

COMMITTEE REPORTS
PROCEDURES COMMITTEE

Chairman Mexico
Vice-Chairman Iraq
Reporting Member Denmark

Other Members: Australia, Bolivia, Burma, China, France,
Greece, India, the United Kingdom, and the
United States

Report No. 1

September 22, 1956

Sir:

The Procedures Committee,¹ at its first meeting at 4:30 p.m., on September 22, 1956, considered the matters of business which had been proposed for the Eleventh Annual Meeting of the Boards of Governors of the Fund and the Bank.

I have the honor to submit the following recommendations of the Committee:

BUSINESS OF THE BOARD OF GOVERNORS OF THE FUND

A. *Agenda*

The Committee recommends:

1. That the agenda attached as Annex I be adopted.
2. That, after the adoption of the initial agenda, proposed additions to the agenda be submitted in writing to the Procedures Committee, through the Chairman, for its recommendations.

¹The Procedures Committee reported also on the business proposed by the Bank, all references to which, however, have been omitted here. The numbering of the Annexes in this Report has been adjusted to take account of this fact.

B. *Committee*

The Committee recommends that a Committee on Finance and Organization be established, as shown in Annex II, to consider and report¹ on the items shown in Annex III.

C. *Fund Discussions*

The Committee recommends:

1. That there be a discussion of the business of the Fund to consider views of the Governors on the policies and activities of the Fund.

2. That there be an informal discussion on the subject of *Recent Developments in Monetary Analysis*, as shown in Annex IV.

D. *Sixth Regular Election of Executive Directors*

The Committee considered the Report of the Executive Directors of the Fund regarding the Sixth Regular Election of Executive Directors of the Fund (Fund Document No. 6).² The Committee recommends the adoption of the draft resolution relating to the Sixth Regular Election of Executive Directors of the Fund³ and the proposed rules for the conduct of that election⁴ attached thereto.

E. *Dominican Republic—Quota Adjustment*

The Committee considered the report of the Executive Directors on the request of the Dominican Republic for an increase in its quota (Fund Document No. 5).⁵ In order that the action may become effective before the conclusion of this Annual Meeting, the Committee recommends that the Board of Governors consider the matter at the opening session and that the draft resolution⁶ attached to the report be adopted.

¹Page 130.

²Page 104.

³Resolution No. 11-5, page 141.

⁴Page 107.

⁵Page 117.

⁶Resolution No. 11-6, page 142.

PROCEDURAL MATTERS OF JOINT CONCERN TO THE FUND
AND THE BANK

A. *Order of Business*

The Committee recommends that the provisional schedule in Annex V be adopted, and that the Secretaries of the Fund and the Bank, in consultation with the Chairman, may modify it as necessary. It will be noted that the afternoon of September 24 is set aside for the Inaugural Meeting of the Board of Governors of the International Finance Corporation.

B. *Conduct of Meeting*

The Committee recommends that the provisions relating to the conduct of the Meeting, as contained in Annex VI, be approved.

C. *Procedural Items*

This Committee will make a later report¹ to the Boards of Governors on:

1. Place and Date of Twelfth Annual Meeting.²
2. Election of Officers³ and Joint Procedures Committee for 1956-57.⁴

Approved:

/s/
ANTONIO CARRILLO FLORES
(Mexico)
Chairman

/s/
SVEND NIELSEN
(Denmark)
Reporting Member

The Report was approved and Resolutions Nos. 11-5 and 11-6 were adopted at Session No. 1, September 24, 1956.

¹ Report No. 2, page 128.

² Resolution No. 11-10, page 147.

³ Resolution No. 11-11, page 147.

⁴ Resolution No. 11-12, page 147.

Annex I

AGENDA

1. Eleventh Annual Report
2. Financial Statements and Report on Audit
(Appendix IX of Eleventh Annual Report and Fund Document No. 2)
3. Administrative Budget
(Appendix VIII of Eleventh Annual Report)
4. Changes in Rules and Regulations
(Fund Document No. 3)
5. Sixth Regular Election of Executive Directors
(Fund Document No. 6)
6. Republic of the Sudan—Application for Membership
(Fund Document No. 4)
7. Dominican Republic—Quota Adjustment
(Fund Document No. 5)
8. Place and Date of Twelfth Annual Meeting
9. Election of Officers and Procedures Committee for 1956-57

Annex II

COMMITTEE ON FINANCE AND ORGANIZATION

Chairman Norway
Vice-Chairman Paraguay
Reporting Member Japan

Other Members: Australia, Ceylon, Chile, China, Colombia, Egypt, Ethiopia, France, Federal Republic of Germany, Honduras, India, Israel, Luxembourg, Pakistan, the United Kingdom, and the United States

Annex III

COMMITTEE ON FINANCE AND ORGANIZATION

Terms of Reference¹

1. Chapter VIII of the Eleventh Annual Report
2. Financial Statements and Report on Audit
(Appendix IX of Eleventh Annual Report and
Fund Document No. 2)
3. Administrative Budget
(Appendix VIII of Eleventh Annual Report)²
4. Changes in Rules and Regulations
(Fund Document No. 3)³
5. Republic of the Sudan—Application for Membership
(Fund Document No. 4)⁴

Annex IV

INFORMAL DISCUSSION⁵

Subject of Discussion

RECENT DEVELOPMENTS IN MONETARY ANALYSIS

Chairman: Ivar Rooth, Managing Director,
International Monetary Fund

Principal Speakers:

Dr. Paolo Baffi, Economic Adviser to Banca d'Italia
Dr. M. W. Holtrop, President of De Nederlandsche Bank
Mr. Ralph A. Young, Director of Research and Statistics,
Federal Reserve Board, Washington

¹The items on the agenda of the Committee are the same as those listed here. The agenda was issued as Committee on Finance and Organization Document No. 2.

²And Committee on Finance and Organization Document No. 1.

³Page 118.

⁴Page 120.

⁵Held on Tuesday, September 25, 1956, at 3:30 p.m. The papers presented by the principal speakers and the background paper on Monetary Analysis prepared by the Fund staff are reprinted in *Staff Papers*, Vol. V, No. 3.

Annex V

SCHEDULE
(As Revised)

SATURDAY, September 22

4:30 p. m.—Joint Procedures Committee

MONDAY, September 24

10:00 a. m.—Opening Address by Chairman
Opening Session (Joint)

11:30 a. m.—Fund Board: Annual Address—
Managing Director of Fund

12:30 p. m.—Fund Committee on Finance and Organization

3:30 p. m.—International Finance Corporation
Board of Governors—Inaugural Meeting

TUESDAY, September 25

10:00 a. m.—Bank Board: Annual Address—
President of Bank

11:00 a. m.—Bank Board: Annual Report Discussion

12:30 p. m.—Bank Committee on Finance and Organization

3:30 p. m.—Fund Board: Informal Discussion

WEDNESDAY, September 26

10:00 a. m.—Fund Board: Annual Report Discussion

3:30 p. m.—Fund Board: Annual Report Discussion
(Continued)

THURSDAY, September 27

10:00 a. m.—Bank Board: Informal Discussion

3:00 p. m.—Fund Board: Managing Director's Comments
Committee Reports
Election of Executive Directors

4:30 p. m.—Bank Board: President's Comments
Committee Reports
Election of Executive Directors

SCHEDULE (Continued)

FRIDAY, September 28

9:30 a. m.—Joint Procedures Committee

11:00 a. m.—Joint Session—Report of Procedures Committee
Address by President of the
United States
Closing Session (Joint)

All Board sessions will be held in Sheraton Hall.

All Committee sessions will be held in the Burgundy Room.

Annex VI

PROVISIONS RELATING TO THE CONDUCT OF THE MEETING

Attendance

1. All Sessions of the Boards of Governors of the Fund and the Bank, including Joint Sessions and the informal discussions, shall be open to the press and invited guests, unless otherwise decided. Committee meetings shall be closed.
2. Meetings of the Joint Procedures Committee shall be open only to the Governor and Alternate Governor and one adviser for each member country on the Committee.
3. Committee meetings, with the exception of Joint Procedures Committee meetings, shall be open to Delegations who are not Committee members.
4. Accredited observers may attend all Sessions of the Boards of Governors and their Committees, other than the Joint Procedures Committee, unless decided otherwise. Observers wishing to speak at a meeting are requested to consult the Secretaries in advance.
5. Sessions of the Boards of Governors and Committee meetings shall be open to such members of the Joint Secretariat and the technical staffs as may be necessary.

Public Information

6. The Chairman of the Boards of Governors, the Managing Director of the Fund and the President of the Bank are authorized to communicate to the press such information concerning the proceedings of the Eleventh Annual Meeting as they deem suitable. Copies of such communications shall be available to any Governor on his request.

Records

7. The Secretaries of the Fund and the Bank are authorized to prepare verbatim transcripts of the proceedings of Sessions of the Boards of Governors and their Committees, and of informal discussions. The transcripts of Committee proceedings, and any summary records thereof, will be confidential and available only to the Chairman, the Managing Director of the Fund and the President of the Bank, unless otherwise decided.
8. Reports of Committees shall be signed by the Committee Chairman and the Reporting Member.

Report No. 2

September 28, 1956

Sir:

I have the honor to submit the Report of the Procedures Committee on its second meeting which was held this morning.

I. Place and Date of Twelfth Annual Meeting

The Committee recommends that the Twelfth Annual Meeting be convened in Washington, preferably in the second half of September 1957.¹

The Governor for India invited the Boards of Governors to hold the Thirteenth Annual Meeting in New Delhi in 1958. The Governor for the United States proposed that the Boards of Gov-

¹ Resolution No. 11-10, page 147.

ernors thank the Governor for India for his kind invitation but defer further consideration, and decision, concerning the place for holding the Thirteenth Annual Meeting, until the Twelfth Annual Meeting. The Governor for the United Kingdom supported this proposal, and the Committee so recommends.

II. *Officers*

The Committee recommends that the Governor for the Philippines be elected Chairman and the Governors for China, France, India, the United Kingdom and the United States be elected Vice-Chairmen of the respective Boards, to hold office until the election of officers at the close of the next Annual Meeting.¹

III. *Joint Procedures Committee*

The Committee recommends that a Procedures Committee be established to be available after the termination of this Meeting, and until the selection of a new Procedures Committee at the next Annual Meeting, for consultation at the discretion of the Chairman, normally by correspondence, and also if occasion requires by convening immediately before the Annual Meeting of the Boards. The Committee further recommends that the Procedures Committee shall consist of the Governors for the Philippines, Chairman; Panama, Vice-Chairman; Austria, Reporting Member; and China, Ecuador, Finland, France, India, Syria, the Union of South Africa, the United Kingdom and the United States.²

Approved:

/s/
ANTONIO CARRILLO FLORES
(Mexico)
Chairman

/s/
SVEND NIELSEN
(Denmark)
Reporting Member

The Report was approved and the Resolutions adopted by the Boards of Governors at Session No. 6, September 28, 1956.

¹ Resolution No. 11-11, page 147.

² Resolution No. 11-12, page 147.

COMMITTEE ON FINANCE AND ORGANIZATION

Chairman Norway
Vice-Chairman Paraguay
Reporting Member Japan

Other Members: Australia, Ceylon, Chile, China, Colombia, Egypt, Ethiopia, France, Federal Republic of Germany, Honduras, India, Israel, Luxembourg, Pakistan, the United Kingdom, and the United States

REPORT TO THE BOARD OF GOVERNORS OF THE FUND

September 26, 1956

Mr. Chairman:

I have the honor to report that the Committee on Finance and Organization met at 12:30 p.m. on Monday, September 24, 1956, under the Chairmanship of the Governor for Norway, to consider the five items on the agenda¹ referred to it. On behalf of the Committee, I submit the following Report and recommendations with respect to each of these items.

Chapter VIII of the Eleventh Annual Report

The Committee had no comments on Chapter VIII of the Annual Report dealing with matters of membership, organization, and administration.

Financial Statements, Report on Audit, and Administrative Budget

The Committee considered the Report on Audit for the Fiscal Year ended April 30, 1956, the Financial Statements contained therein (Fund Document No. 2 and Appendix IX of the Eleventh Annual Report), and the Administrative Budget for the Fiscal Year ending April 30, 1957 (Appendix VIII of the Annual Report).

The Managing Director stated that during the last fiscal year several senior staff vacancies had been filled by promotions from

¹ Committee Terms of Reference, page 125.

within and that the nationality distribution of the staff had been further extended. The staff now included nationals of 46 countries. Because of repurchases and the limited number of new drawings, the Fund's income had been less than in the previous year. It was expected that with the supplemental income derived from the investment of a limited portion of the Fund's gold in United States Treasury bills and the other income of the Fund there should be no operating deficit in the current fiscal year. He also noted that the Fund had begun to erect its headquarters building on a site adjacent to 1818 H Street.

The Governors for the United States and the United Kingdom commended the management on the efficient administration of the Fund during the past year.

In the name of the Committee, I have the honor to recommend to the Board of Governors the adoption of the draft resolution on the Financial Statements, Report on Audit, and Budget attached hereto as Annex I.¹

Rules and Regulations

The Committee also reviewed the amendments to Rules I-2 and I-4(f) of the Rules and Regulations as submitted by the Executive Directors (Fund Document No. 3).²

In the name of the Committee, I have the honor to recommend the adoption by the Board of Governors of the draft resolution attached hereto as Annex II³ notifying the Executive Directors that it has reviewed the amendments and has no changes to suggest.

Membership for the Republic of the Sudan

Finally, the Committee considered the recommendations of the Executive Directors regarding the application of the Government of the Republic of the Sudan for membership in the Fund (Fund

¹ Resolution No. 11-7, page 143.

² Page 118.

³ Resolution No. 11-8, page 143.

Document No. 4).¹ The Governors for Pakistan, the United Kingdom and the United States welcomed the application of the Republic of the Sudan and supported its membership in the Fund. The Committee agreed to recommend to the Board of Governors that the Republic of the Sudan be admitted to membership in the Fund under the terms and conditions recommended by the Executive Directors.

On behalf of the Committee, I submit the draft resolution set forth in Annex III² of this Report for adoption by the Board of Governors.

Approved:

/s/
ERIK BROFOSS
(Norway)
Chairman

/s/
HISATO ICHIMADA
(Japan)
Reporting Member

The Report was approved and the draft resolutions adopted by the Board of Governors at Session No. 5, September 27, 1956.

¹ Page 120.

² Resolution No. 11-9, page 144.