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SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE
UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT

CORRIGENDUM TO VERBATIM RECORD OF THIRTY-NINTH
MEETING OF COMMISSION A (E/PC/T/A/PV/39)

The following should take the place of the remarks made by Mr. BASCH (International Bank) appearing on pages 83 and 84:

Mr. BASCH (International Bank): I attended most of the meetings of the Sub-Committee on Chapter IV and, therefore, I know the history of this explanatory note and I also know how difficult and important it was to reach an agreement on this point. The note was considered by some Members of the Committee as being very important but nobody thought that this note should be directed against the ITO, as I think was the idea expressed by Mr. Royer. The Members of the Sub-Committee wanted to know what will be the position of countries which will have to pay just compensation or consideration with regard to the provisions of the Articles of Agreement of IMF. Therefore, they asked that such a note should be prepared for the Committee. Mr. Luxford undertook this task and wrote the note. The whole note refers to the transfer of payments and tries to summarize what the position is under the Articles of Agreement of the International Monetary Fund.

When the International Monetary Fund found that the last sentence reads: "but subject to any other obligations of that Member which are not inconsistent with his obligations under the Charter", the Representative of the Fund asked, what are financial obligations not inconsistent with obligations

P.T.O.

under the Charter? In view of the fact that the text of this note deals practically only with the provisions as interpreted in accordance with the Articles of Agreement of the IMF, it seemed to the Representative of the IMF that it would be more logical to make the whole Article read consistently and to amend it in the way as now was suggested by Dr. Coombs. By doing so it was thought that a misunderstanding could be avoided with regard to payments which would be inconsistent with Members' obligations under the Articles of the Fund.

The discussion on this question took many hours in the Sub-Committee and the substance of the note finally satisfied the Members of the Sub-Committee. Therefore, on behalf of my colleagues of the Fund I should like to suggest, if possible, the acceptance of the amendment as proposed by Dr. Coombs.