

5/45

S E C R E T

By Mr. Wolcott.

PROPOSED AMENDMENTS TO H. R. 2211

AMENDMENT NO. 1. (Sec. 2).

On page 1, line 7, after "Sec. 2". Add "(a)".

AMENDMENT NO. 2. (Sec. 2).

(To safeguard the Fund)

On page 2, following line 6, insert the following:

(b) Acceptance of membership for the United States shall not become effective until all signatories shall have agreed to the following interpretations, to which the United States hereby agrees:

1. That no member shall have initial access to the Fund until it has furnished the Fund the information specified in Article VIII, Section 5, and such further relevant information on its financial and economic position as will enable the Fund to determine that the member will be able to maintain the chosen parity of its currency with no more than temporary use of the resources of the Fund.

2. That no member shall make use of the Fund without presenting satisfactory evidence that (a) its need is to meet a seasonal or emergency need for foreign exchange for short term exchange stabilization purposes resulting from current

transactions, and is not directly or indirectly for relief, reconstruction, or development purposes, for long term stabilization loans or for a large or sustained outflow of capital; and (b) before applying for use of the Fund it has made reasonable use of its own available resources.

3. That the management of the Fund shall periodically review the financial and economic position of each member to satisfy itself that the conditions specified in Section 1 above still apply, in order to determine whether the member shall continue to have access to the Fund.

4. That needs for funds for purposes other than short term exchange stabilization shall be considered as needs for loans and shall be referred to the Bank for Reconstruction and Development.

5. That in Article III, Section 4 (vii), of the Bank the phrase "except in special circumstances" shall be interpreted as authorizing the Bank to make long term loans, either in the form of direct loans or guarantee of loans by others, to Governments or to central banks in connection with a program for general rehabilitation and the stabilization of their currencies. Such loans shall be subject otherwise to the same conditions as other loans of the Bank.

transactions, and is not directly or indirectly for relief, reconstruction, or development purposes, for long term stabilization loans or for a large or sustained outflow of capital; and (b) before applying for use of the Fund it has made reasonable use of its own available resources.

3. That the management of the Fund shall periodically review the financial and economic position of each member to satisfy itself that the conditions specified in Section 1 above still apply, in order to determine whether the member shall continue to have access to the Fund.

4. That needs for funds for purposes other than short term exchange stabilization shall be considered as needs for loans and shall be referred to the Bank for Reconstruction and Development.

5. That in Article III, Section 4 (vii), of the Bank the phrase "except in special circumstances" shall be interpreted as authorizing the Bank to make long term loans, either in the form of direct loans or guarantee of loans by others, to Governments or to central banks in connection with a program for general rehabilitation and the stabilization of their currencies. Such loans shall be subject otherwise to the same conditions as other loans of the Bank.

6. That in order to assure full coordination between the Fund and the Bank each of the signatory countries agrees to designate the same person as its Governor of the Bank and of the Fund and also to designate or elect, as the case may be, the same person as its Director of the Bank and of the Fund.

AMENDMENT NO. (3). (SEC. 3).

(One Person as Governor and one Person as Director of Both Fund and Bank:)

Strike out Section 3 and insert in lieu thereof the following:

"Sec. 3. (a) The President, by and with the advice and consent of the Senate, shall appoint one Governor and one Executive Director to represent the United States on both the Fund and the Bank. The Executive Director so appointed shall also serve as provisional executive director of the Fund and the Bank for the purposes of the respective Articles of Agreement. The term of office for the Governor shall be five years and for the Executive Director two years but the Executive Director shall remain in office until his successor has been appointed.

(b) The President, by and with the advice and consent of the Senate, shall appoint an alternate for the

Governor and one or two alternates for the Executive Director. Alternates for the Executive Director shall be selected by the President from names recommended to him by the Executive Director.

(c) 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."

AMENDMENT NUMBER 4 (SEC. 4).

(Council Proposal)

Strike out Section 4 and insert in lieu thereof the following:

"NATIONAL ADVISORY COUNCIL ON INTERNATIONAL
MONETARY AND FINANCIAL PROBLEMS"

In order to coordinate the 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, the Governor of the International Monetary Fund and International Bank for Reconstruction and Development, the Federal Loan Administrator and the Chairman of the Board of Directors of the Export-Import Bank of Washington.

(b) The Council:

(i) in consultation with the representatives of the United States on the Fund and Bank, shall formulate, for the approval of the President, general policy directives for the guidance of the representatives of the United States on the Fund and Bank.

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

(iii) shall coordinate, by consultation or otherwise, so far as is practicable, the policies and operations of the Fund, the Bank, the Export-Import Bank of Washington and all other agencies of the Government which make or participate in the making of foreign loans or engage in foreign financial, exchange or monetary transactions.

(iv) except as otherwise provided in section 5 of this Act, is hereby authorized under the general direction of the President, to give or refuse the approval, consent, or agreement of the United States whenever, under the Articles of Agreement of the Fund or the Bank, such approval, consent or

agreement of the United States is required before any act may be done by the respective institutions. The governor, executive director, or alternate director representing the United States shall not 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.

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

(vi) shall transmit to the Congress not later than two years after the date of enactment of this Act a special report on the operations and policies of the Fund and the Bank, the extent to which they have achieved the purposes for which they are established, recommendations as to how the Fund and the Bank may be made more effective, recommendations on whether the Fund and the Bank should be merged into one institution, recommendations on whether the resources of the Fund or the Bank should be increased or decreased, recommendations on whether the United States should continue membership in either the Fund or the Bank or in both, and recommendations on any other necessary or desirable changes in the Articles of Agreement for the Fund and

the Bank or in this Act.

(vii) 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 Bank, and the Export-Import Bank of Washington and all other Government agencies mentioned in (iii) of this section shall keep the Council fully informed of their activities and shall provide the Council with such further information or data as the Council may deem necessary to the appropriate discharge of its responsibilities under this Act.

AMENDMENT NUMBER 5.

(Obtaining and Furnishing Information)

Strike out Section 9 and insert in lieu thereof the following:

Sec. 9.(a) So long as the United States is a member of the Fund, the President may, by order or regulation and through any department, agency, or official of the United States that he may designate, require any person to furnish any data that may be required by the Fund under Article VIII, section 5, of the Articles of Agreement of the Fund: Provided, that no information shall be required of any person in such detail that the affairs

of individuals or corporations are disclosed.

(b) Any person required to furnish data under subsection (a) hereof shall furnish the desired information as fully and as accurately as is practicable. In the event any person refuses to furnish such data 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) The term "person" as used in this section means an individual, partnership, corporation or association.

(d) Insert penalties for divulging information).

5/45

SECRET

By Mr. Wolcott.

PROPOSED AMENDMENTS TO H. R. 2211

AMENDMENT NO. 1. (Sec. 2).

On page 1, line 7, after "Sec. 2". Add "(a)".

AMENDMENT NO. 2. (Sec. 2).

(To safeguard the Fund)

On page 2, following line 6, insert the following:

(b) Acceptance of membership for the United States shall not become effective until all signatories shall have agreed to the following interpretations, to which the United States hereby agrees:

1. That no member shall have initial access to the Fund until it has furnished the Fund the information specified in Article VIII, Section 5, and such further relevant information on its financial and economic position as will enable the Fund to determine that the member will be able to maintain the chosen parity of its currency with no more than temporary use of the resources of the Fund.

2. That no member shall make use of the Fund without presenting satisfactory evidence that (a) its need is to meet a seasonal or emergency need for foreign exchange for short term exchange stabilization purposes resulting from current

transactions, and is not directly or indirectly for relief, reconstruction, or development purposes, for long term stabilization loans or for a large or sustained outflow of capital; and (b) before applying for use of the Fund it has made reasonable use of its own available resources.

3. That the management of the Fund shall periodically review the financial and economic position of each member to satisfy itself that the conditions specified in Section 1 above still apply, in order to determine whether the member shall continue to have access to the Fund.

4. That needs for funds for purposes other than short term exchange stabilization shall be considered as needs for loans and shall be referred to the Bank for Reconstruction and Development.

5. That in Article III, Section 4 (vii), of the Bank the phrase "except in special circumstances" shall be interpreted as authorizing the Bank to make long term loans, either in the form of direct loans or guarantee of loans by others, to Governments or to central banks in connection with a program for general rehabilitation and the stabilization of their currencies. Such loans shall be subject otherwise to the same conditions as other loans of the Bank.

6. That in order to assure full coordination between the Fund and the Bank each of the signatory countries agrees to designate the same person as its Governor of the Bank and of the Fund and also to designate or elect, as the case may be, the same person as its Director of the Bank and of the Fund.

AMENDMENT NO. (3). (SEC. 3).

(One Person as Governor and one Person as Director of Both Fund and Bank:)

Strike out Section 3 and insert in lieu thereof the following:

"Sec. 3. (a) The President, by and with the advice and consent of the Senate, shall appoint one Governor and one Executive Director to represent the United States on both the Fund and the Bank. The Executive Director so appointed shall also serve as provisional executive director of the Fund and the Bank for the purposes of the respective Articles of Agreement. The term of office for the Governor shall be five years and for the Executive Director two years but the Executive Director shall remain in office until his successor has been appointed.

(b) The President, by and with the advice and consent of the Senate, shall appoint an alternate for the

Governor and one or two alternates for the Executive Director. Alternates for the Executive Director shall be selected by the President from names recommended to him by the Executive Director.

(c) 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."

AMENDMENT NUMBER 4 (SEC. 4).

(Council Proposal)

Strike out Section 4 and insert in lieu thereof the following:

"NATIONAL ADVISORY COUNCIL ON INTERNATIONAL
MONETARY AND FINANCIAL PROBLEMS"

In order to coordinate the 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, the Governor of the International Monetary Fund and International Bank for Reconstruction and Development, the Federal Loan Administrator and the Chairman of the Board of Directors of the Export-Import Bank of Washington.

(b) The Council:

(i) in consultation with the representatives of the United States on the Fund and Bank, shall formulate, for the approval of the President, general policy directives for the guidance of the representatives of the United States on the Fund and Bank.

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

(iii) shall coordinate, by consultation or otherwise, so far as is practicable, the policies and operations of the Fund, the Bank, the Export-Import Bank of Washington and all other agencies of the Government which make or participate in the making of foreign loans or engage in foreign financial, exchange or monetary transactions.

(iv) except as otherwise provided in section 5 of this Act, is hereby authorized under the general direction of the President, to give or refuse the approval, consent, or agreement of the United States whenever, under the Articles of Agreement of the Fund or the Bank, such approval, consent or

agreement of the United States is required before any act may be done by the respective institutions. The governor, executive director, or alternate director representing the United States shall not 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.

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

(vi) shall transmit to the Congress not later than two years after the date of enactment of this Act a special report on the operations and policies of the Fund and the Bank, the extent to which they have achieved the purposes for which they are established, recommendations as to how the Fund and the Bank may be made more effective, recommendations on whether the Fund and the Bank should be merged into one institution, recommendations on whether the resources of the Fund or the Bank should be increased or decreased, recommendations on whether the United States should continue membership in either the Fund or the Bank or in both, and recommendations on any other necessary or desirable changes in the Articles of Agreement for the Fund and

the Bank or in this Act.

(vii) 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 Bank, and the Export-Import Bank of Washington and all other Government agencies mentioned in (iii) of this section shall keep the Council fully informed of their activities and shall provide the Council with such further information or data as the Council may deem necessary to the appropriate discharge of its responsibilities under this Act.

AMENDMENT NUMBER 5.

(Obtaining and Furnishing Information)

Strike out Section 9 and insert in lieu thereof the following:

Sec. 9.(a) So long as the United States is a member of the Fund, the President may, by order or regulation and through any department, agency, or official of the United States that he may designate, require any person to furnish any data that may be required by the Fund under Article VIII, section 5, of the Articles of Agreement of the Fund: Provided, that no information shall be required of any person in such detail that the affairs

of individuals or corporations are disclosed.

(b) Any person required to furnish data under subsection (a) hereof shall furnish the desired information as fully and as accurately as is practicable. In the event any person refuses to furnish such data 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) The term "person" as used in this section means an individual, partnership, corporation or association.

(d) Insert penalties for divulging information).