

two: that the member was relieved of its obligations under this agreement, and second, that the member ceased to be entitled to any privileges under the agreement. The more technical question connected with the settlement of accounts of withdrawing members, the exact procedure, is set out in one of the schedules to this document, schedule D on the settlement of accounts of withdrawing members. But I take it that is not what you had in mind.

Q. No.—A. I think that the answer to your question, Mr. Low, is that there is in fact no continuing obligation on the part of countries which cease to be members of the fund, except the obligations set out in that schedule; and the main obligation there is one that I believe I mentioned earlier to-day, an obligation to allow the fund's excess holdings of its currency, after its original capital subscription has been repaid to it, to be used to finance current purchases.

*By Mr. Blackmore:*

Q. What are the privileges that would be withdrawn?—A. The ability to purchase exchange from the fund in your own currency.

Q. Would the country be completely free to purchase exchange directly from other nations?—A. Yes, it would.

Q. Whether those nations were members of the fund or not?

Mr. Low: Oh, that is another question.

The WITNESS: The question is can a withdrawing member purchase exchange from another member or from a non-member?

Mr. Low: That is right.

The WITNESS: To the best of my knowledge the answer to both questions is yes, it is. In fact, I do not see how there could be any question of the fund attempting to exercise any rights or control over a non-member, whether an original non-member or a country that has become a non-member by virtue of withdrawal.

*By Mr. Quelch:*

Q. It is article XI that has led to that impression.—A. I know that, Mr. Quelch. Article XI is written in very general terms, and it may be that the generality of the terms from this point of view is unfortunate. But all that I can do is repeat that no such intention regarding boycott and the severance of trade relations and so on with a withdrawing member was in the minds of the Bretton Woods Conference when article XI was adopted. It would be most extraordinary, I think that any country would have contemplated or that experts of any country would have contemplated inserting into a document of this sort a provision that would have enabled other countries to boycott it, to boycott their own country, if their own country was the one to find themselves in difficulty. In any discussions I heard, the question of the boycott, the use of article XI for the purpose of boycott, which is the thing that is causing your preoccupation, was not so much as mentioned.

Q. Is it generally understood that any member could withdraw just by sending in his resignation? You gave that answer to Mr. Bracken.—A. I should like to find the article.

Mr. BREITHAUP: Page 34, article XV, section 1.

The WITNESS: Yes, article XV, section 1, right of members to withdraw.

Any member may withdraw from the fund at any time by transmitting a notice in writing to the fund at its principal office. Withdrawal shall become effective on the date such notice is received.