

Rider A - to be Added to
Section 4(b) of Draft

No governor or executive director 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 Art. VII, Sec. 3 of the Articles of Agreement of the Fund or on any other major question of policy before the Fund or Bank without prior consultation with the Council.

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1948
A. M. ...
SECRET
UNITED STATES

Possible Compromise Amendments to
Bretton Woods Legislation

1. Section 3, line 18: Delete sentence reading as follows:

"Each executive director shall, with the approval of the President, appoint an alternate."
and substitute the following sentence:

"The President, by and with the advice and consent of the Senate, shall appoint an alternate for the executive director of the Fund and an alternate for the executive director of the Bank and such alternates shall be selected by the President from names recommended to him by the executive directors respectively."

2. Section 4: Section 4 is amended to read as follows:

"INTERNATIONAL MONETARY AND FINANCIAL
COUNCIL AND REPORTS"

"Sec. 4. (a) There is hereby established the International Monetary and Financial Council (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 Foreign Economic Administrator. The Council shall act under the general direction of the President and in accordance with such policies as the Congress may prescribe from time to time.

(b) The United States governors and executive directors of the Fund and Bank and their alternates shall keep the Council fully informed of their activities and shall act in a manner consistent with general policies established by the Council. Except as otherwise provided in section 5 of this Act, the Council is hereby authorized, through the governors and executive directors of the Fund and Bank, as the case may be, to give or refuse the approval, consent, or agreement of the United States whenever, under the Articles of Agreement of the Fund or of the Bank, such approval, consent or agreement is required before any act may be done by the Fund or the Bank, respectively.

(c) The Council and the United States governors and executive directors of the Fund and Bank and their alternates are directed:

(i) to exercise their full powers and influence to secure the highest degree of cooperation and collaboration at every point between the management of the Fund and the management of the Bank and to achieve uniform and coordinated policies on the part of both institutions.

(ii) to exercise their full powers and influence to insure that the assets of the Fund and Bank are employed only for the purposes of such institutions and are not used in any manner that threatens or imperils the financial integrity of either institution or the interests of the United States.

(iii) to exercise their full powers and influence to promote fundamental stability in the relationships between the currencies of members; to eliminate as rapidly as possible all forms of discriminatory arrangements between members in their monetary, financial and trade relationships and all other forms of economic warfare.

(iv) to exercise their full powers and influence in the interests of sound management for both institutions and for the achievement of the objectives for which they are established.

(v) from time to time, but not less frequently than every six months, to transmit to the Congress a report with respect to the Fund and Bank and of the activities of our representation in both institutions. Each report also shall include full details on the degree of success achieved under items (i) through (iv) of this sub-section.

(vi) not later than two years after the date of enactment of this Act, to transmit to the Congress a special report on the operations of the Fund and Bank including items (i) through (iv) of this sub-section and their recommendations as to how, in the light of their experience, the institutions may be made more effective and whether the United States should continue its membership in either the Fund or Bank or both.

(d) The Council, with the approval of the President, is also directed to coordinate the activities

of all departments and agencies of the United States relating to international monetary and financial matters to the end that the policies of the United States in these fields should be integrated and uniform."

3. Section 9: Section 9 is amended to read as follows:

OBTAINING AND FURNISHING INFORMATION

"Sec. 9. So long as the United States is a member of the Fund, the President may require at any time, in the manner and under the penalties provided in Section 5(b) of the Trading with the enemy Act (U.S.C. title 50, App. Sec. 5), as amended, the furnishing of any data that may be requested by the Fund under Article 8, Section 5, of the Articles of Agreement of the Fund."

4. Section 10: Section 10 is amended to read as follows:

FINANCIAL TRANSACTIONS WITH FOREIGN
GOVERNMENTS IN DEFAULT

"Sec. 10. The Act entitled 'An act to prohibit financial transactions with any foreign government in default on its obligations to the United States,' approved April 13, 1934 (U.S.C. title 31, Sec. 804a), is hereby repealed: Provided, however, That offences committed and penalties incurred prior to the taking

effect hereof may be prosecuted and punished, and the proceedings for causes arising or acts done or committed prior to the taking effect hereof may be commenced and prosecuted in the same manner and with the same effect as if this section had not been passed."

5. New Section: Add the following section:

"STABILIZATION LOANS BY THE BANK"

"Sec. 13. The governor of the Bank appointed by the United States is hereby directed to propose and support an amendment to the Articles of Agreement of the Bank for the purpose of explicitly authorizing the Bank, after consultation with the Fund, to make or guarantee loans for the stabilization of the currencies of members. The Council is hereby authorized and directed to accept such amendment on behalf of the United States."

6. New Section: Add the following section:

"WITHDRAWAL"

"Sec. 14. The United States Government expressly reserves the right to withdraw from either the Fund or the Bank, or both, at any time in accordance with the provisions of Article XV, section 1 of the Articles of

Agreement of the Fund and Article VI, section 1 of the Articles of Agreement of the Bank. Notice is hereby given that the acceptance of membership in the Fund and Bank shall not be deemed in any way to morally or legally bind the United States to continue such membership if for any reason the Government of the United States determines it to be in the interests of the United States to withdraw. Notice of withdrawal from the Fund or the Bank, or both, shall be given by the Secretary of State upon the direction of the President or after the passage of a concurrent resolution by the two Houses which declares that continuance of membership in the Fund or the Bank, or both, is contrary to the interests of the United States."

Possible Compromise Amendments to
Bretton Woods Legislation

1. Section 3, line 13: Delete sentence reading as follows:

"Each executive director shall, with the approval of the President, appoint an alternate."
and substitute the following sentence:

"The President, by and with the advice and consent of the Senate, shall appoint an alternate for the executive director of the Fund and an alternate for the executive director of the Bank and such alternates shall be selected by the President from names recommended to him by the executive directors respectively."

2. Section 4: Section 4 is amended to read as follows:

"INTERNATIONAL MONETARY AND FINANCIAL
COUNCIL AND REPORTS"

"Sec. 4. (a) There is hereby established the International Monetary and Financial Council (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 Foreign Economic Administrator. The Council shall act under the general direction of the President and in accordance with such policies as the Congress may prescribe from time to time.

(b) The United States governors and executive directors of the Fund and Bank and their alternates shall keep the Council fully informed of their activities and shall act in a manner consistent with general policies established by the Council. Except as otherwise provided in section 5 of this Act, the Council is hereby authorized, through the governors and executive directors of the Fund and Bank, as the case may be, to give or refuse the approval, consent, or agreement of the United States whenever, under the Articles of Agreement of the Fund or of the Bank, such approval, consent or agreement is required before any act may be done by the Fund or the Bank, respectively.

(c) The Council and the United States governors and executive directors of the Fund and Bank and their alternates are directed:

(i) to exercise their full powers and influence to secure the highest degree of cooperation and collaboration at every point between the management of the Fund and the management of the Bank and to achieve uniform and coordinated policies on the part of both institutions.

(ii) to exercise their full powers and influence to insure that the assets of the Fund and Bank are employed only for the purposes of such institutions and are not used in any manner that threatens or imperils the financial integrity of either institution or the interests of the United States.

(iii) to exercise their full powers and influence to promote fundamental stability in the relationships between the currencies of members; to eliminate as rapidly as possible all forms of discriminatory arrangements between members in their monetary, financial and trade relationships and all other forms of economic warfare.

(iv) to exercise their full powers and influence in the interests of sound management for both institutions and for the achievement of the objectives for which they are established.

(v) from time to time, but not less frequently than every six months, to transmit to the Congress a report with respect to the Fund and Bank and of the activities of our representation in both institutions. Each report also shall include full details on the degree of success achieved under items (i) through (iv) of this sub-section.

(vi) not later than two years after the date of enactment of this Act, to transmit to the Congress a special report on the operations of the Fund and Bank including items (i) through (iv) of this sub-section and their recommendations as to how, in the light of their experience, the institutions may be made more effective and whether the United States should continue its membership in either the Fund or Bank or both.

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of all departments and agencies of the United States relating to international monetary and financial matters to the end that the policies of the United States in these fields should be integrated and uniform."

3. Section 9: Section 9 is amended to read as follows:

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effect hereof may be prosecuted and punished, and the proceedings for causes arising or acts done or committed prior to the taking effect hereof may be commenced and prosecuted in the same manner and with the same effect as if this section had not been passed."

5. New Section: Add the following section:

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"Sec. 13. The governor of the Bank appointed by the United States is hereby directed to propose and support an amendment to the Articles of Agreement of the Bank for the purpose of explicitly authorizing the Bank, after consultation with the Fund, to make or guarantee loans for the stabilization of the currencies of members. The Council is hereby authorized and directed to accept such amendment on behalf of the United States."

6. New Section: Add the following section:

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"Sec. 14. The United States Government expressly reserves the right to withdraw from either the Fund or the Bank, or both, at any time in accordance with the provisions of Article XV, section 1 of the Articles of

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