

Copy in
Files Section

- 4 -

Committee on Operations

Committee 2 - Razminsky objects to no member country be obligated to lend.

Can Fund borrow dollars from Cuba? - "Lend such currency"

Russians - Morozov - would change 7 b) in flimsy on acquisition of gold by Fund. - not apply to occupied countries for five years.

Razminsky asks if Morozov going to propose similar amendment to c)
Morozov would omit newly mined gold under 7 c) for occupied countries during period of restoration.

Chairman asked about subscriptions and I reported what happened in Committee 1 -

Maffry - points out might require countries with plenty of gold to pay for all exchange in gold.

On 7 (c) - question of period - may be temporary increase - Mikesell and Maffry - improbable for a full year period.

Multilateral Clearing

First paragraph - intended to improve language - must add to "can buy currency of the first from the Fund" "with its own currency".

Istel - direct transaction - these are bilateral dealings.

Razminsky - In maintaining exchange rates will be arrangements between Central Banks.

Pazos - III-5 - After all those operations - why not have Cuba sell Brazilian currency directly to the Fund?

Bourneuf - Question of charges.

Razminsky - Brazil can avoid them by putting gold into the Fund.

Maffry - Fund is passive.

Mikesell - Better that Fund only gets a country's currency at that country's initiative.

Istel - Might get consent of country concerned.

Pazos - Consultation impossible - would eliminate "right".

Razminsky - domestic monetary effects not necessarily similar -
Cuba has milreis in commercial banks in Brazil - Cuba
should not have right to transfer those to the Fund.
Brazil should have initiative.

Istel - If currency held by central bank then not in monetary circle -
Brazil can offset.

Brazil - Central Bank may not want to take offsetting action at that
time.