

~~GENERAL~~

JOINT MEETING OF THE BOARDS OF GOVERNORS
of the
INTERNATIONAL MONETARY FUND
and
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

FINAL PLENARY SESSION
Held in Savannah, Georgia
on
March 18, 1946, 2:45 o'clock p.m.

MR. VINSON: The Plenary Session will come to order. The Chair desires to make an announcement.

In order that an official group photograph of the Boards of Governors may be made, we should like to request that immediately following the adjournment of this meeting, all the Governors, and in their absence their Alternates, go to the front entrance of the Hotel where the photograph will be taken. In addition, I should like to request that all the Executive Directors also go to the front of the Hotel following the adjournment of this meeting in order that a group photograph of the Executive Directors may be made.

The Chair recognizes the Governor for Belgium.

MR. FRÈRE: The Procedures Committee has considered a matter raised by a member regarding the amendment which was made Saturday evening to Article 14 (a) of the By-Laws, regarding expenses of Governors in attending meetings. The effect of that amendment was to preclude payment of the transportation expenses and per diem for attendance of Governors and Alternates at the Inaugural Meeting. It was pointed out that the Articles of Agreement provide that the Fund shall pay Alternate and Governors reasonable expenses incurred in attending meetings. It was agreed by the Committee that there appears to be no reason why the Inaugural Meeting should be treated any differently in this respect in subsequent meetings.

Therefore, to correct this action, it is proposed that the report for the Committee on By-Laws for both the Fund and the Bank be reconsidered and that under section 14 (a) the words "subsequent to" be deleted and that the word "including" be inserted in their stead.

The section would then read as follows:

(See Suggested Text of Section 14 (a) of the Reports of the Committees on By-Laws, Fund and Bank Doc. 28).

MR. VINSON

MR. VINSON: You have heard the motion of the Governor for Belgium. Is there any discussion? We will first vote on the amendment for the Bank. Those favoring the amendment will signify by saying "Aye."

("Ayes.")

Contrary "No."

(None.)

The "Ayes" have it and the amendment is agreed to for the Bank.

The question arises on the motion for the Governor of Belgium, the identical amendment, as it affects the Fund. Those favoring the adoption of his amendment will signify by saying "Aye."

("Ayes.")

Contrary "No."

(None.)

The "Ayes" have it and it is adopted for the Fund.

The Chair presents a resolution for the consideration of the Board. The resolution is to the people of Savannah.

(See General Doc. 15, A Resolution to the People of Savannah, Ga.)

MR. VINSON: I move its adoption.

MR. DESHMUKH: I second the motion.

MR. VINSON: Those favoring the adoption of the resolution will signify by saying "Aye."

(Ayes.)

Contrary, "No."

(None.)

The "Ayes" have it and the resolution is agreed to.

MR. TOWERS: Mr. Chairman.

MR. VINSON: The Governor for Canada.

MR. TOWERS: Now that the preparatory work which has been going on for years has been concluded by the inauguration of the Fund and the Bank, I think that all of us must experience a great sense of relief. It would have been at many stages so easy for disagreements to take place which would have prevented creation of these two institutions. And they might even have failed to come to life through a waning of enthusiasm on the part of those people whose energetic support

was

indispensable to success. Fortunately, however, neither of these two things has happened. All the countries who are members of the Fund and the Bank have managed to reach agreement, not without some anxiety and some difficulty but, in the end, agreement. And I hope that the energy and the enthusiasm which made all this possible has not by any means been exhausted.

When the ideas for the creation of the Fund and the Bank were first put forward the anticipated need for these organizations necessarily rested on forecasts of what the situation was likely to be after victory took place. One may ask the question as to whether actual developments in the intervening period of time have given any cause for doubt as to the necessity for providing these facilities for cooperation and consultation. I don't think that there is and should be any reason for such doubt. Indeed, I think that the difficulties with which the world is faced are at least as great as anyone would have cared to forecast a few years ago and that the tasks which the Fund and the Bank will have to perform are at least as important and onerous as any that we imagined.

I am sure that we all realize what a difficult, what a perilous, life is in store for these two bodies that have just been set up. They are going to need our constant help and care. They are going to need our respect and our cooperation. True, they must conduct themselves in such a way as to merit our respect and earn our cooperation. But I suggest, whenever possible, we give them the benefit of the doubt, particularly in the early and most difficult years. I think we need to have in our minds at all times the consequences of failure. The help which our countries can afford is not by any means limited to matters directly related to the functioning of the Fund and the Bank. All here present will recall, I am sure, that the Bretton Woods Conference went on the record in pointing out to the participating governments that if the purposes of the Fund were to be attained steps would have to be taken to reduce obstacles to international trade and to develop policies resigned to promote and maintain high levels of employment and progressively rising standards of living.

Time has not permitted agreement to be reached on many of these vitally important matters. That work, for the most part, still lies ahead of our governments. The results which they achieve will very largely determine what the opportunities will be for the successful operation of the Fund and the Bank.

All I can say, in conclusion, Mr. Chairman, is that I hope and believe that my country will spare no effort in contributing to success. We are willing, indeed we are anxious, to play our part because we feel, amongst other things, that our own self-interest is involved. We feel most strongly that collaboration of this type is needed if we are to have any chance of creating the sort of world in which the community of nations can live in peace and prosperity.

MR. VINSON: The Governor for Colombia.

MR. TORO

MR. TORO: Mr. Chairman, Distinguished Colleagues:

The Delegates from the Latin American nations have conferred upon me the honor of making a declaration of importance which expresses the feelings of our people, who recognize that ties of superior strength bind us closely.

Mr. Chairman, in this beautiful and serene city of Savannah, which still bears the unmistakable seal of men of our own heritage who passed through here and whose heroic deeds inspire us, we Latin Americans have signed a Solemn Declaration which has only one great lema:

COOPERATION AND SOLIDARITY

The compenetration of ideals and intersts is such that we have come to the magnificent conclusion that in international assemblies, it would only be necessary for one of us to be present: we would feel ourselves equally protected, whether he were a brother from North, South, or Central America. The World has established that we are one harmonious whole, one great family of 130 million inhabitants, with common interests, without spiritual barriers, especially in this age when modern means of transportation have so greatly facilitated our acquaintance, and thus our increased mutual respect.

I remember, Mr. Chairman, that in his message of welcome to Bretton Woods, that great Beacon Humanity, President Roosevelt, said the following:

"The things we need to do, must be done--can only be done--in concert."

and the resolution to which we have bound ourselves incorporates that fundamental principle.

But the world well knows it must continue to deposit in our union the utmost confidence as the great force which, united we represent, will always be used in support of Well-being, Justice, and Right.

In the practical order and, in regard to these monetary institutions we have charted the course for those who will follow us, establishing the principle of rotation of directive posts, in relation to the contributions. Thus, as of now, each one of our nations has the certainty of its place.

I also have the pleasant duty of expressing, on behalf of our nations, the deepest appreciation to the Government of the United States for its magnificent hospitality and to you, Mr. Chairman, our grateful recognition of the splendid manner in which the debates have been conducted.

To our companions of other countries, among whom we leave such good friends, we wish to express our cordial esteem and we would like to ask them to convey to their respective peoples, the assurance of our sincere cooperation.

Mr. Chairman.

MR. VINSON:

MR. VINSON: The Governor for Egypt.

MR. SAAD: Mr. Chairman, may I, on behalf of many of my colleagues and myself express to you my deepest thanks and appreciation. You have set a very high example for us. You have distinguished yourself, and conducted from the Chair, the work of this inaugural meeting with unfailing energy and great ability. Your wisdom, sense of justice, your fairness and impartiality have inspired everybody here.

We all feel it is our prime duty to work together in the interest of all for the success of the Fund and the Bank.

The United Nations have drawn up at Bretton Woods the necessary charters to enable the world to resume its work of peace, production and progress.

Mr. Chairman, now that you have started these financial machines and we all have seen or have been privileged to see that the start was smooth, we believe that with the continued sense of cooperation that prevailed during our meetings, the success of these two world institutions, the first of their kind in human history, is assured.

We do hope that they will realize the aspirations of the countries of the world who put their full faith and confidence in them, and that they will fulfill the noble purposes and the great tasks that were assigned to them.

In conclusion, Mr. Chairman, I wish to thank you and thank your assistants, members of the Secretariat and all other colleagues who have contributed to the success of the Inaugural meeting of the Boards of Governors of the Fund and Bank.

MR. VINSON: The Governor for India.

SIR DESHMUKH: Mr. Chairman. The technical and secretarial efficiency and the legal ingenuity that have gone into the organization of the World Fund and Bank have already received their meed of praise. Much earnest labour and deliberation have contributed to the creation of these institutions and many hopes and aspirations have been expressed for their success in the future. I do not therefore feel called upon to say much on this occasion. We may however pause to glance at and admire the edifice we have all helped to build and say with pride "this is the house that Jack built," on foundations well and truly laid by John Maynard and Harry under the judicious eyes of Fred.

We have selected a worthy company of good men and true--whom I take this opportunity of formally congratulating on their appointment or election--to occupy and work in that house, and whether within its precincts will henceforth be conducted work that will augment world prosperity or not will depend primarily on the honesty of purpose which actuates, in the first instance, our chosen workers, and in the second place, the member countries that have chosen them. It is possible that in a job of such magnitude and complexity, carried out with such breathless speed, mistakes have been committed and unwise decisions have been taken. But I am convinced that no error that might have been made will prove

irretrievable

irretrievable given an enduring spirit of cooperation and the honesty of purpose to which I just referred.

But, Sir, this is not enough for success. We have fashioned a bright and shining instrument of global importance, but we must remember that it is only an instrument, and that the conditions in which it is to be wielded are yet to be established. To vary the metaphor, we have the cart all tight and ready, well sprung and well oiled, with attentive coachmen, but the horse has yet to be selected and put between the shafts. That horse is the trade and commercial policy that the world will elect to follow. He is rash who predicts unqualified success for our twin institutions in advance of a satisfactory agreement on the trade and commercial policies of the nations of the world. For, easy optimism is the twin brother of a surprised defeatism. The coming international parleys on trade and commercial policies are therefore of the utmost importance, and the success of these parleys will depend on you, and by you I mean largely the U.S.A. and the U.K.

On India's behalf I confidently give a pledge that we shall give of our best to the Fund and the Bank and that we shall choose men who would play their part worthily, with dignity and independent judgment and we shall see that they are placed in a position to give to these institutions the time and attention that the interests of the institutions demand. Sir, we shall remain as members of these institutions only so long as India can play her part in them worthily and with profit not only to herself but also to the world.

MR. VINSON: The Governor for Peru.

MR. MONTERO: Mr. Chairman, Governors, Gentlemen. The International Monetary Conference today comes to a close with this plenary session, in which I have the honor to speak for the Latin American Nations here represented. I believe that all the members of the various delegations who attended this Conference in Savannah, will feel, as do the Latin American Governors, a tranquility of conscience and a profound satisfaction because of their accomplishments; as the far-reaching Agreements of Bretton Woods have now materialized into an efficient working organization.

The Latin American delegates who attended this Conference, have combined forces and united their aims so that the hopes of their peoples may be expressed, and their vote may be heard alongside with that of the greater powers. Our unification has not been inspired by a desire to compete, nor by a decision to impose our will upon others; we have chosen our course, and we will follow it, imbued with the highest spirit of cooperation and humanitarianism.

The Latin American countries have not suffered the horrors of war on their own soil, but they have at all times been identified with the ideals for which the democracies fought to victory. While our brothers of the United Nations, including some of the Latin American countries, were writing glorious pages with their blood on all fronts, our Latin American countries reinforced them as a rear guard, increasing their production, in order to give the maximum material assistance, and giving spiritual comfort to the valiant defenders of

Liberty.

Liberty. For that reason, we feel today that we have assumed an obligation. It is to bring to this international reunion, and to the organizations which we have here established, an atmosphere of optimism and confidence in the destiny of humanity, and in the recovery of the nations left destitute by the recent world conflict.

We wish to state that our peoples consider that the sacrifice so nobly made on the battle fields was not in vain, for with their blood and their heroism, they have laid solid foundations upon which will be erected an indestructible monument to mutual understanding and open cooperation among nations.

Those who selected the city of Savannah for the site of this important International Monetary Conference showed unquestionable good judgment and insight. The traditional hospitality and culture of the people of Georgia, the indescribable beauty, the historical background, the exquisite flowers of this city--and even the peaceful isolation of Wilmington Island--have all contributed to the feeling of good will and spiritual understanding, so that our serious deliberations have been carried out beyond our fondest hopes, with heartfelt sincere inspiration in the common aims of well-being and a better world for all.

We believe that this Conference, which has united economic and financial experts, has revealed the unquestionable humanitarian concern, and the deference of the great for the small nations.

I want to state that in this Conference the small nations have felt that they were duly listened to and treated on a basis of equality. Our Latin American nations have realized a fervent hope with the assignment of four representatives on the Board of Directors of the International Monetary Fund, and the Bank for Reconstruction and Development.

We have great hopes that both of these institutions, for we know that they will lend their valuable support in the reconstruction of the countries devastated by the war; that they will at the same time contribute to the development of countries less advanced economically, whose standards of living are low, for they certainly deserve their interests to be especially considered.

For the reconstruction of the future world, the Latin American nations offer their vast natural resources, to a large extent as yet unexplored, and their great expanse of lands capable of sheltering and supporting the immigrant peoples of other countries whom the war has left in acute distress. The International Organizations, recently created, will fulfill then, a mission of mutual assistance, giving new vitality to the economic status of the Latin Americans, who are today solidly united in their aims.

I would not wish to bring these words to a close without expressing our grateful recognition of the hospitality of this great democracy, the United States of America, which forms with us the Pan American Union--a powerful organization dedicated to cooperation and international understanding which was vitally inspired by the Good Neighbor Policy proclaimed by the great Franklin D. Roosevelt, and is ably

carried

carried on by the present President of the United States, Mr. Harry Truman. I want also to express our profound appreciation for the capable and efficient direction and organization of this conference, under the guidance of our Chairman, Mr. Fred M. Vinson, who was ably assisted by expert and untiring officials of the American Government. They have succeeded in creating, on this hospitable North American soil, where the Savannah Conference has taken place, an atmosphere imbued with the fundamental principles of democracy: Liberty, Equality, and Fraternity.

CHAIRMAN: The Governor for Poland.

MR. DROZNIAK: Mr. Chairman, Governors, Gentlemen:

I must confess that the Polish Delegation proceeded to the Inaugural Meeting of the World Fund and Bank with keen interest.

During the entire war period we were cut off from the world. No books or newspapers reached Poland from abroad. We listened to the radio while faced by death verdicts. Up to the moment of establishing contacts with the wide world, Bretton Woods was known to us only by name.

I admit that the first articles of the Statutes of both Institutions which define the aims and the tasks of these Bodies made a great impression on us. We have lived and have suffered in darkness. On the other side of this dark curtain separating us from the rest of the world people have been thinking how to eliminate once for ever the menace of a repetition of horrors which had affected the human race. They have been thinking and formulating the means and the methods of remedy. It is how the United Nations Organization and the World Fund and Bank came into existence.

I have to confess that we have feared that the foremost ideas expressed in the preliminary articles of the Statutes which had come into being undoubtedly under the influence of the spirit inspired by the Great President Roosevelt, might become shadowy at the moment when the common danger disappeared and when certain possibilities re-emerged of economic struggle and competition.

We have been fearing that perhaps nations, like individuals, want to be better only when facing danger. It is then that they regret their former sins, but generally return to all seven of them as soon as danger is over.

I wish to state the following at the end of this meeting: we shall carry away the very best of impressions. The atmosphere of discussion, the seeking of an agreed solution of differences even at the cost of compromising, above all the attempt to find the best solutions for problems which were on the agenda, the desire to establish the best means, methods and instruments which would permit the actual realization of the ideas included in the Statutes--all this builds up our faith that the great goals will be actually reached. I am joining my voice to those repeatedly heard during the present meeting and am convinced that the Institutions which we have actually called to life will really efficiently work for the world's peace and for the welfare of the citizens of the entire world.

CHAIRMAN:

CHAIRMAN: The Governor for the United Kingdom.

LORD KEYNES: Mr. Chairman. We should not conclude these proceedings without giving expression to our high appreciation of your conduct in the Chair on the occasion of this, our Inaugural Meeting. I am sure that I speak for all those here present when I thank you for the dignity, patience, firmness, fairness to all and, I may add, expedition, with which you have presided over our affairs and steered them to a successful conclusion.

I should like to add a further word of appreciation for the manner in which we entrusted to you, of keeping the Press properly informed of the course of our proceedings and our conclusions. I have never taken part in a Conference where this, sometimes difficult, task has been so well performed. The accuracy, suitability, and objectivity of the information which you, Sir, have passed on to the Press on our behalf, has been beyond criticism. It may be that our subsequent meetings will take place in conditions of somewhat less limelight. But I feel that an excellent precedent has been set for all cases where it is proper and advisable that our proceedings should be made public.

Perhaps I may also be allowed to take advantage of this opportunity to say what a deep debt of gratitude we all feel to Mr. Kelchner, our Secretary-General, and to Mr. Horne and to Mr. Hooker, the temporary secretaries of the two institutions, and to their staffs, for the really remarkable efficiency and courtesy with which they have attended to the formal business, to our informal entertainment and, generally, to make us comfortable, cheerful and at home.

Gentlemen, I invite you to signify in the usual way your approval of a hearty vote of thanks to Secretary Vinson, our Chairman.

CHAIRMAN: The Governor for China.

CHINA: Mr. Chairman, I wish whole-heartedly to endorse the remarks of Lord Keynes and to second his motion for a vote of thanks to our Chairman for the excellent manner in which he has guided our efforts in bringing this Inaugural Meeting to a successful conclusion.

CHAIRMAN: Fellow Governors of the International Monetary Fund and the International Bank for Reconstruction and Development, I am touched deeply by the very generous remarks that reach my ears at this time and for your friendly demonstration toward me. I thank you.

Our work here has been worthwhile and pleasant. A man asks little more, but it is difficult for me to accept the fact that now we part.

When we assembled ten days ago, I was confident that we would have a unity of purpose, that we would have even more agreement in spirit than in words. That was the way it was at Bretton Woods. That was the way I felt it would be at Savannah. And so it has been.

Although my expectations were high, they have been fulfilled, more than fulfilled. My colleagues, I do believe

that

that if we had done no work that could be reduced to writing, if we had not put the machinery into operation, our meeting still would have been of highest value.

I believe this because of the richness of this experience of meeting together. An experience such as this gives men much more than pleasure. Their souls and hearts are lifted and they go away better men. They become couriers of the good. I am sure that no one will regard it as sacrilegious if I say that when well intentioned men from forty countries get together to work, to give the world a chance for peace and prosperity, and find that their hearts beat as one, it is a satisfaction like unto that religious moment when a man feels that he is in tune with the purposes of the Divine.

We had all of this and also we did the work that we came to do. The World Fund and Bank are now established. They are beginning to breathe. They are living organisms. These institutions will give us the advantages of living things, but in turn they must be given the sustenance and atmosphere that make living things grow and flourish.

They will not live well alone. They need the company of other intergovernmental institutions that are helping us to build a better world. They need the company of wise, courageous, and internationally honest officials. They need the company of people everywhere so that they will not live as hot-house plants, dying upon exposure to this practical old world. The institutions need all of the care, attention, and nourishment that we and others can give them.

All of us intend that they should have a strong and illustrious career. Let each of us resolve as we leave Savannah that we shall continue to do our part. I have confidence in the Fund and Bank, because I have confidence in you, and in the good people of every nation from which you come.

Now the Inaugural Meeting of the International Monetary Fund and International Bank for Reconstruction and Development is adjourned.

(Thereupon, at 3:45 o'clock p.m., March 18, 1946, the Inaugural Meeting of the Boards of Governors at its final plenary session was adjourned.)