

INTERGOVERNMENTAL GROUP OF TWENTY-FOUR ON INTERNATIONAL MONETARY AFFAIRS

SIXTH MEETING OF MINISTERS

COMMUNIQUÉ

**Rome, Italy
January 16, 1974**

1. The Ministers of the Intergovernmental Group of Twenty-Four on International Monetary Affairs held their sixth meeting at the Palazzo dei Congressi, Rome, on January 16, 1974. They approved a vote of thanks to the outgoing Chairman, Mr. Luis Oberto of Venezuela, and to their outgoing Rapporteur, Mr. Carlos Rafael Silva of Venezuela. They elected Mr. Ismail Mahroug, Minister of Finance of Algeria, as Chairman, and Mr. N. M. Perera, Finance Minister of Sri Lanka, and Mr. Manuel Moreyra, representing the Finance Minister of Peru, as Vice-Chairmen. The meeting of the Ministers was attended by Mr. H. J. Witteveen, Managing Director of the International Monetary Fund, and Mr. Manuel Perez Guerrero, Secretary General of UNCTAD.
2. The meeting of Ministers was preceded by a meeting of their Deputies, chaired by Mr. Rachid Bouraoui of Algeria, with Mr. Lai Jayawardena, Sri Lanka, as Vice-Chairman, and Mr. Allan Wagner, Peru, as Rapporteur.
3. The Ministers of the Group of Twenty-Four reaffirmed support for early agreement on all issues of reforms which they see as a tripartite task comprising an improved monetary system, an improved trading system, and an improved system for the transfer of real resources to the developing countries. They were of the view that agreement on any one of these inter-related areas was necessarily conditional on accord in the other areas. Such a framework of understanding would provide the basis for intensified cooperation among the members of the international community which is particularly needed in the present condition of the world economy.
4. The Ministers discussed the specific issues on the agenda of the fifth meeting of the Committee of Twenty.
 - (a) They reaffirmed their support for the SDR as the central reserve asset of the reformed system and agreed on the need to facilitate its immediate use in official settlements;
 - (b) They reaffirmed their view that the future structure of the International Monetary Fund should provide for a sufficiently equitable improvement in the quota position and voting power of developing countries. They expressed support for the principle of the establishment, as part of the agreed reformed system, under the Board of Governors, of a Council of Governors in which the developing countries would have representation that was at least as large as in the Committee of Twenty. The Council could be authorized to act in the name of the entire membership of the Fund in emergencies and to take other specified decisions of fundamental importance. They affirmed their support for a strong resident Executive Board as the only other decision making

organ of the Fund. In the meantime they favored the continuation of the Committee of Twenty until the work on the reform is completed.

5. While Ministers reaffirmed that the developing countries have an interest in all aspects of reform, they emphasized that in so far as issues of special interest to them are concerned the political acceptance of the link has now become overdue and should be decided upon without any further delay. Ministers reviewed the work carried out by the Technical Groups of the Deputies of the Committee of Twenty and in particular that of the Group on the Transfer of Real Resources. They emphasized that in suggesting the establishment of this last Group their understanding was that its work should cover all aspects of capital transfers and that such a broad approach was fully consistent with the mandate given to the Committee of Twenty.

6. In the context of recent developments in the world monetary situation, the Ministers of the Group of Twenty-Four took note of the consequences of recent increases in oil prices brought about essentially by market forces. The Ministers expressed special concern over the implications of these developments for the economies of oil importing developing countries. They expressed confidence that effective solutions could be found in a spirit of cooperation and understanding and in the interests of the international community. The Ministers stressed that these developments should not deter the world community from proceeding with the basic task of international monetary reform.

7. The Group equally recognized the need for arriving at mutually satisfactory, and operative solutions for the problems of the developing countries affected by payments imbalances.