

Luxford

July 8, 1944

To: Mr. White
From: Mr. Maffry

Subject: Questions Arising in Committee I
of Commission I on Obligations
of Members.

Two questions on obligations of member countries arose in the meeting of Commission I on July 6 which have not yet been brought ~~to~~ attention so far as I am aware.

The first of these questions came from Mr. Istel of the French Delegation, who inquired whether Alternative A, Section 3 (b) to Article IX, Section 2 of the Joint Statement, constituted a prohibition against multiple rates arising under permissible exchange controls as, for example, during the transition period or restrictions on capital transactions authorized under Article V.

The second question raised by New Zealand, Greece, and the United Kingdom concerned the interpretation of Alternative A, Section 4 to Article IX, Section 3, of the Joint Statement. The question is whether exchange controls which are supervisory or statistical rather than restrictive or discriminatory were prohibited under this provision. The delegate from New Zealand indicated that New Zealand would wish to retain its present system of exchange control in its entirety but that it would be willing to certify that the system was neither restrictive nor discriminatory.

I take it that the answers to both of these questions are perfectly clear, but I am not sure that they were answered to the satisfaction of the foreign delegations.

Copies to: Mr. Bernstein
Mr. Luxford