NEW PLAN FOR INTERNATIONAL MONETARY RESERVES

WEDNESDAY, NOVEMBER 22, 1967

CONGRESS OF THE UNITED STATES,
SUBCOMMITTEE ON INTERNATIONAL
EXCHANGE AND PAYMENTS OF THE
JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The subcommittee met, pursuant to notice, in room S-407, the Capitol, at 10 a.m., Hon. Henry S. Reuss (chairman of the subcommittee) presiding.

Present: Representative Reuss; Senators Proxmire and Symington.

Also present: John B. Henderson, staff economist.

Chairman REUSS. Good morning. The Subcommittee on International Exchange and Payments of the Joint Economic Committee will be in order.

At this point in the record we will include the published announcement of this hearing.

(The announcement follows:)

CONGRESS OF THE UNITED STATES, JOINT ECONOMIC COMMITTEE, SUBCOMMITTEE ON INTERNATIONAL EXCHANGE AND PAYMENTS

HEARING ON RIO MONETARY AGREEMENT, WEDNESDAY, NOVEMBER 22, 1967

Congressman Henry S. Reuss (D.-Wis.), Chairman of the Subcommittee on International Exchange and Payments of the Joint Economic Committee, announced today a one-day hearing for Wednesday, November 22 on the international monetary agreement reached in September at Rio de Janeiro.

The witnesses will be: Professor Robert Triffin of Yale University; Professor Fritz Machlup of Princeton University; Sir Roy Harrod of Oxford University; and Dr. Edward M. Bernstein, for some time director or research and statistics, International Monetary Fund.

In announcing the hearing, Congressman Reuss noted that the Rio resolution for the creation of new international reserves was in substantial compliance with Guidelines for Improving the International Monetary System, a report issued in August 1965 by the Subcommittee. "The progress represented by this agreement is heartening, but it represents only a potential," said Congressman Reuss. "We must make sure that the potential will be realized.

"The interest of a growing world economy will be served best by a steady growth in the supply of international monetary reserves. At a time when the growth of international reserves has been checked, the prompt ratification of the plan, and also its prompt activation, are in the interest of the entire world economy. We hope to examine at this hearing the means by which the new special drawing right can contribute to this purpose."

The hearing will take place on Wednesday, November 22, 1967, at 10:00 a.m. in room S-407 (Joint Committee on Atomic Energy hearing room), in the Capitol Building.

Chairman REUSS. This hearing has been called to examine the outline plan approved at the annual meeting of the International Monetary Fund at Rio last September. Under the proposed timetable