

GUARDIAN BOND
C-M-E
RAG CONTENT 45%

H

Merge with §

Revised Draft
August 13, 1946

H - Proposed Changes of Parities

H-1 1 A member desiring to change the par value of its currency
2 shall give the Fund as much notice as the circumstances allow,
3 and shall submit a full and reasoned statement why, in its
4 opinion, such a change is necessary to correct a fundamental
5 disequilibrium. (AA IV-5)

H-2 6 The Fund shall ^{begin examination of} consider a proposal to change the par
7 value of a currency on the ~~first business day after it receives~~
8 the proposal. *as quickly as possible*

H-3 etc. - To be redrafted.

Revised Draft
August 13, 1946

H - Proposed Changes of Parities

H-1 1 A member desiring to change the par value of its currency
2 shall give the Fund as much notice as the circumstances allow,
3 and shall submit a full and reasoned statement why, in its
4 opinion, such a change is necessary to correct a fundamental
5 disequilibrium. (AA IV-5)

made from 13

H-2 6 The Fund shall consider a proposal to change the par
7 value of a currency on the first business day after it receives
8 the proposal.

H-3 etc. - To be redrafted.

H - Proposed Changes of Parities

H-1 1 A member desiring to change the par value of its currency
2 shall give the fund as much notice as the circumstances allow,
3 and shall submit a full and reasoned statement why, in its
4 opinion, such a change is necessary to correct a fundamental
5 disequilibrium. (AA IV-5)

H-2 6 The Fund shall consider a proposal to change the par
7 value of a currency on the first business day after it receives
8 the proposal.

H-3 *etc. [to be redrafted]* *the member shall allow the fund*
9 If a proposed change together with all previous changes
10 does not exceed 10 percent of the initial par value, *the Fund*
11 *at least - hours in which to express its views* shall consult with the member proposing the change and (may)
12 shall inform the member of its views as soon as possible. (in
13 ~~a written report. The member shall allow the Fund at least 72~~
14 ~~hours after consultation has begun in which to express its views.)~~
15 (AA IV-5(b) and (c) (i))

H-4 16 If a proposed change, together with all previous changes,
17 exceeds 10 percent of the initial par value and the Fund, after
18 considering the matter and consulting with the member proposing
19 the change, does not agree with the views of the member, it shall
20 give the member a written statement of the reasons for its ob-
21 jection. The written statement shall be prepared and presented
22 as quickly as the circumstances allow. (AA IV-5 (c)(ii) and (iii))

H-5 23 Whether it agrees or disagrees with a proposed change, the
24 Fund shall declare its attitude as quickly as possible and, if the
25 proposed change together with all previous changes exceeds 10 per-
26 cent but not 20 percent of the initial par value, shall, upon the
27 request of the member, do so within 72 hours after receiving the
28 request. (AA IV-5 (c)(ii) and (iii))

H - Proposed Changes of Parities

H-1 1 A member desiring to change the par value of its currency
2 shall give the fund as much notice as the circumstances allow,
3 and shall submit a full and reasoned statement why, in its
4 opinion, such a change is necessary to correct a fundamental
5 disequilibrium. (AA IV-5)

H-2 6 The Fund shall consider a proposal to change the par
7 value of a currency on the first business day after it receives
8 the proposal.

H-3 9 If a proposed change together with all previous changes
10 does not exceed 10 percent of the initial par value, the Fund
11 shall consult with the member proposing the change and (may)
12 shall inform the member of its views as soon as possible. (~~in~~
13 ~~a written report. The member shall allow the Fund at least 72~~
14 ~~hours after consultation has begun in which to express its views.~~)
15 (AA IV-5(b) and (c) (1))

H-4 16 If a proposed change, together with all previous changes,
17 exceeds 10 percent of the initial par value and the Fund, after
18 considering the matter and consulting with the member proposing
19 the change, does not agree with the views of the member, it shall
20 give the member a written statement of the reasons for its ob-
21 jection. The written statement shall be prepared and presented
22 as quickly as the circumstances allow. (AA IV-5 (c)(ii) and (iii))

H-5 23 Whether it agrees or disagrees with a proposed change, the
24 Fund shall declare its attitude as quickly as possible and, if the
25 proposed change together with all previous changes exceeds 10 per-
26 cent but not 20 percent of the initial par value, shall, upon the
27 request of the member, do so within 72 hours after receiving the
28 request. (AA IV-5 (c)(ii) and (iii))

Amended copy

H - Proposed Changes of Parities

*note: - Revisions are so extensive that ~~the~~ underscoring
+ bracketing is advised on
+ bracketing is advised on*

H-1 1 A member desiring to change the par value of its currency shall
2 give the Fund as much notice as the circumstances allow, and shall
3 submit a full and reasoned statement why, in its opinion, such a change
4 is necessary to correct a fundamental disequilibrium. (AA IV-5)

5
H-2 5 The Fund shall consider a proposal to change the par value of a
6 currency on the first business day after it receives the proposal.

H-3 7 If a proposed change together with all previous changes does not
8 exceed 10 per cent of the initial par value, the Fund shall consult with
9 the member proposing the change and may inform the member of its views in
10 a written report. The member shall allow the Fund at least 72 hours after
11 consultation has begun in which to express its views. (AA IV-5 (b) and
12 (c)(i))

H-4 13 If a proposed change together with all previous changes exceeds
14 10 per cent of the initial par value and the Fund, after considering the
15 matter and consulting with the member proposing the change, does not
16 agree with the views of the member, it shall give the member a written
17 statement of the reasons for its objection. The written statement shall
18 be prepared and presented as quickly as the circumstances allow.
19 (AA IV-5 (c)(ii) and (iii))

H-5 20 Whether it agrees or disagrees with a proposed change, the Fund shall
21 declare its attitude as quickly as possible and, if the proposed change
22 together with all previous changes exceeds 10 per cent but not 20 per cent
23 of the initial par value, shall, upon the request of the member, do so
24 within 72 hours after receiving the request. (AA IV-5 (c)(ii) and (iii))

H - Proposed Changes of Parities

H-1 1 A member desiring to change the par value of its currency
2 shall give the Fund as much notice as the circumstances allow,
3 and shall submit a full and reasoned statement why, in its
4 opinion, such a change is necessary to correct a fundamental
5 disequilibrium. The Fund shall consider a proposal to change
6 the par value of a currency on the first business day after it
7 receives the proposal but, if the proposal is made by a member
8 not entitled to appoint an Executive Director, the Fund shall
9 not make its decision until the member has had an opportunity to
10 send a representative to the meeting at which the matter is con-
11 sidered. If, after considering the proposal, the Fund objects,
12 it shall give the member a written statement of the reasons for
13 its objection. (AA IV-5, XII-3(j)).

(Unfinished)

does not agree
with the views of
the members,

fill out to
fit 3 types of
changes
under 10%
10% to 20%
over 20%.

9-1

17th June, 1946

H. Gold and Exchange Transactions of the Fund

I H 1. Each member shall designate a fiscal agency for its transactions with the Fund, in accordance with Article V Section 1, when its subscription becomes due, and may change the agency at any time by notifying the Fund.

I-2 H 2. The Fund will sell foreign exchange for gold or currency only on the basis of a request in verified code from the designated fiscal agency; and the agency, in its operations on behalf of the Fund, will act only on instructions in such form as may be prescribed (see).

H 3. ~~Gold depositories will be established at New York, London, Nanking, Paris and Bombay.~~ ^{many when paid, in US\$} The Fund will buy gold from any member at any depository against the currency of that member, subject to a small handling charge which may vary between depositories and between currencies. The Fund may also buy gold at other centres, but may require a member to pay an additional charge to cover the costs of transfer to the nearest depository.

~~H 4. Fiscal agencies will be expected to maintain close working relations with the Fund's officials, to act as the normal channel for the supply of information on all technical financial and economic matters, and to provide the Fund from time to time with estimates of the balance of payments of the member concerned and its prospective requests for the purchase or sale of~~

exchange or gold.

- H 5. Every request to buy foreign exchange from the Fund shall be accompanied by a certificate that the currency is presently needed for making payments in that currency consistent with the Articles of the Fund. Subject to Article V Section 3, the Fund shall provide the currency on the value date requested by the member, whether immediate or forward. If the currency requested is subject to apportionment under Article VII, or the purchase would cause the Fund's holdings of the member's currency to exceed the limits provided in Article V Section 3, the Fund shall so inform the member immediately, and shall consult with the member to see whether the member's needs can reasonably be met by the Fund- by a waiver of the rules, by the deposit of collateral, or by arrangements with other members, as the circumstances may suggest.
- H 6. Any collateral accepted by the Fund shall be subject to pledge or sale by the Fund in the event of breach of the conditions specified when the collateral was accepted.
- H
current
balance
5/24/46*

4-5
17th June, 1946

H. Gold and Exchange Transactions of the Fund

H 1. Each member shall designate a fiscal agency for its transactions with the Fund, in accordance with Article V Section 1, when its subscription becomes due, and may change the agency at any time by notifying the Fund.

H 2. The Fund will sell foreign exchange for gold or currency only on the basis of a request in verified code from the designated fiscal agency; and the agency, in its operations on behalf of the Fund, will act only on instructions in such form as may be prescribed (see).

H 3. Gold depositories will be established at New York, London, Nanking, Paris and Bombay. The Fund will buy gold from any member at any depositor against the currency of that member, subject to a small handling charge which may vary between depositories and between currencies. The Fund may also buy gold at other centres, but may require a member to pay an additional charge to cover the costs of transfer to the nearest depository.

H 4. Fiscal agencies will be expected to maintain close working relations with the Fund's officials, to act as the normal channel for the supply of information on all technical financial and economic matters, and to provide the Fund from time to time with estimates of the balance of payments of the member concerned and its prospective requests for the purchase or sale of

exchange or gold.

H 5. Every request to buy foreign exchange from the Fund shall be accompanied by a certificate that the currency is presently needed for making payments in that currency consistent with the Articles of the Fund. Subject to Article V Section 3, the Fund shall provide the currency on the value date requested by the member, whether immediate or forward. *J. Some Currencies* If the currency requested is subject to apportionment under Article VII, or the purchase would cause the Fund's holdings of the member's currency to exceed the limits provided in Article V Section 3, the Fund shall so inform the member immediately, and shall consult with the member to see whether the member's needs can reasonably be met by the Fund- by a waiver of the rules, by the deposit of collateral, or by arrangements with other members, as the circumstances may suggest.

others to be added at a later date
H 6. Any collateral accepted by the Fund shall be subject to pledge or sale by the Fund in the event of breach of the conditions specified when the collateral was accepted.

H. Fund Staff.

H-1 The Officers of the Fund shall consist of the following:

H-2 The salary schedule for various categories shall be as follows:

H-3 The Managing Director shall provide by Administrative Order for the selection of the staff on the basis of competence and efficiency. In the selection of officers and employees, weight shall be given to the desirability of securing wide representation of all members on the staff of the Fund. The officers and employees of the Fund shall have security of tenure and shall be removed only for cause.

H-4 The Managing Director shall submit to the Executive Directors for their approval the Administrative Orders that govern the appointment, remuneration and tenure of the officers and employees of the Fund.

H-5 The staff of the Fund shall prepare reports for the guidance of the Executive Directors on any action they have under consideration affecting the policies of the Fund or its relations with any member.

H-6 A report submitted to a member in connection with any action taken by the Executive Directors or the Board of Governors may be

published in the Bulletin if the Executive Directors so decide by a two-thirds vote. If a reply has been submitted by the member, it may be published with the approval of the member concerned.

H-7 The Executive Directors and officials of the Fund shall be available to advise members on any economic and financial problems that may affect the balance of payments of any member of the Fund.

H-8 Any Executive Directors, or their Alternates may with the approval of the Executive Director undertake missions to any foreign country for the purpose of carrying out the business of the Fund.

H-9 With the approval of the Executive Directors, the Fund shall at the request of the Executive Directors or their alternates with technical, secretarial or clerical assistance prepare reports on economic and financial problems. Such reports shall be published only with the approval of the Executive Directors and the member.

H-10 The Fund may prepare other special studies and reports that it regards as of interest to the Fund and to members. Such studies and reports shall be published if the Executive Directors so decide by a two-thirds vote.