

MINUTES OF MEETING OF COMMITTEE 3 OF COMMISSION I

Organization and Management of the Fund

(July 11, 1944, 10 a.m.)

The Committee considered Article VIII, Section 2, Alternative A (Document 210) dealing with suspension and compulsory withdrawal from the Fund. A number of questions about the interpretation of this Article were raised in the meeting. After the discussion, the Committee decided to approve the Alternative, Section 2, 2(a) and 2(b) with suggestion to the Drafting Committee of the Commission to state clearly under what conditions a country would be suspended from using the Fund's resources or be compelled to withdraw from membership and the fair procedure therefor. It was the consensus of the Committee that these sanctions should be applied only when the country's action directly affects the operation of the Fund.

The Committee received the report of its sub-committee on Liquidation and Withdrawal, (Document 243).<sup>\*</sup> The Committee agreed to eliminate from further consideration Alternative B, Article VIII, Section 4 (Document 241). It was unable to reach agreement on Alternatives A and C for this Section and referred the matter to Commission I.

Article VIII, Section 3, page 36, Settlement of Accounts with Governments Ceasing to be Members, was also referred to the Commission for action. No action taken on Article VII, Section 7, Location of Offices.

<sup>\*</sup> Document 243 should be corrected in the third paragraph, line 7 to read: "Alternative B" in place of "Alternative D." In the fourth paragraph, line 9, to read: "Alternative C" instead of "Alternative B."