

*BW. Philippines*

October 24

Secretary Vinson

Mr. Laxford

The Philippine Congress has passed a bill authorizing the President of the Philippines to accept membership in the International Monetary Fund and the International Bank for Reconstruction and Development. Before the bill becomes law it will have to be signed by President Osmena and also by President Truman. Osmena is now in Washington and has the bill with him but he has not signed it.

The Bretton Woods Bill, and another bill which would provide funds for government expenditures being incurred by the Philippines, are both being delayed pending a decision by President Truman on the broad question of whether recognition should be given to acts of the present Philippine legislature. Secretary Lokes has apparently taken the position that there are many men in the Philippine Congress who collaborated with the Japanese during the occupation and that, accordingly, President Truman should not approve any legislation enacted by that Congress until adequate steps are taken to punish the collaborators. I understand that President Osmena has discussed this question with President Truman but I do not know what were the results of the conversations.

I am calling this matter to your attention since you may want to discuss with Secretary Lokes or President Truman the effect of this collaboration problem on the Bretton Woods Agreements.