

Questions at Issue on the Fund

1. Many countries, including Russia and China, believe that the proposed quotas are inadequate for their needs.
2. Several countries, including Russia, wish to have a reduction of 50 percent in the required gold subscription of countries that have suffered substantial damage by enemy action or occupation.
3. The U. K. wishes to have gold subscription based on net holdings of gold, offsetting their gold holdings in part by gold obligations.
4. Russia believes that the requirement to repurchase local currency with gold should not apply to newly-mined gold.
5. Belgium, China, Czechoslovakia, Netherlands and several other occupied countries favor a more flexible provision for the alteration of exchange rates. In particular, they favor setting exchange rates provisionally at the time of the establishment of the Fund, leaving definitive rates for subsequent determination.
6. Russia wishes to reserve power to change her exchange rate without the approval of the Fund since she holds that her exchange rate has no effect on international transactions.
7. Several countries object to the close relationship between quotas and voting power. Russia believes that, in determining voting power, other considerations than those entering into the determination of quotas should be considered.

8. U.K. wishes voting power in the executive committee to be in the order of importance of the countries but not necessarily very closely related to their quotas.
9. Australia and Belgium believe that no member country should be permitted to have more than 20 or 25 percent of the aggregate votes.
10. The U.S. and Canada favor a provision under which the votes of creditor countries would be increased and the votes of the debtor countries would be decreased in voting on questions relating to the sale of exchange.
11. Many countries believe that more pressure should be put upon creditor countries, whose currencies have been declared in scarce supply, to secure an appropriate balance of payments.
12. Mexico wishes to make provision for the partial substitution of silver for gold in the subscriptions to the Fund.