

DOLLAR REBOUNDS ALL OVER EUROPE

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Air of Expectancy on Nixon
Buoy Exchange Trading
—Gold Slips to \$152

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LONDON, Aug. 8—The dollar strengthened all over Europe today in anticipation of President Nixon's resignation.

Although no confirmation that the President would give up his office was forthcoming during business hours, foreign exchange dealers reported strong demand for the American currency on the theory that an announcement would be made tonight or tomorrow at the latest.

Many European financial leaders have been saying privately that a new administration was needed in Washington to enable the United States to exercise its customary leadership in world economic affairs during the difficult period ahead.

The prevailing opinion has been that the Nixon Administration was so completely involved in the Watergate defense that it was unable to devote sufficient attention to economic matters at a time when the world was undergoing major stress because of the sudden escalation in oil prices.

Dollar Termed Undervalued

As a result, many analysts have regarded the dollar as undervalued against other currencies, reflecting the leadership crisis in Washington rather than the real strength of the American economy and its ability to cope with adversity.

Trading almost halted in some foreign exchange markets today as dealers awaited new developments in Washington. They kept close track of all news from the United States, and each new rumor or report tended to confirm that an announcement was imminent.

When word circulated that Vice President Ford was conferring with the President at the White House, it was widely assumed that the orderly transfer of executive power was being arranged. Mr. Ford is unknown in Europe, but he is regarded as representing a return to stability for the United States.

European financial leaders are also aware that Mr. Ford has publicly committed himself to fight strenuously against inflation, and they feel that he will not depart radically from Mr. Nixon's economic policy, which they generally approve.

On the London markets, the dollars climbed about one cent against the pound, closing at 2.3665. The dollar has risen nearly two cents against the pound since the President dis-

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closed Monday that he had been involved in efforts to impede the Watergate investigation as early as six days after the burglary at the Watergate. In Frankfurt, the West German central bank sold \$20.7-million on the exchange market in an effort to achieve stability, but the dollar nevertheless rose to its highest level since March 20. It was fixed at 2.5998 marks, up from 2.5750 marks yesterday.

In Paris, the dollar also rose sharply against the franc and was quoted at 4.7575 in late trading, up from 4.7225 francs at the close last night. Dealers in both Frankfurt and Paris attributed the dollar's strength directly to speculation that President Nixon's resignation was imminent.

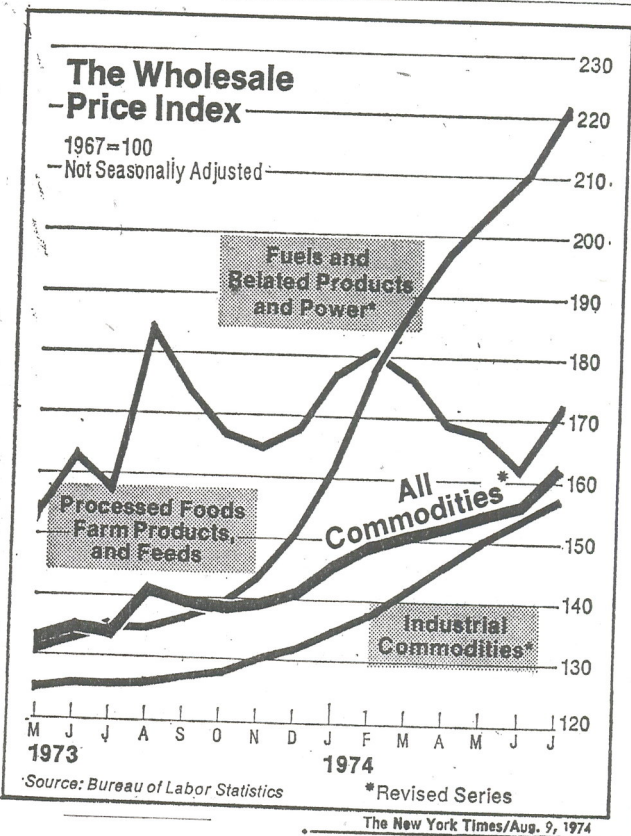
In Zurich, reports of the President's White House meeting with Vice President Ford brought trading almost to a halt, as the normally cautious Swiss dealers awaited a formal announcement from Washington. After opening at 2.98 Swiss francs, the dollar slipped to 2.9725, still up from the 2.96

at which it closed Wednesday. Gold also reacted according to tradition, dropping \$2.25 an ounce to close at \$152. Speculative funds often flow out of gold and into currencies when the economic outlook changes for the better and investors become more confident.

Stock markets were less exuberant, partly because they had registered strong gains earlier in the week, when it first became evident that President Nixon might soon leave office. In London, the Financial Times industrial index eased slightly, closing off 0.5 point at 237.3.

Reached in Baden-Baden, West Germany, John E. Leslie, board chairman of Bache & Co., said President Nixon's resignation would clear up uncertainty throughout the world and restore confidence in American leadership.

Mr. Leslie, who is completing a one-month tour of the European financial capitals, predicted that an even stronger dollar and a renewed flow of European funds into the American financial markets would follow the resolution of the political crisis in the United States.



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