

TO:

Mr. Poffelinger

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This is the memo  
I mentioned the other day.  
I don't think it is a very  
clear explanation & would  
appreciate your comments.

AB

Mr. Brenner

MEMORANDUM

February 6, 1945.

The alternate section on payment of the subscriptions of the United States to the Fund and the Bank will operate as follows:

(a) \$1,800 million will be withdrawn from the existing stabilization fund and paid to the International Monetary Fund.

(b) The balance of \$950 million due to the Fund will be paid out of the proceeds of United States Government securities sold under the Second Liberty Bond Act. The Treasury will issue securities and the proceeds will be credited to a public-debt receipt account. \$950 million will be taken out of the account and paid to the Fund with a notation that the money was used for the subscription of the United States to the Fund.

(c) If the United States withdraws from the Fund or the Fund is liquidated, the amount returned to the United States as repayment of its subscription will be credited in part to the public-debt account from which \$950 million was withdrawn and in part to miscellaneous receipts. If the whole amount is returned, as would normally be the case, \$950 million would be credited to the public-debt account and the original debt would be cancelled out. \$1,800 million would be covered into miscellaneous receipts and used as general funds of the Treasury in accordance with appropriations made by Congress.

(d) The procedure for paying the subscription of the United States to the Bank will be exactly the same as that set forth in (c) above. Originally \$63.5 million will be paid to the Bank as the 2% payment required to be made when the Bank begins operations. Within one year an additional \$254 million will be paid to the Bank by the United States in the same manner. In future years the Bank can call up to \$317.5 million for the purpose of making loans. The balance of \$2,540 million may be called in the future, but only for the purpose of meeting losses suffered by the Bank.

(e) All repayments of the subscription of the United States to the Bank will be credited to the public-debt account from which the original payments were withdrawn.

(f) All money from the Fund and the Bank as distribution of net income will be covered into the Treasury as miscellaneous receipts.



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- (b) The balance of \$950 million due to the Fund will be paid out of the proceeds of United States Government securities sold under the Second Liberty Bond Act. The Treasury will issue securities and the proceeds will be credited to a public-debt receipt account. \$950 million will be taken out of the account and paid to the Fund with a notation that the money was used for the subscription of the United States to the Fund.
- (c) If the United States withdraws from the Fund or the Fund is liquidated, the amount returned to the United States as repayment of its subscription will be credited in part to the public-debt account from which \$950 million was withdrawn and in part to miscellaneous receipts. If the whole amount is returned, as would normally be the case, \$950 million would be credited to the public-debt account and the original debt would be cancelled out. \$1,800 million would be covered into miscellaneous receipts and used as general funds of the Treasury in accordance with appropriations made by Congress.
- (d) The procedure for paying the subscription of the United States to the Bank will be exactly the same as that set forth in (c) above. Originally \$63.5 million will be paid to the Bank as the 2% payment required to be made when the Bank begins operations. Within one year an additional \$254 million will be paid to the Bank by the United States in the same manner. In future years the Bank can call up to \$317.5 million for the purpose of making loans. The balance of \$2,540 million may be called in the future, but only for the purpose of meeting losses suffered by the Bank.
- (e) All repayments of the subscription of the United States to the Bank will be credited to the public-debt account from which the original payments were withdrawn.
- (f) All money from the Fund and the Bank as distribution of net income will be covered into the Treasury as miscellaneous receipts.