

TO:

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J. FRIEDMAN
BRENNER

Mr. Brenner

TO: .

The Secretary
Mr. D. W. Bell
Mr. Gaston

M. O'Connell
Mr. Sullivan
Mr. Charles Bell

* * *

Miss Alger	Mr. Aarons
Mr. E. M. Bernstein	Mr. Alk
Miss Chatfield	Mr. Arnold
Document Room	Mr. Brenner
Mr. I. Friedman	Mr. Bronz
Mr. A. U. Fox	Mrs. DeLacy
Mr. Glasser	Mr. DuBois
Mr. Heffelfinger	Mr. J.B. Friedman
Mrs. Kern	Mr. Lesser
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Mr. Schmidt	_____
Mr. Shaeffer	_____
Mr. Stewart	_____
Mr. Taylor	_____
Mr. Tietjens	_____
Mr. Wenchel	_____
Mr. White	_____

Handwritten notes:
A checkmark is next to "Miss Chatfield".
"Mr. I. Friedman" has "Home" written next to it.
"Mr. A. U. Fox" has "Cyril" written next to it.
"Mr. Heffelfinger" has "Charlotte" written next to it.
"Mr. Lynch" has "Pah" written next to it.

FROM: MR. LUXFORD - Room 270

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

MR. LUXFORD

from

MR. VEST

BRETTON WOODS ENABLING LEGISLATION

Suggested Provision Regarding a Council

"SEC. __. International Financial Council. (a) There is hereby established the International Financial Council (hereinafter referred to as the Council), consisting of five members who shall be the Secretary of the Treasury as Chairman of the Council, the Secretary of State, the Chairman of the Board of Governors of the Federal Reserve System, and the heads of two additional agencies of the Government to be appointed by the President. Each member of the Council may designate from his department or agency an officer who may act for him in all matters relating to the Council. The Council shall act under the general direction of the President.

"(b) The governors and executive directors of the Fund and the Bank and their alternates, appointed by or on behalf of the United States, shall keep the Council fully informed of their activities and shall act in a manner generally consistent with the views of the Council as to the financial and monetary policies of the United States. The governors and executive directors shall meet with the Council at frequent intervals, and whenever requested by the Council, a governor, or an executive director. Such meetings may, in the discretion of the Council, be held by the Council with the governors and executive directors of both the Fund and the Bank, or with the governor and executive director of either the Fund or the Bank.

"(c) The governors and executive directors of the Fund and the Bank shall make reports to the Council with respect to the operations of the Fund and the Bank, respectively, at such times and covering such matters as the Council may require. The Council shall annually make a full report of its activities to the President and such report, copies of which shall be transmitted by the President to the Congress, shall include reports by the Governors of the Fund and the Bank respecting the operations of the Fund and the Bank and their participation therein.

"(d) Except as otherwise provided in Section * of this Joint Resolution, the Council is hereby authorized, through the governors and executive directors of the Fund and the 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 the Articles of Agreement of the Bank, such approval, consent, or agreement is required before any act may be done by the Fund or the Bank, respectively.

"(e) All communications or negotiations with the Fund or the Bank on behalf of the United States shall be made or conducted through the governor or executive director of the Fund and the governor or executive director of the Bank, respectively. Any action which may be taken by any agency of the United States Government pursuant to or in order to carry out any provisions or purposes of the Articles of Agreement of the Fund or of the Bank shall be taken after consultation with the Council.

*The section here referred to is the section stating that certain actions may be taken only with the approval of Congress.

"(f) The Council is hereby authorized, through any agency which it may designate, and under such rules and regulations as it may prescribe, to obtain from any person such data as in its judgment is necessary and essential for the guidance of the United States in its participation in the Fund and the Bank or as may be requested by the Fund under Article VIII, Section 5, of the Articles of Agreement of the Fund. Whoever wilfully violates any of the provisions of any rule or regulation issued under authority of this subsection shall, upon conviction, be fined not more than \$10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both. As used in this subsection the term 'person' means an individual, partnership, association, or corporation."