

WORLD FUND and BANK Inaugural Meeting



MEETING OF THE BOARD OF GOVERNORS
of the
INTERNATIONAL MONETARY FUND

Held in Savannah, Georgia
on
March 11, 1946, 10:40 a.m.

MR. VINSON: Fellow Governors, Alternate Governors, and official representatives, including observers, of the nations assembled here. We will ask all persons who are not officially accredited to attend this meeting, if there be any, to retire from the hall. The Chair sees none.

I know that we are in complete accord in being happy to get to work. I do not think the moment propitious for any extended discussion with reference to our purpose in assembling here. All of you, I am certain, are imbued with the spirit and the objective of the Bretton Woods Agreements. You know full well the purpose of this meeting of the Boards of Governors of the Fund and the Bank. The meeting is open for business.

The Secretary General is now recognized. Mr. Kelchner.

MR. KELCHNER: Mr. Chairman, I have at this time to present to the Board of Governors an official communication from the Government of the United States:

"March 7, 1946

"My dear Dr. Kelchner:

"I transmit herewith for the information and archives of the International Monetary Fund the following documents:

1. A certified copy of the signed original of the Articles of Agreement of the International Monetary Fund;
2. A certified copy of the signed original of the Articles of Agreement of the International Bank for Reconstruction and Development;

3. Certified

3. Certified copies of the instruments of acceptance of the Articles of Agreement of the International Monetary Fund and the Articles of Agreement of the International Bank for Reconstruction and Development, deposited with the Government of the United States of America, pursuant to Article XX, Section 2 (a), of the Fund agreement and Article XI, Section 2 (a), of the Bank agreement, on behalf of the governments of the following countries: Belgium, Bolivia, Brazil, Canada, Chile, China, Colombia (Fund agreement only), Costa Rica, Czechoslovakia, Dominican Republic, Ecuador, Egypt, Ethiopia, France, Greece, Guatemala, Honduras, Iceland, India, Iran, Iraq, Luxembourg, Mexico, Netherlands, Norway, Paraguay, Peru, Philippine Commonwealth, Poland, Union of South Africa, United Kingdom, United States of America, and Yugoslavia;
4. A certified copy of a communication dated December 27, 1945 from the Uruguayan Chargé d'Affaires ad interim in Washington relating to the Articles of Agreement of the International Monetary Fund and the Articles of Agreement of the International Bank for Reconstruction and Development;
5. A certified copy of a communication dated December 31, 1945 from the Cuban Ambassador in Washington relating to the Articles of Agreement of the International Monetary Fund and the Articles of Agreement of the International Bank for Reconstruction and Development;
6. A tabulation of the status of the Articles of Agreement of the International Monetary Fund and the Articles of Agreement of the International Bank for Reconstruction and Development; and
7. A copy of a circular note dated January 17, 1946 by which the Department of State informed each of the Governments concerned of the entry into force of the Fund agreement and the Bank agreement on December 27, 1945; of all signatures affixed to those agreements through December 31, 1945; and of all the deposits of instruments of acceptance of those agreements with the Government of the United States of America through the date of that note.

"While there are technical difficulties involved in the documents referred to in paragraphs 4 and 5 above, Article II, Section 2 of the Articles of Agreement of the International Monetary Fund and Article II, Section 1 (b) of the Articles of Agreement of the International Bank for Reconstruction and Development authorize the Fund and the Bank, respectively, to admit to membership, at such times and in accordance with such terms as may be prescribed by the Fund and

the Bank, countries which may not have completed the technical requirements necessary for them to become parties to the Agreements.

"Sincerely yours,

James F. Byrnes"

This morning we have received from the State Department in connection with item 4 and the last paragraph of the letter just read, the following telegram from the Department of State:

"The Chargé d'Affaires ad interim of the Government of Uruguay has deposited with the Government of the United States an instrument of acceptance of the Articles of Agreement of the International Monetary Fund and the International Bank for Reconstruction and Development dated March 7, 1946, reading as follows:

'I have the honor to inform Your Excellency that upon signing the Agreement of the International Monetary Fund and the Agreement of the International Bank for Reconstruction and Development contained in the Final Act of the United Nations Monetary and Financial Conference held at Bretton Woods, New Hampshire, on July 22, 1944, the Government of Uruguay accepted these Agreements and assumes the obligations thereunder.

'I take this opportunity to renew to Your Excellency the assurances of my highest consideration.'

"A certified copy of this instrument has been forwarded to you by mail. The Department of State, in accordance with the Articles of Agreement of the Fund and the Bank is informing the member governments of the acceptance of the Government of Uruguay.

"James F. Byrnes, Secretary of State."

MR. VINSON: Before we proceed with the business of the conference, I want to call to your attention one matter that I think the Board of Governors should consider and determine. We must decide on the nature of our meetings, whether the meetings of the Board of Governors will be public meetings or what we call meetings in executive session. I would like to have the view of the delegates on that burning issue.

The delegate from the United Kingdom:

LORD KEYNES: Mr. Vinson, we have given little thought to this and we certainly agree with your view that it would be wiser to act as you suggest. In particular cases it is always open to us to make an exception. At this stage, with such functions as we expect these Boards to perform, we believe the course you suggest is more prudent.

MR. VINSON:

MR. VINSON: The delegate from Mexico.

MR. ESPINOSA: Mr. Chairman, I move that we authorize the Chair to determine in each case whether the session shall be public or executive.

MR. VINSON: I hope the delegate from Mexico will permit the Chair to suggest an amendment. It seems to me that this is a matter which should be within the discretion of the Board. There will be many instances in which we all agree that the meetings should not be of a public character. If the delegates from Mexico would permit, I suggest that the nature of the meeting, whether public or executive session, should be within the determination of the Board.

Is there objection to that suggestion?

(None voiced.)

The Chair hears none.

The Chair recognizes the delegate from Luxembourg.

MR. LE GALLAIS: Mr. Chairman, Governors, I am going to read the report of the Credentials Committee of the Fund (see Fund Doc. 7).

(Mr. Le Gallais then read the report.)

Mr. Chairman, I recommend acceptance of this report.

MR. VINSON: You have heard the report of the Reporting Delegate of the Committee on Credentials. I feel certain that you will take proper action on the communication from the State Department in reference to Uruguay. Is there discussion on the approval of this report? Those approving the report will signify by saying "Aye".

("Ayes".)

Those opposed, "No".

(None.)

The "Ayes" have it, and the report of the Committee on Credentials is adopted.

The Chair now recognizes the Reporting Delegate from the Netherlands to submit the report of the Agenda Committee.

(Mr. de Jong read Fund Doc. 4)

MR. VINSON: You have heard the Reporting Delegate of the Committee on the Agenda. Is there any discussion desired?

(None voiced.)

If not, the question arises on the adoption and approval of the report. Those favoring the report will say "Aye".

("Ayes".)

Those contrary, "No".

(None.)

The "Ayes" have it. The report is approved.

The Chair now recognizes the Reporting Delegate of the Nominations Committee, the delegate from Czechoslovakia, to present the report of that committee.

(Mr. Alois Kral read Fund Doc. 5)

MR. VINSON: The report for the Fund is open for discussion. The question is upon the approval of the report. Those favoring the adoption of the report will say "Aye".

("Ayes".)

Contrary, "No".

(None.)

The "Ayes" have it, and the report is adopted.

MR. VINSON: I feel that a few words might be fitting from me with regard to the honor which you have conferred upon my country and upon myself as the Governor representing my country in the Fund. Truly, I feel it to be a great honor to preside over the functions of the Board of Governors of the Fund. I thank you very much indeed.

The next order of business is the consideration of the establishment of an Executive Committee. It is the thought of many members of the conference that it might be well to have an Executive Committee to which matters might be referred, particularly in the way of procedure. It would be what we ordinarily refer to in this country as a steering committee. Because of its special character, we prefer to designate it as "Executive Committee".

Without objection on the part of the Board of Governors, the Chair will appoint the membership on this committee. Is there objection?

(None.)

The Chair hears none, and he appoints the following as members of the Executive Committee: Chairman, United States of America; Vice-Chairman, United Kingdom; other members, Belgium, Brazil, Canada, China, Egypt, France, India, Mexico, the Netherlands, and Poland.

You will note that the chairmen of the respective committees appointed for the Fund are members of the Executive Committee. In addition, the Committee gives appropriate representation to vast areas which did not have a chairmanship. Without objection, the delegates from the designated countries will serve as members of the Executive Committee.

Is there any further business to come before the meeting?

I am told that there will be a meeting of the Committee on Membership at 4 o'clock this afternoon in this room. The schedule of other committee meetings will be posted on the bulletin board.

The delegate from France.

MR. MENDES-FRANCE: Mr. Chairman, I think it was a mistake about this meeting at 4 o'clock. I think we will have to think that over and put an announcement on the board later on.

MR. VINSON: If there is no objection to the suggestion of the delegate from France, it will be done as he suggests.

The delegate from the United States.

MR. CLAYTON: There is just one other matter I would like to mention. With reference to the decision made at the beginning of this session that at each session the Board would decide whether the session was to be executive or open, I would like to move, Mr. Chairman, that the conference authorize the Chairman in his discretion to give out whatever information he may think appropriate to the press regarding the business transacted at each meeting.

MR. VINSON: Is there objection to that motion?

(None voiced.)

The Chair hears none, and it is adopted.

Referring to the suggestion of the delegate from France, is there objection to his proposal that the time of the meeting of the Committee on Membership be posted on the bulletin board rather than being fixed at 4 o'clock?

(None voiced.)

The Chair hears none, and it is so ordered.

Gentlemen, I would like to be advised with reference to the propriety of releasing to the press the reports that have been adopted at this meeting.

(No response.)

If there is no objection, the reports will be released.

Referring to the motion made by the delegate of the United States of America regarding the fixing of the nature of a meeting--public or non-public--at each meeting of the Board, I think that will add to the confusion.

MR. CLAYTON: Mr. Chairman, I thought that was the motion of the delegate from Mexico and that it was carried that it be done in that way.

MR. VINSON: As I understood the motion as amended it was within the discretion of the Board, though I don't see any reason to have that question up each time the Board meets.

The delegate from the United Kingdom.

LORD KEYNES: I should like to support the point of view you have put forward. I think it will create confusion if,

whenever

whenever we meet, the press think they may be going to be allowed to be in. It seems to me the presumption ought to be that our meetings will be in private. On exceptional occasions we may decide that it is an open meeting and probably in that case we should decide in advance. So, unless notice has been given, there will be no hanging around thinking that perhaps, after all, a particular meeting might be open. The two bodies we are setting up are executive institutions in the nature of "banks" rather than "parliaments," and we want, I think, clearly to set the precedent that we operate in private and in confidence. That will be the general presumption. Only when we have a particular occasion for wishing to make our decisions public should we allow an exception to that.

MR. VINSON: The delegate from Mexico.

MR. ESPINOSA: When I made the proposal I wanted to say what the Governor from the United Kingdom has just said, that the Chair should have the privilege to tell us, or to ask us, when the sessions should be made public so as to give an opportunity in such exceptional and rare cases to have the press meet with us. I would agree fully with the delegate from the United Kingdom that this should be the exception rather than the rule. But the Chairman in each case should, I think, and we must ask him to, tell us whether he thinks that the session is the exceptional one that should be public. That was the intention of my proposal.

MR. VINSON: The Chair certainly will seek the advice of the Board of Governors with reference to the nature of the meetings, whether they be public or non-public.

If there is no further business at hand, the meeting will stand adjourned.

(Thereupon, at 11:28 o'clock, a.m., March 11, 1946, the meeting of the Board of Governors was adjourned.)