

COPY

June 8, 1944

TO: Mr. White

FROM: Mr. Luxford

Attached is a memorandum which has been prepared by my staff regarding the form of agreements recommended for the International Fund and Bank.

They recommend that we follow the precedent of our participation in the International Labor Organization, i.e., that Congress passes upon the question of whether we accept membership. I share their views on this subject.

I think that this is an important point because the American Delegation and others will be asking whether we expect to emerge from the Conference with drafts of the treaties, conventions, etc., and we need to have a party line on the type of proposal we want.

(Initialed) A.F.L.

Cc: Mr. O'Connell
Mr. E.M. Bernstein
Mr. Brenner
Mr. Minskoff
Mr. Arnold

June 7, 1944

TO: Mr. Luxford

Deleted on original.

FROM: R. E. Brenner, E. E. Minskoff, and E. Arnold

Re: ~~Method of presenting Fund and Bank Agreements to Congress.~~

It is contemplated that the conventions setting up the International Monetary Fund and the Bank for Reconstruction and Development will be in the form of agreements for organizations in which countries represented at the International Monetary Conference may accept membership. The agreements will be embodied in a final act or acts making clear that countries represented at the conference are not in any way bound prior to acceptance of membership.

It is also contemplated that acceptance of membership by the United States will be made only pursuant to express Congressional authorization.

A direct general precedent for the approach is the entrance of the United States into the International Labor Organization. At the time this country accepted membership, the Organization had been functioning for some years under a constitution which formed part of the original arrangements with respect to the League of Nations. In this detail the situation is different from that of the Fund and the Bank, but the essential principle that membership of the United States was brought about by acceptance of the President under specific Congressional authorization was present. The operative part of the resolution (June 19, 1934, 48 Stat. 1182) reads:

"Resolved ***, That the President is hereby authorized to accept membership for the Government of the United States of America in the International Labor Organization. ***"

Although the entrance into the International Labor Organization is the only instance known to us in which the exact technique now proposed was followed, there are well established examples of an analogous procedure under which a member of the executive branch of the government is authorized in advance to enter into executive agreements. The notable cases are those of postal conventions (section 398 of Rev. Stat. of 1873, as amended (U.S.C. title 5, sec. 372)) and the trade agreements (Act of June 12, 1934, 48 Stat. 943, as amended (U.S.C. title 19, secs. 1351-1354)).

In addition to the authorization of Congress to accept membership in the Fund and the Bank, it will be necessary to have Congressional action on a number of other matters, including the appropriation of funds. ~~We are inclined to think that,~~ If possible, all matters except the actual appropriation of funds should be included in one Congressional enactment or set of enactments, preferably by bill rather than resolution. The enactment should authorize but not make the appropriation. If an appropriation is included in the original enactment, it will be necessary to clear simultaneously with the Appropriation Committee and the other committee under whose jurisdiction the bill would fall. The mechanical difficulties of dual clearance make it desirable that the general principle of accepting membership and such incidental matters as may conveniently be settled should be cleared first and that the appropriation should be handled separately.

~~The general background material from which this memorandum was derived is contained in Arnold's memorandum of April 20, 1944 and in Brenner's memorandum of May 27.~~

Deleted on original .