MINUTES

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At the final mosting between the British representatives and the American experts held in Washington on October 9, 1943, it was agreed that the directive to the drafting committee is intended to include the following detailed points:

3-i. The formula is to be such as to give the United States a commitment of 33 billion and the United Kingdom a commitment of \$1.3 billion.

The formula shall also provide for setting aside a special allotment of 10 percent of the aggregate quotas to be used for the equitable adjustment of quotas.

3.4-i. Any security paid to the Fund as part of the initial subscription should be redeemable at par in local currency that will be freely usable for the purposes of the Fund.

5-i. When the Fund's holdings of the currency of any member country fall below 20 percent of its quota this currency shall be available for sale only with that country's approval.

5-iii. When the Fund sets conditions for the sale of additional exchange to a member country it may, as one of the conditions, require the deposit of suitable collateral.

5. The Fund shall levy charges on its transactions or on its holdings of local currency in excess of the quota sufficient ordinarily to meet the operating expenses of the Fund. The Fund may not assess member countries more than 1/10 percent par amount of the quota to meet current expenses when earnings are inadequate for this purpose. The Fund shall deal only with governments or their fiscal agents and international banks owned predominantly by member governments. With the ap-

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The resources of the Fund shall be used exclusively for the /C benefit of member countries.

7. The unit of account shall be a given weight of gold. No change in the par value of the currency of somber countries shall be permitted to alter the gold value of the assets of the Fund.

The initial rates of exchange of member countries' currencies shall be based on the official dollar quotations of July 1, 1943. If this rate is inappropriate in the judgment of the Fund the initial per value of a member's currency shall be agreed between the member country and the Fund.

11. In proposals on the sale of foreign exchange basic votes shall be adjusted by increasing proportionately the vote of creditor countries and decreasing proportionately the vote of debtor countries notwithstanding 11-2. On the suspension or restoration of membership each country shall have me vote.

13-11. Number countries shall not emgage in exchange dealings in non-number countries or in non-number currencies that will undermine stability of exchange rates established by the Fund.

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There is a difference of view on the following provisions:

3-1. Whether the obligatory gold subscription should be of a country, whichever is smaller.

Whether the gold contributed to the Fund shall be held by the Fund as a pledge.

5-ii. Whether the qualitative controls should apply only after the Fund's holdings of local currency have reached a specified level, or whether such control may be applied at any time with notice of six menths to a year.

6-ii. Whether in the purchase of foreign exchange from the Fund, half payment for the exchange should be made in gold by countries with adequate holdings of gold, i.e. by adequate gold we mean the amount of the quota.

8-ii. Whether the provision for the repurchase of local currency held by the Fund shall apply in addition to provision for repurchase of local currency with gold to part of the increase in the foreign exchange holdings of a member country.

9. Whether the Fund may require a member country not to permit an outward movement of capital which is large and sustained (regardless of the source of the funds used to meet the flow) where a member country is significantly using the sources of the Fund.