

Possible Changes in H. R. 2211

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

Sec. 3. (a) ~~The United States shall be represented on the Fund and Bank by one person serving as governor and another as executive director of both institutions.~~ The President, by and with the advice and consent of the Senate, shall appoint ^{one} ~~a~~ 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 both institutions 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} ~~an~~ executive director shall remain in office, ~~however,~~ until a successor has been appointed.

(b) The President, by and with the advice and consent of the Senate, shall appoint ^{one or two alternates for the governor & one or two alternates for the executive director.} ~~an alternate for~~ each of the positions specified in subsection (a) of this section who shall serve for the same term as his principal; provided: (i) ~~alternates for the positions of governor and~~

~~alternates for the positions of governor and~~ ^{alternates for the executive director shall be selected by the President from names recommended to him by the Executive Director.}

executive director of the Fund and Bank respectively need not be the same person and (ii) any alternate for an 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.

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, the Foreign Economic Administrator ~~and a president of a Federal Reserve Bank selected by the Open Market Committee of the Federal Reserve System.~~ 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 governor and executive director 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 governor and executive director 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 US} is required before any act may be done by the Fund or the Bank, respectively. No governor or executive director representing the United States shall ^{without prior consultation with the Council,} vote in favor of any waiver of conditions under Article V, section 4 or in favor of any declaration of the United States dollar as a scarce currency under article VII, section 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.~~

(c) The Council and the United States Governor and their alternates are directed:

(i) To exercise their full powers and influence to secure coordinated policies on the part of the Fund and the Bank and the highest degree of cooperation and collaboration

at every point between their respective managements. *in carrying out the purposes of the Fund & Bank.*

(ii) To exercise their full powers and influence to see that the Fund is used only where it can appropriately be used for current stabilization operations and that the Bank is used only where it can appropriately be used for reconstruction and development projects and for *programs of economic & monetary reconstruction which may include* long-term stabilization loans.

(iii) To exercise their full powers and influence to *develop* stimulate the basic economic conditions essential to *sound growth, to a growing & balanced international trade with* the establishment and maintenance of stable and orderly exchange arrangements *among members*; to encourage the Fund to communicate its views to members on economic and monetary conditions and developments which would tend to disturb stable and orderly exchange arrangements; to eliminate as soon as conditions permit all forms of restrictive and discriminatory currency arrangements among members; and to facilitate and encourage in other ways the elimination of discriminatory trade arrangements that hamper world trade and other forms of economic warfare that disturb harmonious international economic relations.

(iv) To exercise their full powers and influence to assure the constructive use of the resources of the Fund and the Bank and to see that they are not used

in a manner that imperils the financial integrity of either institution; to see that the Fund does not ^{start} ~~begin~~ ^{undertake or continue} exchange transactions with any member while its basic economic conditions are such as would lead to use of the Fund's resources ^{on a scale prejudicial to the Fund} to sustain an untenable exchange rate, and further, to see that the Fund does not continue exchange transactions with any member after its basic economic conditions are such as would lead to use of the Fund's resources to sustain an untenable exchange rate ^{or otherwise} and thus defeat the purposes of the Fund, and be prejudicial to the Fund and its members.

(v) To exercise their full powers and influence ^{& the Bank} to prevent the use of the Fund, directly or indirectly, for relief or ~~reconstruction~~ or for indebtedness arising out of the war; to see that the resources of the Fund are used only by countries that can appropriately use such resources to promote exchange stability, to maintain orderly exchange arrangements, and to avoid competitive exchange depreciation; to see that the Fund is kept informed of the necessary corrective measures that are being taken by members that use the resources of the Fund; to limit the use of the resources of the Fund to meeting seasonal, cyclical and emergency needs for foreign exchange for current stabilization purposes;

~~to have other reasonable needs for foreign exchange for long-term stabilization purposes considered by the Bank.~~

(vi) To exercise their full powers and influence to see that when a general scarcity of a currency is developing the report issued by the Fund shall set forth fully the causes of the scarcity and shall contain recommendations designed to bring it to an end; to see that the report recognizes fully the common responsibility of the countries whose holdings of the currency are scarce and of the country whose currency is scarce, and that the recommendations are made not only to the country whose currency is scarce but to the country whose holdings of the currency are scarce; to see that prompt corrective measures are taken so that the scarcity of any currency can be terminated as soon as possible, that the limitations on the transactions in a scarce currency are no more restrictive than is necessary, and that they are relaxed and removed as rapidly as conditions permit; and to see that the right of members whose currency is scarce to make representations on the administration of restrictions on exchange transactions in a scarce currency is fully safeguarded.

(vii) To transmit to the President and the Congress a quarterly report ~~in detail~~ on the work of the Council, the operations and policies of the Fund and the Bank, and the ^{action} activities of the United States governor and executive director and their alternates. The report shall include a full statement with respect to the degree to which the Fund and the Bank conform with the provisions of this Act.

(viii) To transmit to the Congress not later than two years after the ^{establishment of the Fund & Bank} ~~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.

(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. New Section: Add the following section:

"STABILIZATION LOANS BY THE BANK"

"Sec. 13. If the management of the Bank does not interpret its powers under the Articles of Agreement as authorizing the Bank to make or guarantee ~~long-term~~ loans *of economic & monetary* ~~for economic and financial reconstruction in connection with~~ *(which may include long-term stabilization)* ~~a comprehensive stabilization program~~, the governor and

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

5. 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 IV, 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 (a) in the opinion of the Government of the United States the policies of either the Fund or Bank are not in accord with the letter or the spirit of the respective Articles of Agreement or the provisions of this Act or (b) if for any other reason the Government of the United States determines it to be in the interest of the United States to withdraw."