

*Differences between this draft
and Treasury draft are indicated*

A B I L L

To provide for the participation of the United States
in the International Monetary Fund and in the
International Bank for Reconstruction and
Development.

Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,

Short Title

Section 1. This Act may be cited as the "Bretton Woods Agreements
Act."

Acceptance of Membership

Sec. 2. The President is hereby authorized to accept membership
for the United States in the International Monetary Fund (hereinafter
referred to as the Fund), and in the International Bank for Reconstruction
and Development (hereinafter referred to as the Bank), which are specified
in the Articles of Agreement of the Fund and the Bank as set forth in
the Final Act of the United Nations Monetary and Financial Conference
dated July 22, 1944 and deposited in the archives of the Department of
State.

Appointment of Governors and Executive

Directors

Sec. 3. 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. The term of office of each
shall be five years. 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. The term of office of each shall be
two years. Each executive director shall, with the approval of the
President, appoint an alternate. Governors and their alternates shall
be eligible to appointment either as executive directors or as their

International Financial Council

Sec. 4. (a) There is hereby established the International Financial Council (hereinafter referred to as the Council), consisting of five members who shall be the Secretary of the Treasury as Chairman of the Council, the Secretary of State, the Chairman of the Board of Governors of the Federal Reserve System, and the heads of two additional agencies of the Government to be appointed by the President. Each member of the Council may designate from his department or agency an officer who may act for him in all matters relating to the Council. The Council shall act under the general direction of the President.

(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 Council fully informed of their activities and shall act in a manner generally consistent with the views of the Council as to the financial and monetary policies of the United States. The governors and executive directors shall meet with the Council at frequent intervals, and whenever requested by the Council, a governor, or an executive director. Such meetings may, in the discretion of the Council, be held by the Council with the governors and executive directors of both the Fund and the Bank, or with the governor and executive director of either the Fund or the Bank.

(c) The governors and executive directors of the Fund and the Bank shall make reports to the Council with respect to the operations of the Fund and the Bank, respectively, at such times and covering such matters as the Council may require. The Council shall annually make a full report of its activities to the President and such report, copies of which shall be transmitted by the President to the Congress, shall include reports by the Governors of the Fund and the Bank respecting the operations of the Fund and the Bank and their participation therein.

(d) Except as otherwise provided in Section 5 of this Joint Resolution, the Council is hereby authorized, through the governors and executive directors of the Fund and the Bank, as the case may be, to give or refuse the approval, consent, or agreement of the United States whenever, under the Articles of Agreement of the Fund or the Articles of Agreement of the Bank, such approval, consent, or agreement is re-

quired before any act may be done by the Fund or the Bank, respectively.

This section 4 is a substitute for Sections 4 and 9 of the Treasury draft.

(e) All communications or negotiations with the Fund or the Bank on behalf of the United States shall be made or conducted through the governor or executive director of the Fund and the governor or executive director of the Bank, respectively. Any action which may be taken by any agency of the United States Government pursuant to or in order to carry out any provisions or purposes of the Articles of Agreement of the Fund or of the Bank shall be taken after consultation with the Council.

(f) The Council is hereby authorized, through any agency which it may designate, and under such rules and regulations as it may prescribe, to obtain from any person such data as in its judgment is necessary and essential for the guidance of the United States in its participation in the Fund and the Bank or as may be requested by the Fund under Article VIII, Section 5 of the Articles of Agreement of the Fund. Whoever wilfully violates any of the provisions of any rule or regulation issued under authority of this subsection 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 subsection the term "person" means an individual, partnership, association, or corporation.

Certain Acts Not to Be Taken without Authorization

Sec. 5. Unless Congress by law authorizes such action, 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) approve 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 Bank, or subscribe to additional shares or stock under Section 3 of that Article; (d) accept any amendment under Article XVII of the Articles of Agreement of the Fund or Article VIII of the

Revising of Section 5 differs in initial part from Treasury draft.

Articles of Agreement of the Bank; (e) make any loan to the Fund under Article VII, Section 2, of the Articles of Agreement of the Fund.

Par Value of United States Dollar

Sec. 6. When the United States is requested by the Fund to communicate the par value of the United States dollar, the President shall communicate such par value as 15-5/21 grains of gold nine-tenths fine.

Depositories

Sec. 7. Any Federal Reserve bank which is requested to do so by the Fund or the Bank shall act as its depository or as its fiscal agent, and the Board of Governors of the Federal Reserve System shall supervise and direct the carrying out of these functions by the Federal Reserve banks.

Payment of Subscriptions

Sec. 8. (a) Subsection (c) of section 10 of the Gold Reserve Act of 1934, (48 Stat. 341, U.S.C., 1940 ed., title 31, sec. 822a), as amended, is amended to read as follows:

"(c) The Secretary of the Treasury is directed to use \$1,800,000,000 of the fund established in this section to pay part of the subscription of the United States to the International Monetary Fund."

(b) There is hereby authorized to be appropriated \$950,000,000 to enable the Secretary of the Treasury to pay the part of the subscription of the United States to the Fund not provided for in subsection (a), and \$3,175,000,000 to enable the Secretary of the Treasury to pay the subscription of the United States to the Bank.

(c) For the purpose of keeping to a minimum the cost to the United States of participation in the Fund and the Bank, the Secretary of the Treasury, after paying the subscription of the United States to the Fund, and any part of the subscription of the United States to the Bank required to be made under Article II, Section 7(i) of the Articles of Agreement of the Bank, is authorized and directed to issue special

Notes of the United States from time to time at par and to deliver such

notes to the Fund and the Bank in exchange for dollars to the extent permitted by the respective Articles of Agreement. The special notes provided for in this subsection shall be issued under the authority and subject to the provisions of the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include the purposes for which special notes are authorized and directed to be issued under this subsection, but such notes shall bear no interest, shall be nonnegotiable and shall be payable on demand of the Fund or the Bank as the case may be. The face amount of special notes issued to the Fund under the authority of this subsection and outstanding at any one time shall not exceed in the aggregate the amount of the subscription of the United States actually paid to the Fund, and the face amount of such notes issued to the Bank and outstanding at any one time shall not exceed in the aggregate the amount actually paid to the Bank by the United States under Article II, Section 7(i) of the articles of Agreement of the Bank.

(d) Any payment made to the United States by the Fund or the Bank as a distribution of net income or as a repayment of the subscription of the United States, shall be covered into the Treasury as a miscellaneous receipt.

Financial Transactions with Foreign Governments in Default

Sec. 9. The Act entitled "An Act to prohibit financial transactions with any foreign government in default on its obligations to the United States", approved April 13, 1934 (48 Stat. 574, U.S.C., 1940 ed., title 31, sec. 804a), is amended by adding at the end thereof a new section to read as follows:

"Sec. 3. While any foreign government is a member both of the International Monetary Fund and of the International Bank for Reconstruction and Development, this Act shall not apply to the sale or purchase of bonds, securities, or other obligations of such government or any political subdivision thereof or of any organization or association acting for or on behalf of such government or political subdivision, or to the making of any loan to such government, political subdivision, or organization or association."

Jurisdiction and Venue of Actions

Sec. 10. For the purpose of any action which may be brought by or against the Fund or the Bank in accordance with the Articles of Agreement of the Fund or the Articles of Agreement of the Bank, the Fund or the Bank, as the case may be, shall be deemed to be an inhabitant of the Federal judicial district in which its principal office in the United States is located, and any such action 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 any such action. When either the Fund or the Bank is a defendant in any such action, it may, at any time before the trial thereof, remove such action from a State court into the district court of the United States for the proper district by following the procedure for removal of causes otherwise provided by law.

Status, Immunities and Privileges

Sec. 11. The provisions of Article IX, Sections 2 to 9, both inclusive, and the first sentence of Article VIII, Section 2(b) of the Articles of Agreement of the Fund and the provisions of Article VII, Sections 2 to 9, both inclusive, of the Articles of Agreement of the Bank shall, upon acceptance of membership in the Fund and the Bank by the United States and upon the establishment of the Fund and the Bank, have full force and effect in the United States, its territories and possessions.

Alternate Section on Payment of Subscriptions.

Sec. 8. (a) Subsection (c) of section 10 of the Gold Reserve Act of 1934 (48 Stat. 341, U.S.C., 1940 ed., title 31, sec. 822a), as amended, is amended to read as follows:

"(c) The Secretary of the Treasury is directed to use \$1,800,000,000 of the fund established in this section to pay part of the subscription of the United States to the International Monetary Fund."

(b) The Secretary of the Treasury is authorized to pay the balance of \$950,000,000 of the subscription of the United States to the Fund not provided for in subsection (a) and to pay the subscription of the United States to the Bank from time to time when payments are required to be made to the Bank. For the purpose of making these payments, the Secretary of the Treasury is authorized to use as a public-debt transaction not to exceed \$4,125,000,000 of the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include such purpose. Payment under this subsection of the subscription of the United States to the Fund and repayments thereof, and payment under this subsection of the purchase price of shares of capital stock of the Bank and repayments thereof, shall be treated as public-debt transactions of the United States.

(c) For the purpose of keeping to a minimum the cost to the United States of participation in the Fund and the Bank, the Secretary of the Treasury after paying the subscription of the United States to the Fund, and any part of the subscription of the United States to the Bank required to be made under Article II, Section 7(i) of the Articles of Agreement of the Bank, is authorized and directed to issue special notes of the United States from time to time at par and to deliver such notes to the Fund and the Bank in exchange for dollars to the extent permitted by the respective Articles of Agreement. The special notes provided for in this subsection shall be issued under the authority and subject to the provisions of the Second Liberty Bond

Act are extended to include the purposes for which special notes are authorized and directed to be issued under this subsection, but such notes shall bear no interest, shall be non-negotiable and shall be payable on demand of the Fund or the Bank as the case may be. The face amount of special notes issued to the Fund under the authority of this subsection and outstanding at any one time shall not exceed in the aggregate the amount of the subscription of the United States actually paid to the Fund, and the face amount of such notes issued to the Bank and outstanding at any one time shall not exceed in the aggregate the amount actually paid to the Bank by the United States under Article II, Section 7(i) of the Articles of Agreement of the Bank.

(d) Except as provided in subsection (b), any payment made to the United States by the Fund or the Bank as a distribution of net income or as a repayment of the subscription of the United States, shall be covered into the Treasury as a miscellaneous receipt.