

December 6, 1944

Chairman Eccles:

The attached has been received from Mr. White's office with an indication that there will be a meeting of the Technical Committee to discuss it on Friday, December 8, at 11:15 a. m.


E. A. G.

JOINT RESOLUTION

To authorize the President to sign on behalf of the United States the Articles of Agreement of the International Monetary Fund and the Articles of Agreement of the International Bank for Reconstruction and Development, and for other purposes.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized on behalf of the United States (a) to sign the Articles of Agreement of the International Monetary Fund (hereinafter referred to as the Fund), and the Articles of Agreement of the International Bank for Reconstruction and Development (hereinafter referred to as the Bank), both as set forth in the Final Act of the United Nations Monetary and Financial Conference, and (b) to cause to be deposited the instrument specified by Article XX, Section 2(a), of the Articles of Agreement of the Fund and the instrument specified by Article XI, Section 2(a), of the Articles of Agreement of the Bank.

SEC. 2. Appointment of governors. The President, by and with the advice and consent of the Senate, shall appoint a governor of the Fund and an alternate, and a governor of the Bank and an alternate. Governors and alternates shall serve for five years from the date of their respective appointments; shall be eligible for reappointment; shall be required to devote to their duties as governors or alternates only such time as may,

in the opinion of the President, be necessary; and in their capacity of governors or alternates shall receive no compensation from the United States. Governors and their alternates shall be eligible to appointment either as executive directors or as alternates under Section 3 of this Joint Resolution.

SEC. 3. Appointment of executive directors. The President, by and with the advice and consent of the Senate, shall appoint an executive director of the Fund and an executive director of the Bank. Executive directors shall serve for three years from the date of their respective appointments; Provided, That executive directors appointed before January 1, 1946 shall, respectively, be provisional directors under Article XX, Section 3(b), of the Articles of Agreement of the Fund and Article XI, Section 3(b), of the Articles of Agreement of the Bank, and their respective terms of office shall end on dates of the first regular elections of executive directors pursuant to said sections. Executive directors shall devote their full time to their duties as executive directors and shall be eligible for reappointment. Executive directors shall, with the approval of the President, appoint alternates. Executive directors and alternates in their capacity of executive directors or alternates shall receive no compensation from the United States.

SEC. 4. Supervision of governors and executive directors.

(a) There is hereby established the International Financial

Organizations Board which shall consist of the Secretary of the Treasury, who shall be Chairman of the Board, the Secretaries of State and Commerce, the Foreign Economic Administrator, and the Chairmen of the Board of Governors of the Federal Reserve System and the Securities and Exchange Commission. Each member of the Board may designate from his department or agency an officer who may act for him in all matters relating to the Board.

(b) The governors and executive directors of the Fund and the Bank, and their alternates, appointed by or on behalf of the United States, shall keep the International Financial Organizations Board fully informed of their activities and shall consult with and act pursuant to the direction of the Board.

(c) The International Financial Organizations Board shall be advised by and shall take into consideration suggestions and recommendations of a committee, to be known as the Advisory Committee on International Financial Organizations. The Advisory Committee shall consist of the following, each of whom shall serve for two years:

(1) Two members of the Senate to be appointed by the President from a panel of six Senators chosen by the President of the Senate;

(2) Two members of the House of Representatives to be

appointed by the President from a panel of six members of the House of Representatives chosen by the Speaker; and

(3) Two representatives each of banking, commercial, industrial, labor and agricultural interests to be appointed by the President.

Members of the Advisory Committee shall serve as such without compensation, but shall be entitled to necessary and actual transportation, subsistence and other expenses incidental to the performance of their duties.

SEC. 5. Communication of par value. The President, upon the request of the Fund, shall communicate to the Fund the par value of the United States dollar, which shall be defined as 15-5/21 grains of gold nine-tenths fine.

SEC. 6. Certain acts not to be undertaken without authorization. Without specific authorization in advance by joint resolution of Congress, no person shall on behalf of the United States (a) request or consent to any change in the quota of the United States under Article III, Section 2, of the Articles of Agreement of the Fund; (b) propose any change in the par value of the United States dollar under Article IV, Section 5, of the Articles of Agreement of the Fund, or approve any general change in par values under Section 7 of that Article; (c) vote for an increase of capital stock under Article II, Section 2, of the Articles of Agreement of the

Article; (d) accept any amendment under Article XVII of the Articles of Agreement of the Fund or Article VIII of the Articles of Agreement of the Bank.

SEC. 7. Approval of acts of Fund and Bank. The President, through any agency that he may designate, or otherwise, is hereby authorized to give the approval of the United States whenever, under the Articles of Agreement of the Fund or the Articles of Agreement of the Bank, such approval is required before any act may be done by the Fund or the Bank, respectively, provided that nothing in this section shall affect the provisions of Section 6 of this Joint Resolution.

SEC. 8. Agencies for dealing with Fund and Bank. The Secretary of the Treasury, with the approval of the President, directly or through such agencies as he may designate, is authorized for the account of the fund established by Section 10 of the Gold Reserve Act of 1934, approved January 30, 1934, as amended, or otherwise, to deal with the Fund and the Bank in gold and foreign exchange and such other instruments of credit and securities as he may deem necessary to carry out the purposes of the Articles of Agreement of the Fund and the Articles of Agreement of the Bank.

SEC. 9. Designation of depositories. The Secretary of the Treasury may designate one or more Federal Reserve Banks, as fiscal agent of the United States, to be depositories of the Fund and the Bank.

SEC. 10. Issuance of notes. In addition to obligations authorized by any other provisions of law, the Secretary of the Treasury is authorized to issue from time to time at par notes on the credit of the United States, for the purposes of Article II, Section 5, of the Articles of Agreement of the Fund, and Article V, Section 12, of the Articles of Agreement of the Bank. Such notes shall be non-negotiable, non-interest bearing, and payable on demand of the Fund or the Bank, as the case may be, by crediting the account of the Fund or Bank, respectively, in a depository designated under Section 9 of this Joint Resolution.

SEC. 11. Obtaining and furnishing information. (a) The President is hereby authorized, through any agency that he may designate, and under such rules and regulations as he may prescribe, to obtain from persons subject to the jurisdiction of the United States and to furnish to the Fund data requested by the Fund under Article V, Section 5 of the Articles of Agreement of the Fund. (b) Whoever wilfully violates any of the provisions of any rule or regulation issued under authority of this section shall, upon conviction, be fined not more than \$10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both. As used in this Section the term "person" means an individual, partnership, associa-

SEC. 12. Removal of prohibition on dealings in securities.

Section 1 of the Act of April 13, 1934 is amended by the addition of the following sentence:

"The provisions of this Act shall not apply to the sale or purchase of bonds, securities or other obligations issued by any foreign government, or any organization or association acting for or on behalf of a foreign government, while it is a member of the International Monetary Fund and the International Bank for Reconstruction and Development."

SEC. 13. Jurisdiction of suits. Any suit at law or in equity, brought within the United States, its territories and possessions, to which either the Fund or the Bank shall be a party, shall be deemed to arise under the laws of the United States, and the district courts of the United States shall have original jurisdiction of all such suits. The Fund or the Bank, as the case may be, when a defendant in any such suit, may at any time before the trial thereof remove such suit into the district court of the United States for the proper district by following the procedure for removal of causes otherwise provided by law.

SEC. 14. Provisional payments for administrative expenses. Section 10 of the Gold Reserve Act of 1934, approved January 30, 1934, as amended, is amended by adding at the end thereof the following new subsection:

"(d) The fund established in this section shall be available until December 31, 1945 to meet the payments required by Article XX, Section 2(d), of the Articles of Agreement of the Fund and Article XI, Section 2(d), of the Articles of Agreement of the Bank."

SEC. 15. Appropriation authorized. The following sums are authorized to be appropriated, out of any money in the Treasury not otherwise appropriated:

- (a) for paying the subscription of the United States to the Fund, \$949,725,000.
- (b) for paying the subscription of the United States to 31,750 shares of stock in the Bank, \$3,175,682,500, of which \$3,111,500,000 shall remain available until called by the Bank.

ALTERNATIVES

I. Alternative Section 12:

SEC. 12. Removal of prohibition on dealings in securities.

The Act of April 13, 1934, c. 112, 48 Stat. 574, is hereby repealed:

Provided, however, That offenses committed and penalties incurred prior to the taking effect hereof may be prosecuted and punished, and proceedings for causes arising or acts done or committed prior to the taking effect hereof may be commenced and prosecuted, in the same manner and with the same effect as if this Section had not been passed.

II. Additional Section:

SEC. ____.

Section 3(b) of the Act of March 11, 1941, as amended, is further amended by adding at the end thereof the following sentence:

"The settlement of obligations under any agreement or arrangement made, pursuant to this Act, with the government of any country whose defense the President deems vital to the defense of the United States may include the settlement of all outstanding indebtedness of such government to the United States."