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04

September 13, 1984

To: Members of the Executive Board
From: The Secretary
Subject: Final Minutes of Executive Board Meeting 84/46

The following correction has been made in the final minutes
of EBM/84/46 (3/26/84):

Page 16: item "1" should read item "2"

A corrected page is attached.

Att: (1)

Other Distribution:
Department Heads

facilitate the spread of recovery from industrial to developing countries, ease import compression, and facilitate the resumption of growth in debtor countries.

Those Directors also said that an SDR allocation could provide a signal to the membership that, while the large countries are not in a position to agree on major steps on such issues as protection, interest rates, policy convergence, and stepping up official assistance, which could improve the international economic setting, the Fund was sensitive to the plight of a number of countries. Such a signal would reduce some of the apprehension in the system and bolster the image of the Fund. Some Executive Directors added that postponement of an allocation in the present circumstances might seriously harm the Fund.

Among the 17 speakers, Mr. Leonard said that he favored a modest SDR allocation mainly because it could strengthen the relative role of the SDR in the system and improve the distribution of international liquidity, rather than because a case for global liquidity need could be made.

3. One Executive Director, Mr. Prowse, said that most of his constituency favored an allocation, but one member wished to consider the matter further, particularly in the light of the present discussion.

4. Executive Directors noted that Mr. de Groote's statement on conditional use of SDR allocations did not signal a change in his basic position: he remains in favor of an immediate, straightforward allocation of SDRs. A number of Directors indicated that they were not in favor of the conditional use of SDR allocations, but many thought that Mr. de Groote's proposal, and perhaps the reconstitution ideas of Mr. Kafka and others, warranted further detailed discussion.

DECISION TAKEN SINCE PREVIOUS BOARD MEETING

The following decision was adopted by the Executive Board without meeting in the period between EBM/84/45 (3/26/84) and EBM/84/46 (3/26/84).

2. FOOD AND AGRICULTURE ORGANIZATION (FAO) - RELEASE OF INFORMATION

The Executive Board approves the proposal set forth in EBD/84/89 (3/20/84).

Adopted March 26, 1984

APPROVED: September 5, 1984

LEO VAN HOUTVEN
Secretary