

[Text]

I should perhaps warn the Committee that this is the most complicated part of the original articles. It has been said that only two people really ever understood Article V, section 7—one of them is dead and the other has forgotten it.

Mr. Gray: Are you sure they are not the same person?

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Mr. Handfield-Jones: I will try and give very much of a thumbnail simplification of the situation. There are in fact three ways in which countries can repay the Fund after they have borrowed from it. They can make voluntary repayments. They repay in accordance with schedules set in loan agreements between those countries which enter into the Fund, and this is the most common way of making repayments. But they also may have to repay under the statutory provision of Article V, section 7, the essential thrust of which is that a country in debt to the Fund is supposed to pay back to the Fund one-half of the amount by which its reserves subsequently increase. In fact, because of the way in which the Funds operations have developed over the years only a quite small proportion of the total repayment flow comes under this statutory provision, and during the discussions there was a good deal of consideration given to a rather more radical reform which would have virtually scrapped the statutory repurchase provision of Article V, section 7.

This did not prove to be possible, partly because of the pressure of time, and instead a number of detailed reforms and simplifications have been made in this section and in the appendix to the Charter, which adds some of the more detailed rules—and I will not go into those unless the Committee wishes me to do so. I would note rather that a new subsection (d) has been added which gives some scope for further changes in the detailed rules and provisions of this article without going through the process of amendments itself.

The Chairman: Are there any questions on clause 5?

Mr. Handfield-Jones: Section 9 of Article V is a new provision which enables the Fund to pay interest on the creditor positions which countries have built up in the general account. Under the old articles there was no such provision. Instead, Article XII provided that the Fund could pay a dividend to members and that if it did so that income position was sufficient. It would first pay up to 2 per cent on creditor positions and thereafter

[Interpretation]

personnes, seulement, y avaient compris quelque chose. L'une est morte, l'autre a tout oublié.

M. Gray: Êtes-vous sûr qu'il ne s'agit pas d'une seule et même personne?

M. Handfield-Jones: Je vais essayer de vous expliquer, en simplifiant. Il y a trois méthodes de remboursement au Fonds. Un remboursement volontaire; on fait le remboursement suivant les conditions prévues dans l'entente de prêt conclue entre le pays emprunteur et le Fonds. C'est la méthode la plus courante. L'emprunteur peut aussi rembourser son prêt conformément aux dispositions qui apparaissent au paragraphe 7 de l'article 5. Il y est dit qu'un pays doit rembourser au Fonds une somme égale à la moitié de l'augmentation de ses réserves. Au cours des années, une très faible proportion des rentrées s'est faite ainsi. On a longuement songé à éliminer tout simplement ces dispositions prévues au paragraphe 7 de l'article 5.

Ce fut partiellement impossible à cause du facteur temps. On a plutôt apporté plusieurs modifications bien précises à ce paragraphe et à l'annexe de la charte, modifications dont je ne parlerai pas à moins qu'on me le demande. De plus un nouvel alinéa a été ajouté qui permet d'apporter certains changements sans qu'il soit nécessaire d'amender tel ou tel article.

Le président: Avez-vous des questions à poser, messieurs, à l'article 5?

M. Handfield-Jones: Le paragraphe 9 de l'article 5 permet au Fonds, et c'est là quelque chose de nouveau, de payer de l'intérêt sur les crédits accumulés par les pays au compte général. En vertu des anciennes dispositions, ce n'était pas possible. L'article 12 prévoyait plutôt que le Fonds pouvait payer un dividende aux États membres, et il l'a fait lorsque le revenu net lui permettait de le faire. Il versait d'abord jusqu'à 2 p. 100 aux