

MADE IN U.S.A.
C-M-E
GUARDIAN BOND

F

F - Subscriptions

F-1

1 Gold depositories of the Fund shall be established in
2 New York, London, Shanghai, Paris, and Bombay. The ~~earmarked~~
3 gold ~~accounts~~ of the Fund shall be held with the depositories
4 designated by the members in whose territories they are located.
5 A member may pay its gold subscription to the Fund at one or
6 more of the specified gold depositories, within the terms of
7 Article XIII, Section 2. (AA XIII-2)

F-2

8 A member shall pay its currency subscription to the
9 Fund at the designated depository. Each member is authorized
10 to substitute in accordance with Article III, Section 5,
11 non-negotiable, non-interest bearing notes payable to the
12 Fund on demand for that part of the currency holdings of
13 the Fund which exceed ¹⁰ per cent of the member's quota, and
14 the depository shall hold such notes for the account of the
15 Fund. Such notes shall not be accepted until the Fund is
16 satisfied that they are in proper form and that their issue
17 has been authorized. (AA III-5)

F-3

18 The Executive Board may agree to alter the 10 per cent
19 requirement in the case of any member, should circumstances
20 in the opinion of the Executive Board warrant a different
21 percentage.

F-4

22 The member is allowed 24 hours in which to replace any
23 ~~sums~~ ^{currency} necessary to maintain the specified ~~minimum~~. ^{minimum required under}

F-5

24 Any member wishing to make its initial gold payment ⁵

postponed

Lawyers (circled) with an arrow pointing to the word "earmarked" in line 2.

implement the requirement under F2 + F3 above

For purposes of the subscription. minimum required under F2 - F3.

Article III Section 3,

25 ^{by members} in excess of the minimum shall be ~~credited~~ ^{accepted} for the excess ~~calculated~~ ^{in the books of the Fund}
 26 at the parity price for gold.

deemed to have

Initial gold payments by members at

Any member wishing to ^{make} ~~have~~ its initial gold payments in excess of the minimum shall

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17 has been authorized. (AA III-5)

F-3 18 The Executive Board may agree to alter the 10 per cent
19 requirement in the case of any member, should circumstances
20 in the opinion of the Executive Board warrant a different
21 percentage.

F-4 22 The member is allowed 24 hours in which to replace any
23 sums necessary to maintain the specified minimum.

F-5 24 Any member wishing to make its initial gold payment

25 in excess of the minimum shall be credited for the excess
26 at the parity price for gold.

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2 in New York, London, Shanghai, Paris, and Bombay.
3 (~~AA XIII-2(b)~~) The earmarked gold accounts of the Fund
4 shall be held with the depositories designated by the mem-
5 bers in whose territories they are located. A member may
6 pay its gold subscription to the Fund at one or more of the
7 specified gold depositories, within the terms of Article XIII,
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10 Fund at the designated depository. Each member is authorized
11 to substitute in accordance with Article III, Section 5
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13 Fund on demand for that part of the currency holdings of
14 the Fund which exceed 10 per cent of the member's quota,
15 and the depository shall hold such notes for the account
16 of the Fund. Such notes shall not be accepted until the
17 Fund is satisfied that they are in proper form and that
18 their issue has been authorized. (AA III-5)

F-3 19 The Executive Board may agree to alter the 10 per cent
20 requirement in the case of any (~~country~~) member should cir-
21 cumstances in the opinion of the Executive Board warrant a
22 different percentage.

F-4 23 The member is allowed 24 hours in which to replace
24 any sums necessary to maintain the specified minimum.

F-5 25 Any member wishing to make its initial gold payment
26 in excess of the minimum shall be credited for the excess
27 at the parity price for gold.

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2 in New York, London, Shanghai, Paris, and Bombay.
3 ~~(AA XIII-2(b))~~ The earmarked gold accounts of the
4 Fund shall be held with the depositories designated by
5 the members in whose territories they are located. ~~Each~~
6 ~~acting as fiscal agent for the member in whose territory~~
7 ~~the depository is located.~~ A member may pay its gold
8 subscription to the Fund at one or more of the specified
9 gold depositories, within the terms of Article XIII,
10 Section 2. (AA XIII-2)

F-2 11 A member shall pay its currency subscription to
12 the Fund at the designated depository. ~~The member,~~
13 ~~or its designated fiscal agency with the approval~~
14 ~~of the member.~~ Each member is authorized to sub-
15 stitute in accordance with Article III, Sec-
16 tion 5 ~~its own~~ non-negotiable, non-interest
17 bearing notes payable to the Fund on demand for
18 that part of the currency holdings of the Fund
19 ~~subscription~~ which exceed ~~a~~ 10 percent of the
20 member's quota, and ~~the~~ depository shall hold such
21 notes for the account of the Fund. (AA III-5)

F-3 22 The Executive Board may agree to alter the
23 10 percent ~~minimum~~ requirement in the case of any
24 ~~country~~ ^{member} should ~~special~~ circumstances in the
25 opinion of the Executive Board warrant a different
26 percentage.

F-4 27 The member is allowed 24 hours in which to
28 replace any sums necessary to maintain the specified
29 minimum, ~~of 10 percent.~~

Such notes shall
not be accepted
until the Fund
is satisfied
that they are
in proper
form & that
their issue
has been
authorized

E-5 30 Any member wishing to make its initial gold
31 payment in excess of the minimum shall be credited
32 for the excess at the parity price for gold.

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2 in New York, London, Shanghai, Paris, and Bombay.
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8 subscription to the Fund at one or more of the specified
9 gold depositories, within the terms of Article XIII,
10 Section 2.

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13 or its designated fiscal agency with the approval
14 of the member. Each member is authorized to sub-
15 stitute in accordance with Article III, Sec-
16 tion 5 its own non-negotiable, non-interest
17 bearing notes payable to the Fund on demand for
18 that part of the currency holdings of the Fund
19 subscription which exceed a 10 percent of the
20 member's quota, and depository shall hold such
21 notes for the account of the Fund. (AA III-5)

F-3 22 The Executive Board may agree to alter the
23 10 percent minimum requirement in the case of any
24 country should special circumstances in the
25 opinion of the Executive Board warrant a different
26 percentage.

F-4 27 The member is allowed 24 hours in which to
28 replace any sums necessary to maintain the specified
29 minimum of 10 percent.

F-5 30 Any member wishing to make its initial gold
31 payment in excess of the minimum shall be credited
32 for the excess at the parity price for gold.

INTERNATIONAL MONETARY FUND

F-5

Any member wishing to make its initial gold payment in excess of of the minimum shall be credited for that excess at parity price for gold.

Mr. White

F - Subscriptions

F-1 1 Gold depositories of the Fund shall be established in New
2 York, London, Shanghai, Paris, and Bombay. ^{(AA XIII-2(e))} The earmarked gold
3 accounts of the Fund shall be held with the depositories, ^{each}
4 acting as fiscal agent for the member in whose territory the
5 depository is located. A member may pay its gold subscription

6 to the Fund at one or more of the specified gold depositories,
^{within the terms of Art. (9) of the A.A.}

designated
by the
members
in whose
countries
the
depositories
are
located

F-2 7 A member shall pay its currency subscription to the Fund
8 at the designated depository. ^{(AA III-3(a)(e))} The member, or its designated

9 fiscal agency with the approval of the member, ^{Each member} is authorized
10 to substitute ^{in accordance with Art. III Section 5} its own non-negotiable, non-interest bearing

11 notes payable to the Fund on demand for that part of the cur-
12 rency ^{holdings} subscription which exceeds ⁽¹⁰⁾ percent of the member's

13 quota, and the depository shall hold such notes for the account
14 of the Fund. (AA III-5)

F-3 15 The Executive Board may agree to alter the 10 percent
16 ^{minimum} requirement in the case of any country should ^{special}

17 circumstances in the opinion of the Executive Board warrant a
18 different percentage.

F-4 19 The member is allowed 24 hours in which to replace any
20 sums necessary to maintain the ^{specified} minimum ^{of 10 percent.}

F5 ^{may pay its subscription}
↑
appended

F - Subscriptions

designated by the members in the countries they are located

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2 York, London, Shanghai, Paris, and Bombay. The earmarked gold
3 accounts of the Fund shall be held with the depositories, each
4 acting as fiscal agent for the member in whose territory the
5 depository is located. A member may pay its gold subscription
6 to the Fund at one or more of the specified gold depositories.

70

F-2 7 A member shall pay its currency subscription to the Fund
8 at the designated depository. The member, or its designated
9 fiscal agency with the approval of the member, is authorized
10 to substitute its own non-negotiable, non-interest bearing
11 notes payable to the Fund on demand for that part of the cur-
12 rency subscription which exceeds 10 percent of the member's
13 quota, and the depository shall hold such notes for the account
14 of the Fund. (AA III-5)

holdings

within the terms of Article XIII, Section 2

F-3 15 The Executive Board may agree to alter the 10 percent
16 minimum requirement in the case of any country should special
17 circumstances in the opinion of the Executive Board warrant a
18 different percentage.

F-4 19 The member is allowed 24 hours in which to replace any
20 sums necessary to maintain the ^{specified} minimum [of 10 percent.]

F-5

Any member wishing to make its

ACCOUNTS AND REPORTS

F-1 I would prefer this to read:

"The Annual Report and Accounts of the Fund shall be summarized in terms of the United States dollar of the weight and fineness in effect on July 1st, 1944 for the purpose of producing a consolidated balance sheet. The working accounts of the Fund will be kept in the currencies actually held and dealt in by the Fund."

F-6 What about a continuous audit?

F-7 Do we need to provide for carrying forward a loss?

F-8 Vide F-7.

F-12 Is the Annual Report to be a document for external circulation?

F-15 I prefer "in verified code from the Managing-Director."

POSTPONEMENT, LIMITATION,
INELIGIBILITY AND WITHDRAWAL

I would delete G-4 and would reverse G-5 to read:

"When the Fund and a member have agreed upon the initial par value.....the Fund may decide to postpone exchange transactions if conditions prevent the settlement of exchange contracts."

We may consider running G-1 on to the end of G-5, G-6 to end with the words "save in such conditions as may be prescribed."

G-8 Delete the first eight words starting with the word "whenever".

G-10 We should say "the type of controls".

ap

18

F. Accounts and Reports

F-1 The accounts of the Fund shall be kept in terms of the United States dollar, of the weight and fineness in effect on July 1, 1944, as a common denominator.

Why not in gold currency?

F-2 To assure uniformity of accounts, gold held by the Fund shall be valued at \$35 a fine ounce, and the currency holdings of the Fund shall be valued at their agreed parities.

part of

F-3 The accounts of the Fund shall be kept in a manner that will show clearly the nature of each transaction, the position of the Fund, and the results of its operations. Each entry shall be evidenced by an original document signed by an authorized official of the Fund and these original documents shall be retained for purposes of audit.

Controller shall work out for approval of Bd, adequate provisions to insure that all transactions will be evidenced
(Categories of evidence - different types must be filed)

F-4 A daily statement of the position and transactions of the Fund shall be prepared for the guidance of the Executive Directors and the officials of the Fund.

part of

F-5 At intervals of not longer than a week, a summary balance sheet and statement of the operations of the Fund shall be prepared for the guidance of the Executive Directors and the officials of the Fund.

F-6 The Executive Directors shall have an audit of the accounts of the Fund made at least once each year and on the basis of this audit shall submit a balance sheet and a statement of operations of the Fund to the Board of Governors to be considered by them at their annual meeting.

Opportunity to audit by law

F-7 The Executive Directors shall recommend to the Board of Governors the disposition of the net income of the Fund. Before computing the net income, adequate reserves shall be provided to meet all contingencies and to offset any losses that may be incurred by the Fund.

F-8 After receiving the recommendations of the Executive Directors, the Board of Governors at their annual meeting shall decide what part of the net income of the Fund shall be placed in surplus and reserves and what part shall be distributed as dividends to members.

X

F-9 The Fund shall publish a monthly Bulletin of economic and financial data. The Bulletin shall also be used to publish such reports and articles as would be of interest to members and helpful to them in connection with their policies.

not needed in RR

~~Man. Dir. shall have recommended for approval of Bd. procedure to~~
F-10 The data required of all members shall be submitted on forms provided by the Fund to assure uniformity of reporting. The data collected from all members shall be published in the Bulletin.

not needed in RR

F-11 The information collected from a member on the basis of a specific request necessary in connection with the operations of the Fund shall not be published except with the permission of that member.

Info. conf.

F-12 The Managing Director shall prepare an annual report in which he shall discuss the operations and policies of the Fund and make recommendations to the Executive Directors and the Board of Governors on the problems confronting the Fund.

X

F-13 Gold depositories of the Fund shall be established in New York, London, Shanghai, Paris, etc. The earmarked gold accounts of the Fund shall be held with the depositories, each acting as fiscal agent for the member in whose territory the depository is located.

X

F-14 The currency accounts of the Fund shall be held in the designated depositories, each acting as fiscal agent for the member in whose territory the depository is located.

X

F-15 No depository shall receive or deliver gold on behalf of the Fund, or pay or accept payment of currency on behalf of the Fund, except on instructions in verified code signed by the Managing Director.

X