million foreign exchange contracts of Franklin National Bank.
- (A) 26 Shares of Jessel Properties, South African property development company, suspended temporarily pending publication of further announcement.
- (C) 26 Shah of Iran proposes that in future price of oil should be related to index of 20-30 commodity prices.
- (C) 28 Kuwait Government agrees new oil price and supply arrangements with BP and Gulf including cut from 94.85 to 93 per cent of postings in cost of state-owned oil.
- (B) 30 800 men in Ford's Halewood press shop decide to adjourn 3-week old strike— $\frac{2}{3}$  of 28,000 laid-off employees recalled (see 26 September).
- (B) 30 Chrysler increases UK prices by average 10.3 per cent.
- (B) 30 Tate & Lyle informs customers of price rise adding about  $1\frac{1}{2}$ p to recommended retail price of 2lb bag of sugar.
- (B) 30 British Steel Corporation cuts tinplate price by  $2\frac{1}{2}$  per cent.
- (A) 30 Massey-Ferguson of Canada decides to produce new range of Perkins diesel engines in West Germany rather than in UK because of industrial uncertainties in Britain.

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## STATISTICAL APPENDIX: DEFINITIONS AND EXPLANATIONS

## GENERAL NOTES

**Country groups**

Unless otherwise stated, country groups are constituted as follows:

*OECD*: North America, EEC, EFTA, Australia, Greece, Japan, Spain and Turkey.

*North America*: USA and Canada.

*EEC*: Belgium-Luxemburg, Denmark, France, West Germany, Irish Republic, Italy, Netherlands and UK.

*EFTA*: Austria, Finland, Iceland, Norway, Portugal, Sweden and Switzerland.

*Non-OECD countries*: Eastern Europe, Latin America, non-OECD sterling area and other non-OECD countries.

*Non-OECD sterling area*: The British Commonwealth (except Australia and Canada), Bahrain, Dependent Territories, Jordan, Kuwait, Pakistan, Qatar, the Republic of South Africa, the Republic of Sri-Lanka, South Yemen and United Arab Emirates.

*Latin America*: Central America, including Mexico but excluding the Panama Canal Zone, and South American countries excluding European possessions and Guyana.

*Eastern Europe*: Albania, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, Rumania and the Union of Soviet Socialist Republics.

*Other non-OECD*: All non-OECD countries not included elsewhere.

**Valuation of imports and exports**

Imports are valued c.i.f. and exports and re-exports f.o.b. unless otherwise stated.

Full definitions were given in the *National Institute Economic Review* no. 66, November, 1973, pages 86-90.

**Seasonal adjustments**

A number of monthly and quarterly series have been adjusted to eliminate the estimated normal seasonal variations. All seasonally adjusted series must be regarded as containing a margin of uncertainty, depending in particular on the extent to which seasonal variations can be shown to have been regular in the past.

Except where otherwise stated the seasonal adjustments are those applied by the official producers of the series.