

Meeting of Committee (3) of Commission I
9:30 A.M., July 7, 1944

The discussion was devoted to Article VII, Section 10, concerning the distribution of profits. The section was read and explained by Dr. Hexner, reporter for the committee, who suggested that decisions on the distribution of profits should be confined to the Board of Governors and not be delegated to the Executive Directors. He also commented on the provision that 2 percent per annum, non-cumulative, should be distributed to creditor countries before general distributions are made, saying that through being obliged to contribute their resources the creditors may be forced to incur interest charges.

Mr. Monteros of Mexico agreed with Dr. Hexner concerning the non-delegability of the power of distribution. After a statement by Mr. de Largentaye delivered in French and not adequately translated, the Chairman briefly inquired of Messrs. Wagner and Brenner whether they objected to the views on delegation. They indicated there was no objection and the Chair then put the question, which was resolved in favor of Dr. Hexner's suggestion, and Section 10 was announced to be approved with an appropriate amendment to Section 1.

Mr. Maffry then explained Article 8, Section III concerning the furnishing of information for the Fund. He discussed the two lists contained in the most recent alternative on the subject, pointing out that the longer list represented the view of the United States delegation and a majority

of the subcommittee which had worked on the matter. He said the other list was regarded as definitely inadequate. The Russian representatives then inquired why Committee (3) was discussing the question. They said that they were not adequately prepared since they had believed that the matter was assigned to another committee. The Secretary announced that at a meeting of the previous night between the Chairman and Mr. MacIntosh of Canada the assignment had been changed. The Russians renewed their objection and Sir Wilfred Eady suggested deferring the subject to the next meeting of the committee. The Chair agreed with Sir Wilfred.

Mr. Machado of Cuba reported briefly for the subcommittee on Alternatives A and B relating to the Executive Directors. He said that agreement on many points had been reached, but there were still a few remaining and that Alternative C, which had just been submitted, should also be referred to the committee. He was granted leave to render a further report when all of the unfinished business had been concluded.

Mr. de Largentaye

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