

Part III. Proposal for the Allocation of Special Drawing Rights

I hereby propose that the Fund allocate special drawing rights to the participants in the Special Drawing Account, in accordance with the Articles of Agreement, as follows:

1. Allocations shall be made during a basic period of three years which shall begin on January 1, 1970.
2. Allocations during the basic period shall be made on January 1, 1970, January 1, 1971, and January 1, 1972.
3. Allocations shall be on the basis of quotas on the day before the dates of the allocations.
4. The rate for the first allocation shall be 17.5 per cent and the rate for the second and third allocations shall be 15 per cent, provided that these rates shall be adjusted, to the nearest one tenth of one percentage point, by multiplying them by the ratio of \$20 billion to the total of quotas on the day before allocation of those participants which were members of the Fund on December 31, 1969.

I further propose that in accordance with the foregoing the Board of Governors adopt the following draft resolution:

Draft Resolution *

Allocation of Special Drawing Rights for the First Basic Period

WHEREAS the Managing Director has submitted a proposal for the allocation of special drawing rights pursuant to Article XXIV, Section 4, of the Articles of Agreement of the International Monetary Fund; and

* Adopted as Resolution No. 24-12 by the Board of Governors of the Fund on October 3, 1969.

WHEREAS in the Report containing his proposal, the Managing Director has declared that, before making the proposal, he had satisfied himself that the proposal will be consistent with the provisions of Article XXIV, Section 1(a), and that, after consultation, he has ascertained that there is broad support among participants for the proposal;

WHEREAS the Managing Director, on the occasion of this proposal for the first allocation, has satisfied himself that the provisions of Article XXIV, Section 1(b), have been met and that there is broad support among participants to begin allocations; and

WHEREAS the Executive Directors have concurred in the proposal of the Managing Director;

NOW, THEREFORE, the Board of Governors, being satisfied that the proposal of the Managing Director meets the principles and considerations governing the allocation of special drawing rights set forth in Article XXIV, Section 1, hereby RESOLVES that:

1. The Fund shall make allocations to participants in the Special Drawing Account, in accordance with the Articles of Agreement, during a basic period of three years which shall begin on January 1, 1970.
2. Allocations during the basic period shall be made on January 1, 1970, January 1, 1971, and January 1, 1972.
3. Allocations shall be on the basis of quotas on the day before the dates of the allocations.
4. The rate for the first allocation shall be 17.5 per cent and the rate for the second and third allocations shall be 15 per cent, provided that these rates shall be adjusted, to the nearest one tenth of one percentage point, by multiplying them by the ratio of \$20 billion to the total of quotas on the day before allocation of those participants which were members of the Fund on December 31, 1969.