

MEETING OF COMMITTEE 1
OF COMMISSION I
4 P.M. July 5, 1944

THE CHAIRMAN: The Committee will come to order. You have before you the report of the Drafting Committee of Committee 1 on matters referred to it yesterday. I will now ask the Chairman of that Committee to make the report.
Mr. Goldenweiser:

(Mr. Goldenweiser read the Report of the Drafting Committee of Committee 1 of Commission I on Matters Referred to It at the Meeting of Committee 1 on July 4.

THE CHAIRMAN: We will now proceed to consider the recommendations of the Drafting Committee. First we will take up Article I, Section 2, which reads, "To facilitate the expansion and balanced growth of international trade and to contribute thereby to the promotion and maintenance of high levels of employment and to the development of the sources of productive power in all member countries as primary objectives of economic policy."

DELEGATE FROM THE UNION OF SOUTH AFRICA: Point of order. There are not enough copies to go around. Some delegations haven't a copy. In the file room they say they haven't enough copies yet.

THE SECRETARY: I just received a note that says additional copies will be available in a few minutes.

DELEGATE FROM PERU: In accordance with what the President said this morning with regard to the reports of the Committee to the Commission, shall we take it that we will receive the printed report of the Drafting Committee one day and the Committee will take it up the next, giving the delegates time to read it and study it? In other words, we would take up this report tomorrow.

THE CHAIRMAN: I think the suggestion is well made. Since we do not have enough copies we will defer consideration of this report until tomorrow/ morning ~~xxx~~ meeting of this committee. I wish to draw your attention to another fact that the delegate of Egypt has submitted Alternative H. That has been circulated. Has everybody a copy? That is available and since that is new material and since some members have even up to this moment not received a copy of that alternative, I will also defer consideration of that alternative until the tomorrow morning meeting.

Now we will take up our regular agenda. Today we consider the second big topic of our Committee Agenda. Namely, "subscription to the Fund." That is on page two of that big document -- document F - 1. It is Article II of the Joint Statement. Article II, Section 1 -- the original of the Joint Statement reads: "Member countries shall subscribe in gold and in their local funds amounts (quotas) to be agreed, which will amount altogether to about \$8 billion if all the United and Associated Nations subscribe to the Fund (corresponding to about \$10 billion for the World as a whole)." Alternative A - Section 1 - "Countries Eligible for Membership. The members of the Fund shall be those of the countries represented at the United Nations Monetary and Financial Conference whose governments accept membership in the Fund. Membership in the Fund shall be open to other countries at such times and in accordance with such terms as may be prescribed by the Fund." This is additional material and there is no other alternative so we will consider this section now. Any discussion on Section 1 - Countries Eligible for Membership?

DELEGATE OF NORWAY: As one of those tedious lawyers mentioned by Professor Tsiang (?), I wish to draw your

attention to one little thing in the language. The first paragraph says that "the members of the Fund shall be those of the countries represented, etc.", but the second paragraph says that "membership in the Fund shall be open to other countries." Accordingly, I think Article Z, at the beginning of the first paragraph, is wrong. There should be substituted either "founder members" or "original members" or any other phrase signifying their real position.

CHAIRMAN: Any other discussion?

DELEGATE OF NETHERLANDS: Mr. Chairman, the Netherlands Delegation thinks that an important improvement in paragraph A would be that no mention should be made of eight billion or ten billion and particularly that the implication no longer exist that this conference should mean to imply that the neutral countries and the now enemy countries should be entitled to a share in this Fund to an aggregate quota of two billion which would be 20 percent of the total and which would be far more than according to present understandings would be assigned to many of the United Nations here present. If it were possible Mr. Chairman to have some clarification as to whether or not the view of the Netherlands Delegation are correct, we would appreciate it.

CHAIRMAN: I am sorry I did not understand clearly your point. Will you state it again?

DELEGATE OF THE NETHERLANDS: The Netherlands Delegation considers it a great improvement to say that Alternative A no longer mentions the figures of eight billion for United or Associated Nations' subscriptions to the Fund and to the figure of 10 billion as corresponding to the subscription if all countries of the whole world were members. The Netherlands Delegation thinks that it would be wrong to imply that a total quota of two billion which

which is twenty percent of the total should be left aside by implication to the countries with which we are now at war and to the few remaining countries because this would present such a quota for those countries as is much in excess of the quotas certain of the nations now united would probably receive under the present consideration for the ~~Security~~ Fund.

CHAIRMAN: Is there any delegate who wishes to make a remark or explanation on the point raised by the Delegate of the Netherlands?

MR. GOLDENWEISER: Mr. Chairman, I don't want to take up time, but I would say to the Delegate of the Netherlands that his interpretation of the object of the change is entirely correct, that paragraph 1 of the Joint Statement was more an indication of the general figures that were being contemplated so it wouldn't be too wrong or too fantastic ~~to an impression~~ -- too low a fund or too big a fund, but now that we have come much closer to reality the figures are no longer appropriate and their amounts involved will be the result of what would be done under Section 2 - Quotas.

CHAIRMAN: Any further opinion on Section 1? There has been expressed already one more opinion, that is, in the first paragraph there seems to be the need of adding a word. A member from Norway has suggested that the word "original" members of the Fund -- the word "original" be inserted there. Is that agreeable to all, the addition of the word "original?" I hear no objection. I take it that the addition of that word is agreeable to us all.

MR. GOLDENWEISER: I am sorry to be a little late but I think the word "original" is not a good selection because a original member means that everyone joins right then and

there. As a matter of fact the joining might take some time in some instances and you wouldn't want to deprive any of those members of the privilege of belonging to the original group. I think that some more neutral word would be preferable, but at the moment, it doesn't occur to me.

DELEGATE OF NORWAY: Mr. Chairman, founder members.

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MR. GOLDENWEISER: Couldn't that be referred to the Drafting Committee?

REPRESENTATIVE OF FRENCH COMITÉ: It seems to me that the word "original" or some similar word would have the draw back of implying that there are two classes of members. If such is the meaning it ought to be stated, I assume that it is not the meaning. That is why I would propose another slight change which I believe would meet the objection of the Delegate of Norway. This is my proposal -- "The members of the Fund should be at first those of the countries - later on, membership in the Fund, etc."

CHAIRMAN: I think if there is no discussion on some substance we had better not take the time to discuss the words yet. Is there any opinion on the substance of this Section? If not, I take it that the substance of this Section is agreed to by this Committee and that the language there be referred to our Drafting Committee. If there is no objection, it is so ordered. Now we have the extra copies of the report of the Drafting Committee, and will a Boy Scout distribute them to those who have not received copies. Now we will proceed with our regular agenda. Section 2 is on Quotas. You will see that in this section there is a blank and Schedule A can be added later. Since that paper is still under preparation, I suggest that we pass by this section and proceed to discuss Section 3. Section 3 - Time

and Place of Payment. "Each member shall provide the Fund at the appropriate depository with the full amount of its quota on or before the date fixed for exchange transactions in its currency to begin. Any member whose quota is increased shall provide the full amount of the increase within thirty days of the date on which the member approves the increase in its quota." Discussion is open on Section 3 - Time and Place of Payment.

DELEGATE OF VENEZUELA: I should like to have an explanation of the expression "for exchange transactions in its currency to begin." At the beginning of the paragraph where it says "on or before the date fixed for exchange transactions in its currency to begin."

MR. GOLDENWEISER: The meaning of those words is that before a country can draw on funds by the use of its quota it must have made its deposit of its quota with the proper department. Does that answer the question of the member from Venezuela?

CHAIRMAN: That is a very important explanation. I think that phrase puzzled more than one member of this Committee. We are more than grateful to Mr. Goldenweiser for it. It simply means before a member can draw upon the Fund for exchange a member must pay his quota.

DELEGATE OF SOUTH AFRICA: The country may wish to associate itself with the Fund but may not for a long period want to have any exchange transactions with the Fund because it does not require them. The Fund will not have the advantage of the quota of that country if the text stands as it is. I think if we are going into a club, the membership subscription should generally be paid to the club before we are admitted and this money should be paid before you become a member, and once you are a member other things follow.

CHAIRMAN: Any other opinion?

DELEGATE OF INDIA: For example, you stated that until the subscription is paid up the country will not start operations. Similarly can we state that unless so many members join the Fund or so much quota is paid, the Fund will not really come into existence and operate?

MR. GOLDENWEISER: Mr. Chairman, I believe there is another clause that covers the point made by the gentleman from India. I would suggest that Mr. Maffrey of the American Advisors have an opportunity to throw some light on the language of this section.

MR. MAFFREY: If the Committee will refer to page 49 of Document F-1, it will find ~~xxxxxxxxxxxxxxxx~~ listed a Section 4 of an additional Article 13 entitled "Fixing Initial Par Values". The difficulties that have been pointed out in the discussion of the last few minutes are dealt with or will be dealt with in Section 5, in this Section 5 of the additional Article 13. Without going into the details of the proposed provision it is contemplated that the Fund will come into operation when member countries holding a given percentage of the aggregate quotas have accepted membership. It is contemplated further that on or before a date agreed upon for the beginning of exchange operations countries which have accepted membership will be required to pay their quotas into the Fund. In other words, it is contemplated that the Fund will come into operation in two stages. First, the acceptance of membership and second, the payment of quotas and the beginning of exchange operations.

DELEGATE FROM CZECHOSLOVAKIA: Mr. Chairman, I would strongly support the American concept of dividing operations of the Fund and the effectuation of the membership into two stages. It applies very much to occupied countries which participate in establishing this fund. However, we will be unable to join the Fund if we are compelled to pay into the Fund at once. So the American concept appeals very much to us.

DELEGATE FROM NORWAY: Inasmuch as this is a problem of the Fourth Commission I would suggest that we do not discuss this matter any more before it has been treated by the Fourth Commission. I wish to draw attention to the fact that here we are only dealing with time and place of payment while in those other sections we are dealing with initiation of member rights. I would say that the substance of the draft is all right.

~~XXXXXXXXXX~~ CHAIRMAN: In connection with this section, I think we better continue with the Alternative B because the two are really closely related. I will read Alternative B, which is in substance Alternative A - It is an addition to Alternative A. Alternative B reads "Notwithstanding the fundamental principles on payment of quotas particular arrangements may be made with countries whose currency system has been disrupted as a result of enemy occupation. Such arrangements may not extend over more than nine months i.e., after nine months, at the latest, the obligations of the country will be the same as they would have been if such an exception had not been granted. The government of the respective country has to guarantee by a specific act that the Fund will not suffer any loss because of that particular arrangement." Is there any discussion of this paragraph?

DELEGATE FROM CZECHOSLOVAKIA: Mr. Chairman, this amendment has been suggested. I mean the amendment, as pointed out is the supplement to Alternative A. It has been suggested by ~~the~~ our delegation and we have been guided by the following reasons, we believe that although we fully agree with Alternative A, that it may prove to be too rigid for the countries liberated from occupation. There will be certain irregularities present in the monetary systems. It would be of no use I think to try making a full list of the difficulties which may arise. Just for the purpose of elucidation I may perhaps give an instant. You know that the gold holdings of several occupied countries went into enemy hands and they are still in their hands. It is hoped that this gold will be restored to the local owners but there is no doubt that it will take some time before the redistribution of the gold will be effected and we feel that it would be wise not to prevent the Fund from entering into dealings with such countries because of such more or less formulation difficulties. It would be wise I think for two reasons. The strain put in the monetary systems in these countries will be tremendous and of no period will it be so true as of the early transitional period after the war. Assistance delivered promptly ~~is~~ helps best; that the money used today may be worth more than shillings thrown in tomorrow and although the countries will definitely have to find most remedies for the distorted currency situations in our own countries, it is nevertheless equally true that the common knowledge that a powerful international organization is backing up such restoration processes in a country would help greatly to restore the very shaken confidence in ~~the~~

currency in this area. There are other reasons. We are ~~not~~ very particular about the language we are using and we would appreciate any amendment of language but I would like to call the attention of the Committee to two principles used in our proposal. The first one is that it is left fully to the discretion of the Fund to judge whether any such exception^{al} arrangement should be used and what time it should be used and under what conditions and secondly - the second principle is that these exceptional arrangements should be limited in time. The third one, but no less important one is that the Fund, and implicitly the other members of the Fund should be safeguarded against any losses which would arise out of this arrangement. Mr. Chairman, we recommend this revision to the Committee in the belief that it can't harm anybody and it can provide for a lot of help.

DELEGATE FROM THE NETHERLANDS: Mr. Chairman, I would like to ask a question to the Member for Czechoslovakia who proposes the amendment. Access to the Fund is not possible for any member who has not fixed with the Fund the value of its currency. I think the situation in Prague as described by the Delegate from Czechoslovakia allows for the succession of her currency during the period in which it may be difficult and I understand that very well. To fix the amounts of assets, gold available and to arrange transactions necessary to opening relations with the Fund but I do think that in that situation it will be very difficult to fix a par value which anyway is necessary to start relations with the Fund. Thank you very much for suggesting that point.

DELEGATE FROM CZECHOSLOVAKIA: It was not in my mind just to use this arrangement for somehow supplementing the existing system. I might agree with the Dutch delegation. It would very difficult and I think we are encroaching upon a field which exceeds the scope of our work because it is a matter belonging to the second committee and there have been provisions suggested by various delegates for coverage.

DELEGATE FROM POLAND: Mr. Chairman, I second the motion of the Delegate from Czechoslovakia. I would like to say that in many countries which are now occupied by the enemy the currency is still very much disrupted. Here is a motion put to us by the Czechoslovakian Delegate, with respect to exceptional arrangements, we see it there a term of nine months, not more than nine months. For my country I think this term will be quite sufficient but may be for other countries it will be more advisable - it may also be for Poland - may be I am too optimistic in that. To give to the Fund the facility to make arrangements for a certain period as the Fund will think necessary for the particular country. Taking into account all the circumstances of this country, all the currencies which are now there in force and which must be unified and supplemented by a new currency system.

DELEGATE OF THE UNION OF SOUTH AFRICA: Mr. Chairman, the Delegate from Czechoslovakia has brought in a very important issue here, an issue which to my mind goes a good deal beyond the particular article on which it has been raised. I think it will be generally agreed that it will be exceedingly difficult for any conference to lay down beforehand in any detail what is to be done in the case of liberated countries. We do not know what the conditions

are going to be. We do not know the kind of liberation the period of nine months may ~~be~~ mean to a ~~country~~ particular country. It seems to me that if we try to go ahead and lay down the details as to what is to be done to ~~xxxxxx~~ aid liberated countries, we shall simply be trying to do the impossible task. It seems to me that there will have to be some general overriding clause, not a proviso to one section only, but a general overriding clause to enable the Fund to come into being before these countries are liberated, to make such arrangements and give such extensions of time to the liberated countries as may be necessary in its particular case. I think perhaps it should be examined by a special subcommittee which you might appoint for that purpose to give such latitude to such countries as is consistent with the general principles of the Fund. It will enable them to get over the difficulties with which they are faced. One thing which we do not want is when the Fund starts it should look at this document for whatever the lawyers will make of this conference afterwards, - if a comma is in the wrong place we must technically rule out the country. There must be some latitude in that way and I think the instruction should go out from this Committee to a Subcommittee to consider that problem which is not to my mind being considered and to bring it up for consideration to the Committee.

DELEGATE FROM IRAN: My remarks, Mr. Chairman, refer to Alternative A, if I may proceed now. In the Joint Statement the mode of payment of the local funds was not stated. In Alternative A it is said that the full amount must be paid. In a document which was circulated I think

under the title of Answers and Questions, this reference was made to this ~~point~~ question which it seems to me is very important perhaps to a number of countries represented here. It may not be necessary to require the payment of the local currency to be made in full immediately after the Fund is instituted and if that is the case it seems to me that it would create unnecessary difficulty for certain countries such as mind for instance which have to find deposits by putting up 100% cover for their currency and I would, therefore, suggest that unless it is absolutely essential that the local currency should be provided in full and immediately after the Fund comes into being that special consideration should be given to those cases and I would like to ask, Mr. Chairman, that if there is any particular reason why this change has been made that it should be stated.

DELEGATE FROM NORWAY: Mr. ~~Chair~~ Chairman, I should like to make a short comment on the suggestion from the Delegate from South Africa. He suggested that there should be appointed a subcommittee for making a draft for special arrangements in all fields concerning the occupied countries. I will draw his attention to the fact that this can't be done by this Committee because a number of those provisions and the most important of them, come under the heading of other committees and that must be deferred by resolution by the Commission but there is another thing - the Representative for South Africa - may be I misunderstood him - seemed to think that it would be satisfactory for the now occupied countries if it was left to the Fund to make such decisions as might be found expedient to make. From the point of the occupied

countries that will not be satisfactory. We must have our rights and it must be given as our rights and then I should really think that if we understand that it is easier nevertheless to accept ~~their expressions~~ the proposal suggested by Czechoslovakia that the rights are laid down wherever we meet the programs and I wish to add to what Mr. Mladek has said that in ~~in~~ this big document there are a sufficient number of alternatives which will take care of these cases. I would therefore like to support Dr. Mladek.

DELEGATE FROM POLAND: I think the procedure that Norway puts out in regard to the rights - I feel in conformity with the principles, any rights given her will be given to them. My thought is to make such concessions as the circumstances may make essential in order to enable them to use those rights.

DELEGATE FROM THE UNITED KINGDOM: I don't think it is necessary for me to say much, Mr. Chairman, because the Delegate of Norway has said with his characteristic force much of what I intended to say myself, namely, it seems to me that the very important points which have been raised by various speakers do in fact far transcend the context of this particular section and it would, therefore, - I submit it would be unfortunate if we were to reach a conclusion on this matter here now or if we were to appoint a committee to deal with this specific point only. Therefore it seems appropriate - I suggest, Mr. Chairman, that we should report to the Commission that this point has been raised and we should add that in our judgment it is a point which is best considered in conjunction with a number of other asterisks of the draft of the Joint Statement by a special committee of the whole Commission.

REPORTING DELEGATE (GREECE): I wish to ~~quize the~~ report as to the proposal of the Member from Czechoslovakia, and in connection with the proposal of the Delegates from South Africa and the United Kingdom, I think the best procedure would be to apply to the Commission and ask for the appointment of another/smaller committee which will consider this matter in connection ~~in~~ with other similar matters relating to the liberated countries.

DELEGATE FROM EGYPT: I wish to raise two points, one, simply to mention ~~that~~ that the question of payment of quotas has been raised this afternoon. That, of course, will raise the whole question of the denominations in which payment has to be made. I only mention that now because I have given notice to the Secretary General of a suggestion that will raise the whole question of the common denominator in which the funds of the Fund are to be kept. I leave that point then for future consideration, but the ~~second~~ second point is different. Occupied countries have said that they must have time before their currencies ~~settled~~ get settled down to a certain extent. In the Middle East we must make the same claim for a totally different reason. I take Egypt for example which I know best. At the present moment Egyptian currency - the purchasing power of it internally has depreciated to 30% of its prewar value. The external purchasing power is on an exact par with sterling, but as regards to internal purchasing power, to judge by what happened in the last war, the purchasing power of our currency may be expected after the armistice to double in value ^{inside} ~~in a~~ of a year. There would be a very large movement in its external value so we also in the Middle East will have a certain lapse

of time before our currency gets settled down but I have not the slightest doubt that it will settle down.

CHAIRMAN: It seems to me we have discussed this point long enough.

MINUTES OF MEETING - COMMISSION I - July 5, 1944 4:45 P.M. Auditorium

Chairman: In regard to Alternative B I would like to summarize our discussion as follows:

1. Special consideration should be given to the countries which have been occupied. That matter concerns matter of initial payment but a number of other matters also. This committee suggests to the commission that a special committee be created to consider this matter of special treatment of countries which have been occupied. Is there any objection to this summary up to the present time?

Canada: Special consideration should be given to the problem of these countries rather than to the particular country. That is to say, the problems of the countries that have been occupied.

Chairman: Special consideration too shall be given to the problem of initial payment and other related matters of the countries which have been occupied and the commission should make a special committee to consider the related matters.

Alternative A deals in fact simply with the matter of time and place of payment. Shall we say that so far as that section goes we see no objection ~~but~~ since it is related to matters on page 49, Section 5, will be deferred until the committee has considered that section. Is that agreed to?

Iran: Kindly repeat.

Chairman: (Summarized as above).

Chairman: Now let us consider Section 2. "The quotas may be revised from time to time but changes shall require a four-fifths vote and no member's quota may be changed without its assent." "The Fund may, at intervals of five years, adjust the quotas of the members. It may also,

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if it thinks fit, consider at any other time the adjustment of any particular quota at the request of the member concerned. A ~~four~~^{four-fifths} majority vote shall be required for any change in quotas and no quota shall be changed without the consent of the member concerned.

Australia: I think it would be preferable to leave the Fund free to revise the quotas at any time as it was in the original statement. I see no reason for "... at intervals of five years" or "the Fund may from time to time adjust the quotas of members."

Mr. Goldenweiser (United States): The idea in this section was that the Fund would be expected to review the whole matter every five years but it could at the request of the member or members take it up at any time that it saw fit. I think that in a way meets the suggestion made by the member from Australia, but if it does not, there would be no objection on the part of the United States delegation to having the words "at intervals of five years" changed to "from time to time."

Norway: I should like to speak in favor of retaining the clause as it is. An uncertain time means "no time" and I think any expression "from time to time" wherever it is used means it is never considered. It will be necessary in my mind to fix a definite time. That is one side of the picture. But there is also another side. I think that ^{certain} ^{governments} it will be of importance to ~~XXXXX~~, I should say, a very great importance, that these quotas which they have now got should not be revised for five years. That gives them better ground to stand on. I am very much in favor of the proposal as it is being made now. I think it is very wise.

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Brazil: I wonder whether the matter would not easily be reconciled. The Fund will at intervals of five years consider the advisability of adjusting the quotas. That means that every five years the Fund will study the matter and consider the advisability or otherwise of adjusting the quotas and then if it sees fit at any other time the Fund will at intervals of five years consider the advisability of adjusting the quotas. I wonder if that is of any help.

Chairman: Change the first sentence to read "The Fund will, at intervals of five years, consider the advisability of adjusting the quotas of the members." The rest will remain as before.

Australia: That still does not suffice - if something was added "at any other time" to make it clear that it was not limited....

Mr. Goldenweiser: This section becomes clarified to the point where it is reasonably clear there is no substantial difference. We have the sentiment of those who have spoken and it seems to me that it would be desirable to have the language deferred to the language committee.

India: I should like the word "review" instead of "adjust." "Adjust" carries implication that the only function of this assembly is to change the quotas of different countries. And another drafting point -- substitute the word "shall" for the word "may."

Chairman: We have discussed long enough on this matter. It is the sense that we should have a definite opportunity at intervals of five years to reconsider the quotas. We also wish that even before

the five-year period the freedom to consider quotas. The language of this paragraph should cover both those needs. If agreeable to this committee, we will refer this section to our subcommittee on language so as to cover both those needs expressed in this discussion. Is that agreeable? So ordered.

We shall proceed to Section III. "The obligatory gold subscription of a member country shall be fixed at 25 percent of its subscription (quota) or 10 percent of its holdings of gold and gold-convertible exchange, whichever is the smaller."

"Alternative A, Section 5. Initial Payments. Each member shall pay in gold the smaller of (a) twenty-five percent of its quota of (b) ten percent of its official holdings of gold and gold-convertible exchange. In the case of any member occupied by the enemy whose holdings are not ascertainable as of (date), the Fund shall fix an appropriate alternative date." Any discussion on this section, Section 5, Alternative A?

Haiti: I would like to ask the United States why the following phraseology was dropped: "A member country may include in the legal reserves and the published statement of the reserves of its gold and foreign exchange an amount not to exceed its gold contribution to the Fund."

Mr. Collado, United States : The phrasing in that document was rather a broad suggestion regarding the way the Fund might be handled in connection with individual payments, etc. Whether or not a country decides whether it is desirable to include any reference to its membership

in the Fund in its legislation in connection with its reserves requirements is purely a matter of domestic legislation. I do not believe it would be proper for an international agreement on the subject to dictate the form of the reserves of individual central banks.

Iraq: Concerning the position of any of those countries which hold no gold or no convertible exchange -- in the case of Iraq we have no gold holding. As to whether we have any gold convertible exchange would appear to depend upon the definition which is given to that expression. Are we right in assuming that the country holding no gold ~~xxx~~ and no convertible exchange contributes nothing under this?

United States: That is purely a mathematical question -- 10 percent of nothing is nothing.

Iran: Alternative A to Section II may apply equally to this alternative. "Each member shall pay the balance of its quota in its own currency."

Chairman: That point is covered in the Joint Statement, page 29. Any further discussion?

Poland: Two of the points raised in Alternative A are points that we have just referred back for further consideration after certain other things have happened. Is not the only point for consideration whether these proportions of 10 and 25 percent are checkable?

Norway: In the Joint Statement II, 3, "The obligatory gold subscription of a member country shall be fixed at 25 percent ..."

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it is written in Alternative A, "Each member shall pay in gold the smaller of 25 percent of its quota or 10 percent of its official holdings of gold ..." and "Each member shall pay the balance of its quota in its own currency." Here is made a substitution which I should like to ask about. According to the Joint Statement any country which thinks that it has enough of gold or which might be very fond of gold could pay up to 100 percent of its quota in gold. It is written that it shall pay as a maximum 25 percent and the rest in its national currency. I think I prefer the more flexible system of the Joint Statement and I should like to ask about this point and I will come back to it in time.

Mr. Goldenweiser : It isn't intended to insist that the country pay ~~not~~ more than 25 percent, so that those taken care of in Section VII on page 11 - the intent of the matter is to indicate in Section V the minimum that is required in gold and not the maximum.

Norway : I think it should be put in here at least.

Mr. Goldenweiser : The language should be changed but the intent is clear.

Norway : Insert "the minimum of" or "at least."

Chairman : The committee accepted the meaning of the sense of this section and decided that the language be left to the language committee. It is so ordered. We will take up at this point tomorrow morning.