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8/12  
Cld  
photostat  
report  
to AGL

MR. LUXFORD

5/28/45

Council Proposal

of the representatives of the  
U.S. on the Fund & the Bank  
and

Section 4 is amended to read as follows:

NATIONAL ADVISORY COUNCIL ON INTERNATIONAL  
MONETARY AND FINANCIAL PROBLEMS

Sec. 4. (a) In order to coordinate the <sup>policies & operations</sup> activities of all agencies of the government which make or participate in making foreign loans or which engage in foreign financial exchange or monetary transactions, there is hereby established the National Advisory Council on International Monetary and Financial Problems (hereinafter referred to as the Council), consisting of the Secretary of the Treasury, as Chairman, the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, and the Chairman of the Board of Trustees of the Export-Import Bank of Washington.

(b) (1) The Council, after consultation with the representatives of the United States on the Fund and the Bank, shall recommend to the President, general policy directives for the guidance of the representatives of the United States on the Fund and the Bank.

(2) The Council shall advise and consult with the President and the representatives of the United States on the Fund and the Bank on major problems arising in the administration of the Fund and the Bank.

(3) The Council shall coordinate, by consultation or otherwise, so far as is practicable, the policies and operations of the <sup>representatives of the U.S. on the</sup> Fund, the Bank, the Export-Import Bank of Washington and all other agencies of the Government to the extent that they make or participate in the making of foreign loans or engage in foreign financial, exchange or monetary transactions.

(4) Whenever, under the Articles of Agreement of the Fund or the Articles of Agreement of the Bank, the approval, consent or agreement of the United States is required before an act may be done by the respective institution, the decision as to whether such approval, consent, or agreement, shall be given or refused shall (to the extent such decision is not prohibited by section 5 of this Act) be made by the Council, under the general direction of the President. No governor, executive director, or alternate representing the United States shall vote in favor of any waiver of condition under Article V, Sec. 4

or in favor of any declaration of the United States dollar as a scarce currency under Article VII, Sec. 3 of the Articles of Agreement of the Fund without prior approval of the Council.

(5) The Council from time to time, but not less frequently than every six months, shall transmit to the President and the Congress a report with respect to the participation of the United States in the Fund and the Bank.

(6) The Council shall transmit to the President and the Congress not later than two years after the date of the establishment of the Fund and Bank a special report on the operations and policies of the Fund and the Bank including: the extent to which they have achieved the purposes for which they are established; the extent to which the operations and policies of the Fund and the Bank have adhered to, or departed from, the general policy directives formulated by the Council, and the Council's recommendations in connection therewith; the extent to which the operations and policies of the Fund and the Bank have been coordinated, and the Council's recommendations in connection therewith;

recommendations on whether the resources of the Fund and Bank should be increased or decreased; recommendations as to how the Fund and Bank may be made more effective; recommendations on any other necessary or desirable changes in the Articles of Agreement for the Fund and the Bank or in this Act; and, an over-all appraisal of the extent to which the operations and policies of the Fund and the Bank have served, and in the future may be expected to serve, the interests of the United States and the world in promoting sound international economic cooperation and furthering world security.

(7) The Council shall make such reports and recommendations to the President as he may from time to time request or which the Council may consider necessary to more effectively or efficiently accomplish the purposes of this Act or the purposes for which the Council is created.

(c) The representatives of the United States on the Fund and <sup>the</sup> Bank, and the Export-Import Bank of Washington (and all other agencies of the Government to the extent that they make or participate in the making of foreign loans or engage in foreign financial, exchange or monetary transactions) shall keep the Council fully informed of their activities and shall provide the Council with such further information or data in their possession

as the Council may deem necessary to the appropriate discharge of its responsibilities under this Act.

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5/23/45

"SAFEGUARDING" FUND PROPOSAL

The following new section will be added:

STABILIZATION OPERATIONS BY THE FUND

Sec. 14. (a) The governor and executive director of the Fund appointed by the United States are hereby directed to obtain promptly an official interpretation by the Fund as to whether <sup>(1)</sup> its authority to use its resources extends beyond current monetary stabilization operations <sup>to afford temporary assistance to members</sup> in connection with seasonal, cyclical, and emergency fluctuations in the balance

of payments of any member for current transactions; <sup>(2) it has authority to use its resources to provide facilities for relief or reconstruction of</sup>

(b) If the Fund interprets its powers to use its resources as extending beyond that defined in (a), <sup>or that it does have authority to use its resources in any of the ways defined in (a),</sup> subsection (a) of this section, the governor of the Fund representing the United States is hereby directed to propose promptly and support <sup>an</sup> amendment to the Articles of Agreement for the purpose of explicitly limiting the authority of the <sup>and to prevent the use of its resources in any of the ways defined in (a),</sup> Fund to that defined in subsection (a) of this section. The

President is hereby authorized <sup>(1)</sup> and directed to accept an amendment to that effect on behalf of the United States.

make a check on authority of member's right to use fund

Revision of Information Provision

Section 9 is amended to read as follows:

## OBTAINING AND FURNISHING INFORMATION

Sec. 9. (a) Whenever a request is made by the Fund to the United States as a member to furnish data under Article VIII, section 5, of the Articles of Agreement of the Fund, the President may, through any agency he may designate, require any person to furnish such information as the President may determine to be essential to comply with such request. In making such determination the President shall seek to collect this information only in such detail as is necessary to comply with the request of the Fund. No information so acquired shall be furnished to the Fund in such detail that the affairs of any person are disclosed.

(b) In the event any person refuses to furnish such information when requested to do so, the President, through any designated governmental agency, may by subpoena require such person to appear and testify or to appear and produce records and other documents, or both. In case of contumacy by, or refusal to obey a subpoena served upon any such person, the district court for any district in which such person is found or resides or transacts business, upon application by the President or any governmental agency



designated by him, shall have jurisdiction to issue an order requiring such person to appear and give testimony or appear and produce records and documents, or both; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(c) It shall be unlawful for any officer or employee of the Government, or for any adviser or consultant to the Government, to disclose, otherwise than in the course of official duty, any information obtained under this section, or to use any such information for his personal benefit. Any violation of the provisions of this subsection shall, upon conviction, be fined not more than \$5,000, or imprisoned for not more than five years, or both.

(d) The term "person" as used in this section means an individual, partnership, corporation or association.

5/21/45 (Revised)

C. E. D. Proposal

The following new section will be added:

STABILIZATION LOANS BY THE BANK

Sec. 13. The governor and executive director of the Bank appointed by the United States are hereby directed to obtain promptly an official interpretation by the Bank as to its authority to make or guarantee loans for programs of economic reconstruction and the reconstruction of monetary systems including long-term stabilization loans. If the Bank does not interpret its powers to include the making or guaranteeing of such loans, the governor of the Bank representing the United States is hereby directed to propose promptly and support an amendment to the Articles of Agreement for the purpose of explicitly authorizing the Bank, after consultation with the Fund, to make or guarantee such loans. The President is hereby authorized and directed to accept <sup>an</sup> such amendment on behalf of the United States.

*to that effect*

5/22/45

One Person as Governor of Both Fund and Bank

Section 3 is amended to read as follows:

Sec. 3. (a) The President, by and with the advice and consent of the Senate, shall appoint a governor of the Fund who shall also serve as a governor of the Bank, and an executive director of the Fund and an executive director of the Bank. The executive directors so appointed shall also serve as provisional executive directors of the Fund and the Bank for the purposes of the respective Articles of Agreement. The term of office for the governor of the Fund and of the Bank shall be five years, ~~subject to the pleasure of the President.~~ The term of office for the executive directors shall be two years, ~~subject to the pleasure of the President;~~ but the executive directors shall remain in office until their successors have been appointed.

(b) The President, by and with the advice and consent of the Senate, shall appoint an alternate for the governor of the Fund, who shall also serve as alternate for the Governor of the Bank.

(c) The President, by and with the advice and consent of the Senate, shall also appoint one alternate for each of the executive directors. The alternate for

each executive director shall be appointed from among individuals recommended to the President by the executive director. The terms of office for alternates for the governor and executive director shall be the same as the terms specified in subsection (a) for the governor and executive directors.

(d) No person shall be entitled to receive any salary or other compensation from the United States for services as a governor, executive director, or alternate.