

EXECUTIVE BOARD MEETING 127**1818 H Street, N. W.**

10:00 a.m., January 28, 1947

Present:

Camille Gutt, Chairman; Executive Directors: Y. C. Koo, H. D. White; Alternate Executive Directors: E. de Selliers, W. Koster, R. Martinez-Ostos, B. K. Madan, T. de Clermont-Tonnerre, M. Kolovic, J. F. Parkinson, M. S. Falaki, O. Paranagua, G. F. Luthringer; Frank Coe, Secretary; Phillip Thorson, Assistant.

Present for Items:

4-8--E. M. Bernstein, Head, Research Department; 4--A. Krøl, Bank; 4--E. Sturc, Research Department; 6--A. Kaissouni, Research Department.

The minutes of Meeting 117, Item 4A and B, and Meeting 121 were read and approved, the latter as revised.*

1. Membership by Syria

The Managing Director said he had been informed that the legislature of Syria had approved Syria's membership in the Fund on the terms established by the Board of Governors.

2. International Trade Organization

The Executive Board was informed of the progress of the drafting committee on an International Trade Organization charter (Meeting 118, Item 3).

It was noted that any formal arrangements for co-operation with other international organizations would be subject to decision by the Board of Governors.

3. Financial Assistance for New Fund Employees

The Executive Board considered the proposal for six months' salary advances in special cases (Executive Board Document No. 86, Revision 1, Supplement 1) and made the following decision:

The Executive Board approves the proposal of the Managing Director to grant advances up to six months' salary to Fund employees in special and unusual cases where the circumstances warrant, such advances to be repayable within thirty-six months, and any advances in excess of three months' salary to bear interest at the rate of three per cent per annum.

4. Exchange Practices - Czechoslovakia

In the case of Czechoslovakia, it was observed that multiple rates, wide spreads and premia on gold sales

did not exist. The black market was stated to be very small. It was tentatively agreed that on these matters no consultation was needed at this time.

No decision was taken, pending review of other cases.

5. Exchange Problems - Denmark

In the case of Denmark, no problems were noted concerning the exchange practices under review. However, one view was that on account of the balance of payments position, conversations should be initiated with Denmark. On the other hand, it was stated that evidence of recent developments would show marked improvement.

No decision was taken, pending review of other cases.

6. Exchange Problems - Egypt

In the case of Egypt, there was discussion of the free gold market, but no objections were raised. The black market in foreign exchange was said to be limited.

In connection with the balance of payments position, one view was that the possible effects of changes in commodity prices should be discussed with Egypt. On the other hand, it was asserted that a review of existing data would indicate that no special problems were likely to arise on this score.

No decision was taken, pending review of other cases.

7. Exchange Practices - El Salvador

The Executive Board noted that in El Salvador there is freedom of the exchanges, that no taxes or licensing requirements for exchange transactions exist, and that the spreads between buying and selling rates are within the limits prescribed by the Fund Agreement. The tentative decision was that there were no problems of the sort under review.

8. Exchange Practices - Ethiopia

In the case of Ethiopia, discussion was postponed until more recent data were available.

FRANK COE
Secretary

APPROVED BY THE EXECUTIVE BOARD
Meeting 133, February 6, 1947

GUTT
Chairman

*Revised wording approved at Meeting 173, May 23, 1947