

*Mrs. Lufford*

Tuesday - First Meeting of Committees

Committee 1

Committee 1 began the consideration of Alternative A (p. 1) under Article I of the Fund which relates to the purposes and policies of the Fund. A portion of the meeting was devoted to working out procedural arrangements for the operations of the Committee and this was followed by a brief consideration of details of drafting of point 1 of Alternative A (p. 1). The remainder of the meeting was given over to discussion of point 2 of this Alternative in which it was brought out that it was the sense of the group that the Fund by facilitating the expansion and balanced growth of international trade would contribute not only to the maintenance of a high level of employment and real income but to the attainment of such a high level. A number of proposals were brought forward relating to aspects of this question and in particular there was discussed the importance of developing the fuller utilization of the resources of economically under-developed countries as suggested in Alternative C. The general importance to world economy of the development of the economies of such countries was recognized by all and the question of details of drafting was referred to the Committee's drafting group for further report.

## Committee 2

Committee 2 of Commission I started to discuss Article III of the Joint Statement.

There was very little discussion of Alternative A of Article III, Section 1 of the Joint Statement (page 5). The bulk of the discussion centered around Alternative A under Article III, Section 2 of the Joint Statement (page 6a).

- (1) It was agreed that subdivision 2 of Section 2 of Alternative A should be passed until the subject was considered under the scarce currency provisions.
- (2) The real discussion centered around subdivision 3 of Section 2 of Alternative A (page 6a). One of the countries proposed Alternative B to be substituted. This would increase the amount to which a country was entitled to  $33\frac{1}{3}$  percent during a twelve month period instead of 25 percent. Another country proposed to substitute Alternative D in lieu of subdivision 3, Section 2. Both proposals were widely discussed.

### Committee 3

Committee 3 started to discuss Article VII, Section 1 of the Joint Statement dealing with management of the Fund. In particular they focused upon the provisions of Alternative A (page 24). Subdivision A thru C under Section 1 were fully covered. Under subdivision C there was a lengthy discussion as to whether it should not be possible for any five countries to convene a meeting of the Board of Governors. It was the consensus of the meeting, after full discussion, that the appropriate manner of dealing with the problem was to permit the convening of a meeting of the Board of Governors whenever any five countries so requested or whenever members having one-quarter of the aggregate votes should so request. Agreement on this point resulted in the withdrawal of Alternative B.

### Committee 4

Committee 4 adjourned shortly after the meeting was convened in order that the countries might study the more technical aspects involved in the proposals that arise under the Form and Status of the Fund.