

XI. Applications for Membership from: Italy, Lebanon, Syria, and Turkey

Articles of Agreement: Art. II, Sec. 2

Other members. Membership shall be open to the governments of other countries at such times and in accordance with such terms as may be prescribed by the Fund.

By-Laws: Sec. 21

Applications for Membership

Subject to any special provisions that may be made for countries listed in Schedule A of the Articles of Agreement, any country may apply for membership in the Fund by filing with the Fund an application setting forth all relevant facts.

When submitting an application to the Board of Governors, the Executive Directors after consultation with the applicant country shall recommend to the Board the amount of the quota, the form of payment, the parity of the currency, conditions regarding exchange restrictions and such other conditions as, in the opinion of the Executive Directors, the Board of Governors may wish to prescribe.

Excerpt from Proceedings of Board of Governors,
March 13, 1946

MR. KELCHNER: Mr. Chairman, I have to report the receipt of a communication from the Department of State of the United States transmitting on behalf of the Government of Lebanon an application for membership to the Bank and the Fund. The application was in the form of a letter signed by the Prime Minister of Lebanon and delivered to the United States Delegation at Beirut. I assume that you do not wish the communication read at this time.

I have also to report the receipt of a communication from the Department of State of the United States transmitting on behalf of the Government of Italy an application for membership in the Bank and the Fund.

I also have to report the receipt of a third communication from the Department of State of the United States transmitting on behalf of the Government of Syria an application for membership in the Fund and the Bank.

MR. VINSON: The Governor from the United States of America.

MR. CLAYTON: Mr. Chairman and Governors. The United States Government is pleased to support the applications from Syria, Lebanon and Italy for membership in the International Monetary Fund and the International Bank for Reconstruction and Development. We assume, however, that it will not be appropriate to attempt to take definitive action on these applications at this Meeting of the Board of Governors due to the necessity for working out certain technical problems of quotas and subscriptions

and other terms and conditions under which members are received or applications are passed upon, and we suggest that the matter be handled in accordance with the Report of the Committee on Membership.

MR. VINSON: Is there objection to the suggestion?

(None voiced.)

If not the applications will be handled in accordance with the Report of the Committee on Membership.

Letter from Prime Minister of Lebanon to
International Monetary Fund delivered to
United States Legation in Beirut,
dated March 2, 1946

Gentlemen:

I have the honor to inform you that the Lebanese Government, desirous of participating in the International Monetary Fund, established in pursuance of the Bretton Woods Agreements, by the present letter requests its admission to membership in the said Fund.

Please accept, gentlemen, the assurances of my high consideration.

Note Presented by the Charge d'Affaires of Syria
to the United States Secretary of State,
dated March 5, 1946

The Charge d'Affaires ad interim of Syria presents his compliments to the Honorable the Secretary of State and has the honor to communicate to him the desire of the Syrian Government to apply for membership in the International Monetary Fund and in the International Bank for Reconstruction and Development.

The Charge d'Affaires ad interim of Syria would be grateful to the Honorable the Secretary of State if he would transmit this desire of the Syrian Government to the appropriate officers of the Fund and of the Bank. The Syrian Government would also like to be informed of the quota to be assigned to it in the Fund, as well as of the shares in the Bank to which it is expected to subscribe.

The Charge d'Affaires ad interim of Syria avails himself of this opportunity to renew the assurances of his highest consideration.

Letter to Board of Governors

The Board of Governors
The International Monetary Fund
Savannah, Georgia, U.S.A.

Sirs:

The Syrian Government understands that the Bretton Woods Agreements are now in force and that the Boards of Governors will convene on March 8, 1946, at Savannah, Georgia, U.S.A.

The Syrian Government believes that it is to Syria's advantage to join The International Monetary Fund and therefore desires to submit this formal application for membership in the Fund, and requests that a quota for Syria be established and notified to the Syrian Government at the convenience of the Board of Governors.

Please accept the assurance of our highest consideration and respect.

Saadallah Jabri
Prime Minister and
Minister for Foreign Affairs
of the Republic of Syria

DAMASCUS, March 2, 1946

Note Presented to the United States
Secretary of State by the Italian Ambassador,
dated February 14, 1946

The Italian Government is confident that the steps taken for the gradual extension of the new rate of exchange to the various items of the balance of payments with the provisions successfully adopted for the control of the monetary circulation will help to create favorable conditions for a gradual levelling of prices of domestic and foreign markets.

The great efforts so far accomplished by the Italian Government and people for the economic rehabilitation of the country and the generous help which has come from the Allies' understanding has recently brought about a decrease in prices. Moreover the control of the public expenses which the Italian Government is trying to excise with the utmost accuracy and severity and the improvement of the taxation system which will increase the volume of revenues, warrant that the problem of the balancing of the budget does not present unfavorable prospects of solution in the future.

In this respect, the Italian Ambassador has the honor to inform the Honorable the Secretary of State that the circumstances outlined above have encouraged the Italian Government in feeling that a useful step could be achieved both for the Italian economic normalization and for the

stabilization of the international economy if Italy were admitted to participate to the agreements which were the outcome of the Bretton Woods Conference, establishing the International Monetary Fund and the International Bank for Reconstruction and Development.

The Italian Ambassador is also aware that on the 8th of March a meeting of the Board of Governors of the Fund and the Bank will be held in the United States upon invitation of the American Government.

The Italian Ambassador, in pointing out that the Italian Government is very anxious to examine the conditions for the admission of Italy to the Bretton Woods Agreements together with the American Government, has the honor to advance to the Honorable the Secretary of State the request that the formal application for the participation of Italy to the said agreements, which is hereby submitted, be examined in the above said meeting of the Board of Governors.

Excerpt from Proceedings of the Board of Governors
March 16, 1946

MR. VINSON: The meeting will come to order.

The Chair recognizes the Governor for Greece.

MR. ZOLOTAS: Mr. Chairman, I should like to communicate to the Board of Governors the letter the Greek delegation has sent to the Chairman:

"In the session of the Board of Governors the morning of March 13, 1946, among the applications for membership of various countries was that of Italy.

"The Greek Delegation notices with pleasure the increasing interest among other countries for participation in these institutions. However, with regard to Italy, we think that a matter of principle is involved which should be carefully considered by the Board of Governors.

"This principle is whether a former enemy country which has not yet signed a Treaty of Peace should be entitled to apply to the Fund and the Bank for admission to membership.

"The Greek Delegation has the honor to express the opinion that the Board of Governors should issue a resolution to the effect that application of such countries should not be considered."

MR. VINSON: Gentlemen, upon receipt of this communication from the Governor for Greece, it was presented by your Chairman to the Procedures Committee for their consideration. The Board will recall that before its receipt, action had been taken in regard to the application of Italy for membership and that it had been referred by your Board to the Executive Directors for study and report to the Board of Governors.

It might be well to say that the Governor for Yugoslavia associated himself with the Governor for Greece in regard to the Italian matter. The consideration of the Procedures Committee was upon the letter from the Greek Government. After consideration and discussion, your Committee on Procedures came to a conclusion which it reports to you substantially as follows: That the communication presented by the Governor for Greece should be placed in the official records with instructions that it would be before the Board at a later date when Italy's application will be considered. In the meantime, the Executive Directors will not be precluded from considering technical problems incident to the application.

The Chair recognizes the Governor for Greece.

MR. ZOLOTAS: The Greek delegation agrees with the resolution.

MR. VINSON: The communication from the Governor for Yugoslavia, setting forth the position of his government in regard to this matter and associating his government with the Greek government, reads in part as follows:

"The delegation of the Federal People's Republic of Yugoslavia consider as satisfactory the resolution that was adopted in connection with this question at the meeting of the Procedures Committee on March 15, 1946."

The question before the Board at this time is the consideration of the report from your Committee on Procedures, and that is now before the Board for discussion. The question is whether the report from the Committee on Procedures shall be approved and adopted.

Those favoring the adoption of the report will signify by saying "Aye."

("Ayes.")

Contrary "No."

(None.)

The "Ayes" have it and the report of the Committee on Procedures is adopted. And at this time the Chair will announce that the communication from the Governor for Yugoslavia will be placed in the official records for consideration at the time when the application of Italy for membership is considered by the Board of Governors.

REPRESENTATIVE OF YUGOSLAVIA: We thank you, Mr. Chairman.

Letter from Governor for Greece on
Application of Italy for Membership

To the Chairman of the Board of Governors
of the Fund and Bank:

In the session of the Board of Governors the morning of March 13, 1946, among the applications for membership of various countries was that of Italy.

The Greek Delegation notices with pleasure the increasing interest among other countries for participation in these institutions. However, with regard to Italy, we think that a matter of principle is involved which should be carefully considered by the Board of Governors.

This principle is whether a former enemy country which has not yet signed a Treaty of Peace should be entitled to apply to the Fund and the Bank for admission to membership.

The Greek Delegation has the honor to express the opinion that the Board of Governors should issue a resolution to the effect that application of such countries should not be considered.

Sincerely yours,

Xenophon Zolotas
Governor for Greece

Savannah, Georgia
13 March 1946

Letter from Governor for Yugoslavia on
Application of Italy for Membership

To the Chairman of the Board of Governors
International Monetary Fund and International
Bank for Reconstruction and Development

Mr. Chairman:

The Delegation of the Federal People's Republic of Yugoslavia has the honor to express its views on the question of admission to membership of former enemy countries in the International Monetary Fund and the International Bank for Reconstruction and Development.

The stand of our Delegation on this question is as follows:

"For reasons of principle, admission to membership in the Fund and Bank, which are international organizations of the United Nations, cannot be granted to a country that was at war against those nations until peace treaties by that country have been concluded."

The Yugoslav Delegation has the honor to request that the stand expressed in this letter be taken into consideration

on the occasion of any decision relative to the application of Italy for admission to membership in the Fund and Bank.

The Delegation of the Federal People's Republic of Yugoslavia, however, considers as satisfactory the resolution that was adopted in connection with this question at the meeting of the Procedures Committee on March 15, 1946.

Respectfully,

Lavoslav Dolinsek
Governor for Yugoslavia

March 16, 1946
Savannah, Georgia

Excerpt from Proceedings of the Board of Governors
March 14, 1946

MR. KELCHNER: Mr. Chairman, I have to report the receipt of communication of the Department of State of the United States, stating that the United States Government has been requested by the Government of Turkey to prepare an application in behalf of the Government of Turkey for membership in the International Fund.

This request was made in a note presented by the Turkish Ambassador to the Secretary of State, dated March 13, 1946.

MR. VINSON: Without objection the application is referred to the Executive Directors in accordance with the report of the Committee on Membership.

MR. CLAYTON: Mr. Chairman, I just want to say that the United States Government is pleased to support the application of Turkey for membership in the International Monetary Fund.

Note Presented by the Turkish Ambassador to the
United States Secretary of State,
dated March 13, 1946

The Turkish Ambassador presents his compliments to the Honourable the Secretary of State and, upon the instructions he has received from his Government, has the honour to request the Government of the United States to be so good as to present to the Board of Governors of the International Monetary Fund and the International Bank for Reconstruction and Development the application of Turkey for membership in the Fund and the Bank mentioned above.