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INTRODUCTORY NOTE

Pursuant to Resolution No. 26, adopted on September 17, 1947, at the Second Annual Meeting of the Board of Governors of the International Bank for Reconstruction and Development held in London, England, the Third Annual Meeting was convened in Washington, D. C., from September 27 to October 1, 1948, by the Honorable Yun-wu Wang, Minister of Finance of China and Chairman of the Board of Governors of the Bank.

All 47 member countries of the Bank were represented. Observers on behalf of the Bank for International Settlements, the Food and Agriculture Organization of the United Nations, the Interim Commission of the International Trade Organization, the International Labor Organization, the Advisory Council of the Bank, Liberia, Pakistan, and Siam attended the Meeting.

The Board of Governors considered and took action on the reports and recommendations submitted by the Executive Directors, as well as on matters raised during the Meeting. In addition to various Committee Meetings, the Board of Governors completed the business of the Third Annual Meeting in five sessions, two of which were joint sessions with the Board of Governors of the International Monetary Fund.

This booklet presents the proceedings of the Third Annual Meeting and the decisions taken by the Board of Governors.

M. M. MENDELS
Secretary
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Washington, D. C.
October 20, 1948
MESSAGE FROM THE PRESIDENT OF THE UNITED STATES
TO THE JOINT BOARDS OF GOVERNORS AS CONVEYED BY
THE GOVERNOR OF THE BANK AND FUND FOR THE UNITED
STATES, TO THE OPENING SESSION, SEPTEMBER 27, 1948.

Dear Mr. Snyder:

It is a great pleasure again to welcome to Washington the Boards of Governors of the
International Bank for Reconstruction and Development and of the International Monetary
Fund. Two years ago when the Boards of Governors met in Washington, the Fund and the
Bank had completed the organizational phase of their work, but were just about to start
active operations. In this period of time the Fund and the Bank have made notable progress
toward attaining their objectives, although they have operated under conditions which were
not entirely favorable to their realization. This makes their achievements even greater.
But much remains to be done.

Conditions of world finance are still far from the norm envisaged at the Bretton Woods
Conference. It was true then as it is now, that conditions of economic stability and prosperity
throughout the world depend upon the cooperative effort of all nations. Action is needed by
individual countries as well as by international organizations which can operate only in the
atmosphere created by the policies of the member governments. We can look forward to an
increasingly important roll for the Fund and the Bank in coming years. I trust that the
present meetings of the Governors will give renewed impetus to economic cooperation in
the financial sphere.

Please extend to the members of the Boards of Governors my personal good wishes for
the success of these meetings.

Sincerely yours,

/s/ Harry S. Truman

[3]
ADDRESS BY MR. JOHN J. McCLOY, PRESIDENT OF THE BANK, IN PRESENTING THE THIRD ANNUAL REPORT OF THE BANK TO THE BOARD OF GOVERNORS AT THE SECOND SESSION, SEPTEMBER 29, 1948

It is of course a great pleasure to welcome the Governors to the situs of the Bank, to be able to present a new Annual Report, and to renew our exchanges regarding the Bank and its affairs. I have but few thoughts to add to those which are included in the reports already in your hands.

I should like to draw your attention to an aspect of the Bank’s operations which might be overlooked if attention were not specifically drawn to it. It is always wise to recall that the Bank and the Fund, even though their deliberations may be of less significance than those of the General Assembly and Security Council, are yet a definite part of the United Nations concept. I think, therefore, that it is worth recording that the Bank, and I am sure the same remarks can be made of the Fund, has been in active operation as an international agency for a considerable period of time with a commendable and really hopeful display of tolerance and good temper.

The Directors and the Staff represent many and diverse political points of view and there is at least as much vigorous disagreement among the economists and bankers in the Bank as one could confidently suppose such a group would generate. But what I have had reason to state elsewhere I think it is proper to repeat here, namely, that in an institution where objectivity rather than purely representational attitudes is essential to sound progress, the Bank has had from its Directors and its Staff all that could be desired in this regard. If such objectivity is maintained to the point where it becomes a tradition, greater consequences may flow from it than can be measured by the value of the projects the Bank finances.

The major event of last year has been the introduction of the European Recovery Program as a new and mighty contributing factor in the economic rehabilitation of the world. Though the operations of the Bank are world-wide and while at least the direct operations of the European Recovery Program are confined to a certain segment of the world, the effect of that Program on the operations of the Bank, as well as on the economies of many countries, weighs very large indeed. Its recognition of the fact that outside aid alone will not eliminate persistent deficits unless matched by vigorous steps to solve the problems of inflation, production and trade, greatly advances the objectives of the Bank. By placing a more substantial floor under the operations of the Bank in the areas where its direct and indirect benefits can be felt, it both enhances the likelihood of recovery in those areas and increases the security of the Bank’s investments. Moreover, it has helped to solve a serious dilemma with which the Bank was originally faced, namely, whether to aid hard pressed economies by what could only be palliatives or to refuse any help at all.

Many people have ventured to say what was in the minds of the founding fathers at Bretton Woods and, as I was not there, perhaps I can speak with greater freedom than the many of you who were. At the time of Bretton Woods, the extent and nature of the economic convulsion which had come upon the world was not apparent, nor could it be foreseen that the post-war world would be politically so sharply divided as seems now to be the case. The concept seems to have been that the maladjustments in the balance of international payments which might be expected to arise from the war would be temporary and could be dealt with through the operations of the International Monetary Fund, while the Bank, operating in the restored confidence of a united world, could cope with the specific reconstruction and development needs that private capital, for the time being, might not be available in sufficient quantity to meet.
However, we now know that the world has experienced an economic earthquake, whose rumblings began long before the war. The immediate effects of the war and the emergency of the Western Hemisphere as such a disparately great productive factor, has left a wider crevice in the world economy than all but a very few anticipated. As full realization of the actual condition came about and the overpowering need of dollars to buy the sheer necessities of life developed in the European area, a number of supplemental forms of aid were patched up, until finally these culminated in the largest and best integrated of them all—the European Recovery Program. With these supplemental and parallel forms of aid the Bank can now, as I see it, come much closer to playing the role originally designed for it, namely, to finance within its resources the creation and maintenance of the sort of productive and bankable enterprises or projects for which, for the time being at least, no sufficient amount of private capital is available. To be sure, as the Bank depends on private markets and not on government contributions for the bulk of its funds, some alleviation of the continuous series of political crises is required if it is to operate in full vigor.

As for our relations with the Economic Cooperation Administration and other agencies of similar character, I feel one should face the fact that it will always be difficult, and perhaps impossible, to lay down any hard and fast rules limiting or delimiting the respective fields of activity between ourselves and such agencies. If we are to have flexible institutions best able to accomplish the fundamental objectives, no one of them should be too rigid in its approach but some general areas should in my judgment be defined or else much confusion and considerable loss of potential aid will result. Contact with the officials of the Economic Cooperation Administration and the Export-Import Bank is never difficult to effect and I am confident that we can rely on every effort being made to eliminate the causes of any confusion or waste.

It is altogether probable that other agencies may be able to proffer terms in connection with their lending quite different from those which the Bank is able to afford. Yet it should not be forgotten that the Bank is able to render very substantial aid not only within practical reach of prospective borrowers who present really productive enterprises, but, by reason of its public guarantees, on terms more favorable to the borrower than could possibly be obtained privately save in very rare instances. The Bank was created to meet a long term need which will remain when the present emergency is over—the need for a continuing organization to promote international investment on a scale sufficient to ensure a balanced development of the world's resources and living standards.

I would suggest that these are matters which the member countries should take into account in considering their reconstruction and development programs. Today extraordinary international assistance is required to meet extraordinary contingencies. But this situation cannot be relied upon to continue for more than a relatively few years and, in my judgment, rightly so. In the long run, it is no healthier for nations than for individuals to rely for their support on grants or on loan financing on terms resembling grants. Sound international investment over the long pull must, I suggest, be based on the willing assets of the saving public rather than on the power of the tax collector. The Bank was designed to induce and encourage private investment and it can greatly assist in bringing this about, but the process must be a gradual one. We cannot safely wait until all extraordinary types of aid have ceased in order to start the process.

This brings me to another thought. The Bank is more than a lending agency. It is a great and worthy international cooperative effort to promote orderly economic development and improved living standards in the world. Many nations have pledged their credit to accomplish this. I would urge the members to find the means to take affirmative steps to preserve this spirit of cooperation. A number have done so, but there are fields in which more cooperation could be achieved.
We have already communicated to the Governors the desirability of having legislation enacted or regulations adopted, where needed, to qualify the Bank's bonds for investment in their respective countries. Our report also stresses the efforts being made to secure funds from other markets than those of the United States. These efforts will continue and we enlist your help. Few, I believe, appreciate the effect which the availability of such funds, if only in modest amounts, has upon the United States market and the public opinion which, in the last analysis, supports the market. Where, for example, foreign enterprises are required by local laws to hold a certain reserve of local government or other types of bonds as a condition of doing business in a particular country, it could be most beneficial to the general acceptance of the Bank's securities if at least a certain percentage of those reserves might be held in International Bank bonds.

Another field of cooperation can be found in making available for investment in the Bank's bonds a portion of the outstanding and acknowledged external reserves of member countries and their citizens. This involves no loss in dollar reserves but it does mobilize for reconstruction and development purposes moneys which would otherwise not be so employed. I know of no better security than the Bank's bonds and the gesture of confidence and constructive cooperation which such action entails can therefore certainly be made without any added risk.

Closely allied to this entire subject is the availability of the so-called 18 per cent. of the capital subscription of the Bank. This, as you all know, is that portion of the subscription of each member paid in the local currency of that member and which, with the consent of the member, is available for Bank lending. It was a fundamental concept inherent in the capital structure of the Bank that up to 20 per cent. of the capital subscription was to be made available through the medium of the Bank for the Bank's lending purposes. I believe the time has come when more serious consideration should be given to the use of this asset if only modest amounts are made available initially. The Bank is keenly aware of the reasons, many compelling, which have prevented the free use of these facilities to date. Till now few countries have been in a position to export substantial amounts of goods on credit, yet some real opportunities do exist, opportunities which could be availed of through the medium of the Bank.

It would therefore be most helpful if the members would re-examine their position and currently apprise the Bank of the extent to which and in a proper case the conditions under which they would be willing to have a part or all of their local currency subscriptions to the capital of the Bank used by it for lending purposes.

Similarly, I would ask our prospective borrowers, and they may be in some cases the same as those whose capital subscriptions may be needed by the Bank, to investigate fully the sources of material supply in the hope of finding substitutes for their dollar financing needs. The contribution of the Bank to a balanced international trade would be much enhanced if steps along these lines were taken.

I come back to the concept of the Bank as an international cooperative institution and I suggest that in considering these matters they should be approached with that concept in mind and not solely upon the basis of a nice balance of convenience or too close a calculation of the immediate as distinguished from other quite valuable long-range benefits.

Considerable comment has been provoked by the fact that our operations to date show a modest profit. We have been able to show such a profit in spite of the fact that we have been rather severe in charging certain items to current operations. The significance of this profit should not be over-estimated. One must admit that it is due much less to wise and economic management than to the fact that thus far we have been able to draw on our capital funds for our lending operations. The amount of our dollar capital amounted to roughly $735,000,000, and we have thus far committed $519,000,000. With all our borrowers meeting their interest and commitment charges, we could certainly have been charged with extravagance if we did
not show a profit. But considering the constant need to build up reasonable reserves and considering the fact that when we have used our capital funds which are available for lending we shall be dependent upon the amounts we can borrow for our lending operations, we can well foresee that our margin of profit in relation to the volume of loans outstanding will narrow. Indeed the time may come when we shall have to give careful attention to the synchronizing of our borrowing and our lending. Moreover, a reserve of earnings can be most usefully employed in many ways to further the objectives of the Bank. For example, it can enable us to do more in the way of investigating and assisting, particularly the under-developed countries, in the selection of sound projects. We do not now charge the expense of our missions to the various countries and the accumulated cost of these is substantial. Furthermore, a reserve of earnings had the beneficial effect of making us less dependent upon the vicissitudes of the bond market.

I would like now to say a word about our provisions and practices for following up the utilization of the proceeds of our loans. I think there is no feature of our organization which prompts more interest, at least among investors, than does this one. It is a fact that support for the Bank's borrowing operations rests not solely on a knowledge of the security behind the Bank's bonds but to a very important degree it is developed by a sense of confidence that the money invested is actually being applied to constructive work. There is a widespread supportable conviction that in the past the proceeds of international loans have often been used improperly or wastefully. That has frequently resulted in defaults and ill-will, and a sense of frustration has developed in the entire international financing field. If the Bank's officials in their visits to borrowing countries seem persistent and meticulous in the work that they do in this connection, I urge you to bear in mind the importance of this feature to the successful operation of the Bank.

We have tried to present to you in the Annual Report an objective analysis of the facts as they relate to the task of reconstruction and development of our member countries. If the Report seems to stress the number of things which have to be accomplished before recovery is effected, and if some of the facts seem rather cold and hard, it is nonetheless important that they should be known and faced. It is a false courage which is engendered from ignorance. On the other hand, we have also tried to do justice to the progress which has already been made in repairing the devastations and disruptions of war and economic upheaval.

As for the Bank's operations themselves, there are several small but significant features from which I think you can derive considerable satisfaction.

Our ability to interest private capital directly in the financing operations of the Bank has been evidenced by the first positive step that we have taken in that direction. In July the Bank sold to ten United States banks, with its guarantee, $8,100,000 of the shorter maturities of a total of $12,000,000 of notes of four Dutch shipping companies. These notes were received for loans guaranteed by the Kingdom of The Netherlands for the purchase of six merchant vessels.

The Bank also sold to the Bank for International Settlements an issue of Swiss franc bonds of an aggregate principal amount of 17 million Swiss francs, the proceeds of which were used in the loan to The Netherlands.

The work of the Bank in the development field has made real progress. We have authorized the granting of our first credits for development purposes and several other development loans are in an advanced stage of negotiation. Applications from Latin American countries particularly have greatly increased over the same period last year and the character of the applications and the discussions have narrowed down, I believe, to more constructive and realistic proposals as our conversations have progressed. The variety of the projects presented to us from all over the world is impressive and from the amount of proposed transactions which are now before us, and which we have been told will be put before us, the Bank should be very busy in the coming year.
It is not only, however, in terms of loans made that our progress is measured. A really enormous amount of work has gone into the study of techniques and problems related to development projects as well as the more effective use of guarantees on the part of the Bank, the creation and development of local capital markets, the mobilization for use in Bank loans of capital outside the United States, and constant liaison and discussion with other agencies involved in the same general work as the Bank. The knowledge of the Bank's activities is far wider than it has ever been before and its contacts with both investors and prospective borrowers have been broadened and developed. This work will one day come to fruition.

The Bank is aware of the long-term nature of the task entrusted to it and it is preparing itself to play an increasingly active part in the solution of world economic problems. I think I can say it is the intention of the Bank to maintain the international character of the institution by keeping in close touch with member governments and seeking their views on its problems, to maintain a competent international staff and to acquaint itself thoroughly with the problems of its members and offer objective and competent advice and help. We shall strive to continue to win the confidence of both investors and borrowers that their legitimate interests will be protected and promoted in all our operations.

It may perhaps fairly be said that those who conceived the Bretton Woods Agreements saw a more distant future more clearly than they did the immediate one. But the present emergency, like all emergencies, will pass and in ten years' time we may be grateful to those who looked so far ahead and created institutions such as the Bank and Fund which we, immersed in our daily concerns, might not have found either the time or the energy to conceive and establish. Imperfect though they are, they are important instruments for international economic aid and collaboration, and even though inadequately equipped to deflect a condition whose dire extent was not foreseen, these institutions do possess great powers and greater potentialities.

In short, I would not hesitate, in spite of the somewhat foreboding character of our Annual Report, to strike an optimistic note to you on behalf of the Directors and Staff of the Bank. I would certainly feel justified in doing so were the world not plagued with the continuance of this knife-edged political situation which in so many ways hampers the full effect of what we do and much that we can be reasonably expected to do.

ADDRESS BY THE HONORABLE YUN-WU WANG, CHAIRMAN OF THE BOARD OF GOVERNORS, AT THE CLOSING SESSION, OCTOBER 1, 1948

Gentlemen: We are about to bring the sessions of the Third Annual Meeting of the Boards of Governors of the Fund and the Bank to a close. I would like to express the gratitude of my Government and myself for the honor bestowed upon China in my being designated the Chairman of the Boards of Governors of these institutions during the past year.

Our meetings this week have been conducted with the grace and efficiency which have come to characterize our annual conferences. Much of the credit for this is due to the splendid preparation by the Executive Directors, Mr. Gutt, Mr. McCloy, and their staffs. I would like to join with the others in expressing my appreciation to the Secretaries of this conference and to the members of the Secretariat. In a quiet and dignified fashion they have provided the machinery which has enabled the conference to move quickly and surely from problem to problem.

Our sessions this week have clearly demonstrated the progress made in international financial cooperation. In all our discussions we found the Governors willing and eager to
participate. Moreover, the delegates have been willing to air their differences with the Fund and the Bank as well as to engage in the exchange of views, in which respect moderation and good-will were shown by all. Even when conflicts over various aspects of Fund and Bank policy were being voiced, it was done in such a way as to indicate that all had at heart the successful functioning of our two institutions as well as the welfare of their own countries. Our discussions have demonstrated that, as long as countries retain common objectives in the international monetary and investment fields, they can come together and discuss their differences with cordiality and amiability.

The accomplishments of these meetings have indeed been many. This is perhaps not the occasion to review these in detail, but a brief mention of them may well be in order. Among the principal accomplishments of our discussions here is that the Executive Board has been given guidance on many questions of basic importance, such as exchange rates and exchange practices, gold policies, the need for expanding intra-European trade, and the desirability of more development loans.

Among these suggestions on policy have also been matters which have hitherto not received much attention by the Fund and the Bank, such as the disposition of the local currency proceeds of International Bank loans. It is gratifying that Mr. Gutt and Mr. McCloy have both shown eagerness to receive these suggestions and have assured us that they will receive the fullest attention of their staffs.

We may be confident from past experience that the Executive Directors, the management and the staffs of our two institutions will be able to translate the views and suggestions which have been made into practical measures and will succeed, wherever necessary, in obtaining the cooperation of our member countries in the adoption of these measures.

As a result of our meetings this week, the Executive Boards and the managements of the Fund and the Bank can feel assured that they enjoy the confidence of all member countries. This should indeed prove to be an important factor in encouraging the Fund and the Bank to forge ahead courageously and vigorously in coping with their many problems. The representatives of all the member countries have emphasized that our member countries are eager to have these institutions succeed; that our member countries are well aware of the tremendous difficulties and handicaps under which these institutions necessarily operate; and that our member countries feel that the Executive Directors and the managements of these institutions must be free to exercise their judgments in dealing with new and complex problems. We do not expect perfection, since none of us is free from error. We do expect flexibility, a willingness to learn, and a sympathetic attitude towards the problems of member countries. These qualities are already possessed by the Fund and Bank in great measure.

In times such as these, it is easy to get discouraged. We hope that, as a result of our meetings here, those to whom we have entrusted the responsibility of carrying forth the work of these institutions on a continuous basis will retain that degree of self-confidence necessary to carry on effectively their work here.

Another major accomplishment of these meetings is that to the Governors of the Fund and the Bank these discussions have given a fuller appreciation of the problems of member countries and of the potentialities of these two international institutions. We have received concrete suggestions on how member countries can help make these institutions more effective. For example, we have received the excellent suggestion of the President of the Bank on ways and means of increasing the resources, and thereby the lending capacity of the Bank by raising funds in markets outside of the United States. I am sure that all of us will bring these suggestions to the attention of the proper authorities in our own countries and do our utmost to promote their acceptance by the peoples of our countries and their governments. We can carry back the conviction frequently expressed here that these
institutions are effective instruments of international financial cooperation, and that countries serve their own interests best by participating most fully in these organizations. We can convey to our people the eagerness of the management and staffs of these organizations to be of help in a practical and sympathetic manner.

Perhaps the most important accomplishment of these sessions is in helping to overcome the misunderstandings about the policies of the Fund and the Bank prevalent in a number of member countries. Whether it was the fear of the Fund's being too doctrinaire in its policy on exchange rates, or the fear that the Bank was, to some extent, influenced by political considerations in making loans, these and other fears can be overcome by our transmitting to those concerned the explanation of the true bases of the policies adopted by the Fund and the Bank which we have been given here. As a representative of China, I would like to express my particular gratification at the deep sense of understanding shown by all member countries for the problems and aspirations of the less developed countries.

Among the responsibilities we have fulfilled this week has been the election of new Boards of Executive Directors. I am sure that I speak for all in expressing our appreciation to those Executive Directors who have served so conscientiously and well during the last two years and who are now departing to enable representatives of other countries to sit in their places. These departing Executive Directors have done much to build the fine traditions which we have come to associate with the Bank and the Fund. I am sure that their efforts will be an inspiration to the new Executive Directors who have come in to pick up where they are leaving off. We are happy that a number of our Executive Directors will continue to serve as Executive Directors, since the accumulated experience and continuity which they will provide will be of the greatest usefulness to their organizations.

As I have said before, the year ahead will undoubtedly be a busy one. I am sure that when we meet again in Washington we will have made even further progress in world reconstruction and development and that, in the making of this progress, the Fund and the Bank will have played increasingly important roles.

Gentlemen, with these concluding remarks, the Third Annual Meeting of the Boards of Governors of the Fund and the Bank is called to a conclusion.
THIRD ANNUAL MEETING OF THE BOARD OF GOVERNORS

AGENDA

2. Financial Statements and Annual Audit.
3. Administrative Budget for the Fiscal Year ending June 30, 1949.
5. Application of the Kingdom of Siam for Membership in the Bank.
6. Loan Regulations No. 2.
7. Draft Resolution presented by the Governor of the Bank for Poland.
8. Proposed Amendment to Section 14 (f) of the By-Laws of the Bank.
10. Site and Date of Fourth Annual Meeting.

Items for Information:


The Agenda for the Third Annual Meeting was considered by the Joint Procedures Committee at its first meeting on September 27, 1948, and recommended to the Board of Governors for adoption. It was adopted by the Board at the First Session (Joint), September 27, 1948.
COMMITTEE REPORTS ADOPTED BY THE BOARD OF GOVERNORS

JOINT PROCEDURES COMMITTEE

Chairman _______________________________ CHINA
Vice-Chairman _______________________________ FRANCE
Reporting Member _______________________________ COLOMBIA
Other Members: AUSTRALIA, DENMARK, INDIA, ITALY, PERU,
POLAND, TURKEY, UNITED KINGDOM AND UNITED STATES.

SUMMARY OF REPORTS

The Joint Procedures Committee of the Bank and Fund held its first meeting on September 27, 1948, and considered the proposed Agendas, committees and their terms of reference for the Bank and the Fund, the conduct of the business of the Meeting as a whole, the proposed rules to govern the second regular election of Executive Directors and the Agenda items for information.

With regard to the conduct of the Meeting as a whole, the Committee's recommendations were:

(a) The opening and closing joint sessions of the Boards of Governors of the Bank and the Fund and the sessions at which the Annual Reports of the Bank and the Fund were to be presented should be open to the press and the public; all other sessions of the Boards of Governors of the Bank and the Fund and all meetings of their committees should be closed to the press and public.

(b) All joint sessions of the Boards of Governors of the Bank and Fund and all sessions of either Board of Governors should be open to accredited observers; all meetings of the committees of the Boards of Governors of the Bank and Fund should be closed to such observers.

(c) Any meeting of the committees of the Boards of Governors of the Bank or Fund, with the exception of the meetings of the Joint Procedures Committee, should be open to the attendance, as observers, of Governors and Alternate Governors who were not members of the committee, and their authorized advisers.

(d) All sessions of the Boards of Governors and all meetings of committees should be open to members of the joint secretariat and the technical staffs of the Bank and the Fund necessary to the orderly conduct of business.

(e) The Chairman of the Boards of Governors, the President of the Bank, and the Managing Director of the Fund should be authorized to communicate to the press such information concerning the proceedings of the Third Annual Meeting of the Boards of Governors as they deemed suitable.

(f) The Secretaries of the Bank and the Fund should be authorized to have prepared a verbatim transcript of the proceedings of all sessions of the Boards of Governors of the Bank and the Fund.

(g) The Secretaries of the Bank and the Fund should be authorized to have prepared summary records of all proceedings of the committees of the Boards of Governors.

(h) Reports of committees submitted to the Boards of Governors should be signed by the Committee Chairman and the Reporting Member.

With regard to the second regular election of Executive Directors, the Committee recommended the adoption of the resolution which appears as Resolution No. 32 of the Board of
Governors on page 20, and the adoption of the Rules for the Conduct of the Second Regular Election of Executive Directors which appear on page 25.

The Committee recommended that the Reports of the Executive Directors on the Convention on the Privileges and Immunities of the Specialized Agencies and on the Decisions on Questions of Interpretation of the Articles of Agreement of the Bank be noted by the Board of Governors as being for information only. The report and the recommendations of the Committee were approved by the Board of Governors at the First Session (Joint) on September 27, 1948.

At its second meeting on October 1, the Joint Procedures Committee considered the site and date of the Fourth Annual Meeting, the nomination of officers for the ensuing year and the composition of the Joint Procedures Committee for the ensuing year. The Committee recommended slates of officers for the Board of Governors and for the Joint Procedures Committee for 1948-49, and, on the question of the Site of the Fourth Annual Meeting, the Committee reported as follows:

"The Governor for France repeated the invitation which he had extended at the Second Annual Meeting to hold the next meeting in Paris.

"The Committee discussed the advantages and disadvantages of holding the annual meetings away from the site of the Fund and Bank. It was agreed that there appeared to be greater advantage in holding the next annual meeting in Washington; but that meetings outside Washington should be held from time to time. The Committee further agreed that, in the light of the invitation from France, a recommendation should be made that the Boards of Governors at their next meeting consider Paris as the site for the meeting in 1950.

"There was agreement that the next annual meeting should be held during September, 1949. It was urged that the time should be scheduled so as not to conflict with other international meetings."

These recommendations appear as Resolutions 37, 38, and 39 of the Board of Governors on page 23.

The Joint Procedures Committee also made a suggestion on procedure for future meetings, which was reported as follows:

"The Governor for the United States urged that, for future meetings of the Boards of Governors, consideration should be given to the desirability of encouraging full and open discussions among the Governors on matters of substance and policy relating to the Fund and Bank. He believed that such an open exchange of views on important issues at each meeting would contribute to the strength and growth of the two institutions. His suggestion was supported by other Governors for recommendation to future Procedures Committees."

The Committee's Report No. 2 and the recommendations contained therein were approved by the Board of Governors at the Closing Session (Joint) on October 1, 1948.
Mr. Chairman:

I have the honor to report the recommendations of the Joint Committee on Membership with respect to the Agenda item assigned to it.

The Committee held its first meeting at 3:00 p.m. on Tuesday, September 28, 1948, and considered the report of the Executive Directors with respect to the application of the Kingdom of Siam.

In the name of the Joint Committee on Membership, I have the honor to recommend to the Board of Governors of the Bank the approval of the report of the Executive Directors and the adoption of the draft resolution relating to the terms and conditions upon which the Kingdom of Siam shall be admitted to membership in the Bank, submitted by the Executive Directors and attached hereto.

Approved:

/s/ A. Z. Saad
Chairman
(Egypt)

/s/ Hugues Le Gallais
Reporting Member
(Luxembourg)

This report was approved by the Board of Governors at the Fourth Session, September 30, 1948.

The resolution mentioned in the above report appears as Resolution No. 33 of the Board of Governors on page 21.
Mr. Chairman:

I have the honor to report that the Committee on Finance met at 11:00 a.m. on Wednesday, September 29, 1948 and considered the following Agenda items referred to it:

(a) Financial statements and annual audit;
(b) Administrative budget for the fiscal year ending June 30, 1949; and
(c) Report of the Executive Directors on the allocation of net income of the Bank for the fiscal year ended June 30, 1948.

In connection with these items, a statement was presented to the Committee by the President of the Bank, giving general estimates of income and expenses for the fiscal year ending June 30, 1949. The President indicated that the administrative expenses for the current fiscal year will necessitate considerable outlay for the compilation of information and for assisting prospective borrowers in the formulation and development of projects and long-range programs. He expressed agreement with the recommendation of the Executive Directors that the net income of the Bank at June 30, 1948, be allocated to surplus, since that amount represented a very small margin of protection when considered in relation to the volume of business and the extent of risks facing the Bank.

The following documents, attached as Appendices “A” to “G” inclusive to the Third Annual Report, were then considered:

A. Balance Sheet as of June 30, 1948.
B. Statement of Income and Expenses for the twelve months ended June 30, 1948.
C. Statement of Loans as of June 30, 1948.
D. Statement of Members’ Currencies held by the Bank as of June 30, 1948.
F. Notes to Financial Statements.
G. Opinion of Independent Auditor.

The Committee also had before it the Administrative Budget of the Bank for the fiscal year ending June 30, 1948, attached as Appendix “H” to the Annual Report. This Budget was prepared in accordance with Section 19 of the By-Laws, and approved by the Executive Directors.
The Committee then considered the Report of the Executive Directors dated August 17, 1948, on the allocation of net income of the Bank for the fiscal year ended June 30, 1948, and concurred with the recommendation of the Executive Directors.

A statement was also made by Mr. E. Fleetwood Dunstan, Director of Marketing, with respect to the investment status of the Bank's Bonds.

In the name of the Committee on Finance, I have the honor to recommend to the Board of Governors the approval of this report and the adoption of the two draft resolutions attached hereto as Annexes I and II.

Approved:

/s/ F. ILLANES
Chairman
(Chile)

/s/ A. I. MOHAMMED
Reporting Member
(Iraq)

This report was approved by the Board of Governors at the Fourth Session, September 30, 1948.

The resolutions mentioned in the above report appear as Resolutions No. 84 and No. 85 of the Board of Governors on page 22.
Mr. Chairman:

I have the honor to report the recommendations of the Committee on Rules and Regulations with respect to the Agenda items assigned to it.

The Committee held its first meeting at 12:00 noon on Wednesday, September 29, 1948, and considered the following reports of the Executive Directors:

(a) Report on Loan Regulations No. 2;

(b) Report on the Draft Resolution presented by the Governor of the Bank for Poland; and

(c) Report on Proposed Amendment to Section 14 (f) of the By-Laws of the Bank.

Loan Regulations No. 2

The Committee has considered Loan Regulations No. 2 governing the determination of the equivalent in dollars of parts of loans repayable in currencies other than dollars and the amounts to be paid as principal, interest and other charges in respect of parts of loans advanced out of the Bank’s capital held in such currencies. These regulations were adopted by the Executive Directors on April 28, 1948, under the authority vested in them by Section 16 of the By-Laws of the Bank, pursuant to which such Loan Regulations are subject to review by the Board of Governors at this Third Annual Meeting.

In the name of the Committee on Rules and Regulations, I have the honor to recommend to the Board of Governors that it notify the Executive Directors that it has reviewed Loan Regulations No. 2 of the Bank and has no changes to suggest therein.

Draft Resolution Presented By the Governor of the Bank for Poland

The Committee has considered the report of the Executive Directors on the draft resolution submitted by the Governor of the Bank for Poland. In the name of the Committee on Rules and Regulations, I have the honor to report that the Committee has noted the report of the Executive Directors and that the Committee is of opinion that no further action by the Board of Governors is required.

Proposed Amendment to Section 14 (f) of the By-Laws of the Bank

The Committee has considered the report of the Executive Directors on a proposed amendment to Section 14 (f) of the By-Laws of the Bank. In the name of the Committee on Rules and Regulations, I have the honor to recommend to the Board of Governors the approval of
the report of the Executive Directors and the amendment of Section 14 (f) of the By-Laws of the Bank by the addition of the language proposed by the Executive Directors.

In addition, the Committee recommends that the words "terms of office" in Section 14 (f) of the By-Laws of the Bank be changed to "periods of service" in order to avoid any possible ambiguity as to the intention of that section. The text of the proposed amendments is attached to this report.

Approved:

/s/ MIGUEL A. RIVA
Acting Chairman
(Cuba)

/s/ D. C. ABBOTT
Reporting Member
(Canada)

This report was approved by the Board of Governors at the Fourth Session, September 30, 1948.

The amendments to Section 14 (f) of the By-Laws of the Bank, mentioned in the above report, appear on page 24.
RESOLUTIONS ADOPTED BY THE BOARD OF GOVERNORS

Resolution No. 29

Terms and Conditions on which Austria shall be Admitted to Membership in the Bank

WHEREAS, the Government of Austria has applied for admission to membership in the International Bank for Reconstruction and Development in accordance with Section 1 (b) of Article II of the Articles of Agreement of the Bank; and

WHEREAS, pursuant to Section 20 of the By-Laws of the Bank, the Executive Directors, after consultation with representatives of the Government of Austria, have made recommendations to the Board of Governors with regard to the application of said Government for admission to membership in the Bank;

NOW, THEREFORE, the Board of Governors having considered the recommendations of the Executive Directors hereby RESOLVES:

THAT the terms and conditions upon which the Government of Austria shall be admitted to membership in the Bank shall be as follows:

1. Definitions: As used in this resolution:
   (a) The term “Austria” means the Government of Austria.
   (b) The term “Bank” means International Bank for Reconstruction and Development.
   (c) The term “Articles” means the Articles of Agreement of the Bank.
   (d) The term “dollars” or “$” means United States dollars of the weight and fineness in effect on July 1, 1944.
   (e) The term “subscription” means the capital stock of the Bank subscribed to by a member.
   (f) The term “member” means member of the Bank.

2. Membership in the Fund: Before accepting membership in the Bank, Austria shall accept membership in and become a member of the International Monetary Fund.

3. Subscription: By accepting membership in the Bank, Austria shall subscribe to 500 shares of the capital stock of the Bank at the par value of $100,000 per share.

4. Payments on Subscription:
   (a) On the date on which Austria becomes a member, Austria shall pay to the Bank:
      (i) Gold or United States dollars equal to 2% of its subscription, without any right to postpone payment of any part thereof under Section 8(a) of Article II of the Articles; and
      (ii) An amount in the currency of Austria, which at the appropriate prevailing exchange rate, shall be equal in value to 18% of its subscription.
   (b) Austria shall agree also to comply fully with all other calls for payments on subscriptions which shall have been made or announced by the Bank as of the date it becomes a member of the Bank and which are payable after that date.
   (c) Austria shall further agree that if it tenders any part of the payment called for in (a) (i) above in gold, the Bank shall have the right to reject any such gold which in its opinion, may not be sold freely and unconditionally by the Bank to members requiring certification or other evidence as to the origin of gold purchased by them.

5. Effective date of Membership: Austria shall become a member of the Bank, subject
to the terms and conditions set forth in this resolution, as of the date when Austria shall have complied with both of the following requirements:

(a) Austria shall deposit with the Government of the United States of America an instrument stating that it has accepted in accordance with its law the Articles and all the terms and conditions prescribed in this resolution, and that it has taken all steps necessary to enable it to carry out all its obligations under the Articles and this resolution; and

(b) Austria shall sign the original copy of the Articles held in the Archives of the Government of the United States of America.

6. **Limitation on Period for Acceptance of Membership:** Austria may accept membership in the Bank pursuant to this resolution until August 31, 1948.

*(Adopted March 31, 1948)*

**Resolution No. 30**

**Selection of Tenth Member of Advisory Council**

WHEREAS, The Board of Governors at its Second Annual Meeting adopted a resolution providing, inter alia, that the number of members of the Advisory Council be ten, the additional member to be selected as soon as possible in accordance with the procedure followed in the case of the other nine; and

WHEREAS, pursuant to said resolution, the Executive Directors have submitted to the Board of Governors their recommendation regarding the tenth member of the Advisory Council;

NOW, THEREFORE, the Board of Governors hereby **RESOLVES**:

THAT Michal Kalecki, Economist, of Poland be, and he hereby is, selected to be a member of the Advisory Council of the Bank to serve as a councillor thereon until the next general selection of an Advisory Council is made.

*(Adopted April 30, 1948)*

**Resolution No. 31**

**Increase in the Subscription of Iran to the Capital Stock of the Bank**

RESOLVED that the resolution adopted by the Board of Governors at its Second Annual Meeting authorizing the acceptance by the Bank of the subscription of Iran to an additional 96 shares of the capital stock of the Bank be amended by changing the date “March 31, 1948,” therein to “July 31, 1948.”

*(Adopted May 28, 1948)*

Resolutions Nos. 29, 30 and 31 were adopted by the Board of Governors in votes without meeting, pursuant to Section 13 of the By-Laws of the Bank.

**Resolution No. 32**

**Second Regular Election of Executive Directors of the Bank**

RESOLVED:

(a) That the Report of the Executive Directors of the Bank, dated September 14, 1948, regarding the Second Regular Election of Executive Directors, is hereby approved;
(b) That the Proposed Rules for the Conduct of the Second Regular Election of Executive Directors, attached to said Report of the Executive Directors, are hereby adopted as the rules for the conduct of said election;

(c) That Resolution No. 10 adopted by the Board of Governors at its Inaugural Meeting in March 1946 is hereby repealed; and

(d) That the third regular election of the Executive Directors shall take place at the annual meeting of the Board of Governors in 1950.

Adopted by the Board of Governors at the First Session (Joint), September 27, 1948.

Resolution No. 33
Terms and Conditions on Which Siam Shall Be Admitted to Membership in the Bank

WHEREAS, the Government of the Kingdom of Siam has applied for admission to membership in the International Bank for Reconstruction and Development in accordance with Section 1 (b) of Article II of the Articles of Agreement of the Bank; and

WHEREAS, pursuant to Section 20 of the By-Laws of the Bank, the Executive Directors, after consultation with representatives of the Government of the Kingdom of Siam have made recommendations to the Board of Governors with regard to the application of said Government for admission to membership in the Bank;

NOW, THEREFORE, The Board of Governors having considered the recommendations of the Executive Directors hereby RESOLVES:

THAT the terms and conditions upon which the Government of the Kingdom of Siam shall be admitted to membership in the Bank shall be as follows:

1. Definitions: As used in this resolution:
   (a) The term “Siam” means the Government of the Kingdom of Siam.
   (b) The term “Bank” means International Bank for Reconstruction and Development.
   (c) The term “Articles” means the Articles of Agreement of the Bank.
   (d) The term “dollars” or “$” means United States dollars of the weight and fineness in effect on July 1, 1944.
   (e) The term “subscription” means the capital stock of the Bank subscribed to by a member.
   (f) The term “member” means member of the Bank.

2. Membership in the Fund: Before accepting membership in the Bank, Siam shall accept membership in and become a member of the International Monetary Fund.

3. Subscription: By accepting membership in the Bank, Siam shall subscribe to 125 shares of the capital stock of the Bank at the par value of $100,000 per share.

4. Payments on Subscription:
   (a) On or before the date on which Siam shall accept membership in the Bank, Siam shall pay to the Bank:
      (i) Gold or United States dollars equal to 2% of its subscription, without any right to postpone payment of any part thereof under Section 8(a) of Article II of the Articles; and
      (ii) An amount in the currency of Siam, which at the appropriate prevailing exchange rate, shall be equal in value to 18% of its subscription.
(b) Siam shall also comply fully with all other calls for payments on subscriptions which shall have been made or announced by the Bank as of the date it becomes a member of the Bank.

(c) Siam shall further agree that if it tenders any part of the payment called for in (a) (i) above in gold, the Bank shall have the right to reject any such gold which, in its opinion, may not be sold freely and unconditionally by the Bank to members requiring certification or other evidence as to the origin of gold purchased by them.

5. **Effective date of Membership**: Siam shall become a member of the Bank, subject to the terms and conditions set forth in this resolution, as of the date when Siam shall have complied with the following requirements:

   (a) Siam shall deposit with the Government of the United States of America an instrument stating that it has accepted in accordance with its laws the Articles and all the terms and conditions prescribed in this resolution, and that it has taken all steps necessary to enable it to carry out all its obligations under the Articles and this resolution;

   (b) Siam shall sign the original copy of the Articles held in the Archives of the Government of the United States of America; and

   (c) Siam shall have made the payments called for under paragraph 4 (a) above.

6. **Limitation on Period for Acceptance of Membership**: Siam may accept membership in the Bank pursuant to this resolution until March 31, 1949; provided, however, that, if extraordinary circumstances are deemed by the Executive Directors to warrant an extension of the period during which Siam may accept membership pursuant to this resolution, the Executive Directors may extend such period until such later date as they may determine, but in no event beyond October 1, 1949.

**Resolution No. 34**

Financial Statements

RESOLVED:

THAT the Board of Governors consider the Financial Statements, Auditors' Report and Administrative Budget, included as exhibits “A” to “H”, inclusive, of the Third Annual Report, as fulfilling the requirements of Article V, Section 13, of the Articles of Agreement and of Section 19 of the By-Laws.

**Resolution No. 35**

Allocation of Net Income of the Bank for the Fiscal Year Ended June 30, 1948

RESOLVED:

THAT the Report dated August 17, 1948, of the Executive Directors on the allocation of the net income of the Bank for the fiscal year ended June 30, 1948, and the recommendation therein contained be, and they hereby are, approved; and that, in accordance with Section 14 (a) of Article V of the Articles of Agreement of the Bank, the Board of Governors hereby determines that the amount of $3,030,847, being the net income of the Bank at June 30, 1948, after deducting the amount of the deficit of the Bank ($1,063,805) at June 30, 1947, be allocated to surplus.
Resolution No. 36
Ad Hoc Committee to Consider Provisions Relating to Duties and Remuneration of Executive Directors

RESOLVED that there is hereby created an ad hoc committee of six Governors to consider the provisions of the Articles of Agreement and By-Laws of the Bank relating to the duties and remuneration of the Executive Directors and their Alternates and to recommend to the Board at or before its Fourth Annual Meeting any changes therein which such committee shall deem necessary or advisable; that the Chairman of the Board of Governors appoint the members of said Committee and designate its chairman; and that, in order to facilitate the work of such committee, the respective members thereof be, and they hereby are, authorized from time to time to appoint deputies to act for them in its deliberations.

Pursuant to this Resolution, Governors of the following Countries were appointed by the Chairman at the Closing Session (Joint), October 1, 1948: Belgium (Chairman), China, Cuba, Finland, United Kingdom and United States.

Resolutions 33-36 were adopted by the Board of Governors at the Fourth Session, September 30, 1948.

Resolution No. 37
Site and Date of Fourth Annual Meeting

RESOLVED that the future meetings of the Bank should be held in Washington and that the Chairman shall convene the Fourth Annual Meeting of the Board of Governors of the International Bank for Reconstruction and Development in Washington, D. C., in the month of September 1949, but that meetings outside Washington should be held from time to time, and it is recommended that the Board of Governors should consider the first such meeting outside Washington taking place in Paris in 1950.

Resolution No. 38
Election of Officers of Board of Governors for 1948-1949

RESOLVED that the Governor of France is hereby elected Chairman, and the Governors of China, India, United Kingdom and United States are hereby elected Vice-Chairmen of the Board of Governors of the International Bank for Reconstruction and Development, to hold their respective offices until the election of officers of the International Bank for Reconstruction and Development takes place at the close of the next annual meeting.

Resolution No. 39
Composition of Procedures Committee Until Close of Fourth Annual Meeting

RESOLVED that a Procedures Committee be hereby established, to be available after the termination of this meeting, and until the election of officers of the International Bank for Reconstruction and Development takes place 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 Board. The Procedures Committee shall consist of the Governors of the following members:

China, Ethiopia, France, Iceland, India, Luxembourg, Union of South Africa, United Kingdom, United States, Uruguay, Venezuela, and Yugoslavia.
The Chairman, Vice-Chairman and Reporting Member shall be the Governors of France, India and the Union of South Africa respectively.

Resolutions 37-39 were adopted by the Board of Governors at the Fifth Session (Joint), October 1, 1948.

Amendments to Section 14 (f) of the By-Laws of the Bank

I. Change "terms of office" to "periods of service".

II. Add the following:

In addition, any Executive Director or Alternate who, while holding office continuously in either capacity, has served three years as a full-time Director or Alternate, shall be entitled upon the completion of each three years of such full-time service to reimbursement for the cost of transportation expenses for his family in travelling once to and from the country of which he is a national; provided that the Bank may arrange for reimbursement for such expenses incurred by a Director or Alternate during the third year of his first three-year period of such full-time service.

Adopted by the Board of Governors at the Fourth Session, September 30, 1948.
RULES FOR THE CONDUCT OF THE SECOND REGULAR ELECTION
OF EXECUTIVE DIRECTORS

1. Definitions: Wherever used in these rules, unless the context shall otherwise require, the following terms shall have the respective meanings hereinafter set forth:
   (a) The term “Articles” means the Articles of Agreement of the Bank.
   (b) The term “Schedule B” means Schedule B of the Articles with the adjustments specified in these Rules.
   (c) The term “Board” means the Board of Governors of the Bank.
   (d) The term “Chairman” means the Chairman of the Board of Governors or a Vice Chairman who may at the time in question be presiding as Chairman of the Board.
   (e) The term “Governor” includes the Alternate Governor or any temporary Alternate Governor, designated in accordance with Section 12 of the By-Laws, when acting for the Governor.
   (f) The term “Secretary” means the Secretary of the Bank.
   (g) The term “election” means the second regular election of Executive Directors.
   (h) The term “meeting” means the meeting of the Board at which the election is held.

2. Date of Election: The election shall be held at the Third Annual Meeting of the Board at a time to be arranged by the Secretary in consultation with the Chairman.

3. Schedule B: Subject to the adjustments hereinafter set forth the provisions of Schedule B of the Articles shall apply to the conduct of the election.

4. Number of Executive Directors to be Elected: At such election 9 Executive Directors shall be elected.

5. In view of the number of Executive Directors to be elected,
   (a) The percentage of the eligible votes required for election as specified in Paragraphs 2 and 5 of Schedule B shall be 11 per cent; and
   (b) The maximum percentage of eligible votes for any one nominee as specified in Paragraphs 3, 4 and 5 of Schedule B shall be 14 per cent.

6. Nominations:
   (a) Candidates for election as Executive Directors shall be eligible for election only if nominated by one or more Governors.
   (b) All nominations shall be made on a Nomination Form to be obtained from the office of the Secretary and each such form shall be signed by the Governor or Governors nominating the candidate.
   (c) A Governor may not nominate more than one candidate.
   (d) Nominations shall be closed when the Chairman announces the list of candidates immediately before the balloting begins.

7. Tally Sheet: The Secretary shall prepare, post at the meeting and distribute to each Governor and Alternate Governor prior to the election a Tally Sheet substantially in the form of Annex A* attached hereto.

8. Form of Ballot: The Secretary shall prepare and have available prior to the election a sufficient number of ballot forms substantially in the form of Annex B* attached hereto.

9. Supervision of the Election: The Chairman shall supervise the election and shall appoint such tellers and other assistants as he deems necessary.

* Annexes are omitted.
10. Distribution of Ballots: One ballot form shall be furnished to each Governor eligible to vote immediately before a ballot is taken. On any particular ballot only ballot forms so distributed shall be eligible to be counted.

11. Balloting—General: Each ballot shall be taken as follows:
   
   (a) The roll of eligible Governors shall be called in the alphabetical order of the members represented by such Governors.
   
   (b) Immediately after a member’s name is called, the Governor for such member shall deposit his signed ballot in a ballot box which shall be provided for the purpose.
   
   (c) When the roll call shall have been completed and the ballots shall have been cast, the Chairman shall cause the ballots to be counted and shall announce (i) the names of the members whose Governors voted for each nominee and the total number of votes received by such nominee, (ii) the name of each person elected, together with the names of the members whose votes counted toward his election, and (iii) the names of the members whose Governors are eligible to vote on the next ballot.
   
   (d) In the event that the tellers shall be of the opinion that any particular ballot is not properly executed, they shall, if possible, afford the Governor casting such ballot an opportunity to correct it before tallying the results; and such ballot, if so corrected, shall be deemed to be a valid ballot.

12. Recess: After any ballot, the Chairman may recess the meeting for such period as he may deem necessary, if in his opinion such action will facilitate the election.

13. Balloting—Second and Following Ballots:
   
   (a) If as a result of any ballot and the preceding ballots (if any) 9 Executive Directors shall not have been elected, a succeeding ballot shall be taken. The Governors eligible to vote on such succeeding ballot shall be only (i) those Governors who voted on the preceding ballot for any nominee not elected, and (ii) those Governors whose votes for a nominee elected on the preceding ballot are deemed under Paragraph 4 of Schedule B to have raised the votes cast for such nominee above 14 per cent of the eligible votes.
   
   (b) The votes of a Governor shall be deemed under Paragraph 4 of Schedule B to have raised the total votes cast for a nominee over 14 per cent of the eligible votes if without the votes of such Governor such total shall be more than 11 per cent of the eligible votes and if with the votes of such Governor such total shall be more than 14 per cent of the eligible votes.
   
   (c) If on any ballot two or more Governors having an equal number of votes shall have voted for the same nominee and the votes of one or more, but not all, of such Governors could be deemed under Paragraph 4 of Schedule B to have raised the total votes received by such nominee above 14 per cent of the eligible votes, the Chairman shall determine by lot the Governor or Governors, as the case may be, who shall be eligible to vote on the next ballot.

14. Elimination of Nominees:
   
   (a) If two or more nominees shall receive the lowest number of votes within the meaning of Paragraph 3 of Schedule B, no nominee shall be dropped from the next succeeding ballot, but if the same situation shall continue on such succeeding ballot, the Chairman shall eliminate by lot one of such nominees from the next succeeding ballot.
   
   (b) When on any ballot the number of nominees shall not exceed the number of Executive Directors remaining to be elected, each nominee shall be deemed to be elected
by the number of votes received by him on such ballot; provided, however, that if on such ballot the votes of any Governor shall be deemed under Paragraph 4 of Schedule B to have raised the votes cast for any nominee above 14 per cent of the eligible votes, no nominee shall be deemed to have been elected who shall not have received on such ballot the required percentage of votes under these rules and a succeeding ballot shall be held on which all nominees not elected on the preceding ballot shall be eligible.

15. Abstention from Voting: If a Governor shall abstain from voting on any ballot, he shall be ineligible to vote on any subsequent ballot, and his votes shall not be counted, within the meaning of Section 4 (g) of Article V, as counting toward the election of any Executive Director; provided, however, that if such abstention shall have first occurred on the last ballot of the election, the votes of such Governor shall be deemed to have been cast for the election of the Executive Director elected on such ballot by the least number of votes.

16. Effective Date of Election of Executive Directors: The effective date of the election shall be November 1, 1948. Incumbent elected Executive Directors shall serve through the day preceding such date.

17. General: Any question arising in connection with the conduct of the election shall be resolved by the tellers, subject to appeal, at the request of any Governor, to the Chairman and from him to the Board. Whenever possible any such question shall be put in general terms without identifying the members concerned.

The Rules for the Conduct of the Second Regular Election of the Executive Directors were approved by Resolution No. 32, page 20.
EXECUTIVE DIRECTORS ELECTED AT SECOND REGULAR ELECTION,  
THIRD ANNUAL MEETING

1. **Leon Baranski** (Poland), elected by votes of:
   - Czechoslovakia: 1500
   - Poland: 1500
   - Yugoslavia: 650
   - Finland: 630

2. **Jose Barreda Moller** (Peru), elected by votes of:
   - Brazil: 1300
   - Cuba: 600
   - Peru: 425
   - Philippine Republic: 400
   - Uruguay: 355
   - Bolivia: 320
   - Dominican Republic: 270
   - Paraguay: 264
   - Panama: 252

3. **Emilio Toro** (Colombia), elected by votes of:
   - Mexico: 900
   - Chile: 600
   - Colombia: 600
   - Venezuela: 355
   - Ecuador: 282
   - Costa Rica: 270
   - Guatemala: 270
   - El Salvador: 260
   - Honduras: 260
   - Nicaragua: 258

4. **Thomas Basyn** (Belgium), elected by votes of:
   - Belgium: 2500
   - Denmark: 930
   - Luxembourg: 350

5. **Donald Gordon** (Canada), elected by votes of:
   - Canada: 3500
   - Iceland: 260

6. **J. W. Beyen** (Netherlands), elected by votes of:
   - Netherlands: 3000
   - Norway: 750
7. S. G. McFarlane (Australia), elected by votes of:

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8. Costantino Bresciani (Turroni) (Italy), elected by votes of:

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9. Mekin Onaran (Turkey), elected by votes of:

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<td>783</td>
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<td>Turkey</td>
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<td>Iran</td>
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<td>Syria</td>
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<td>Iraq</td>
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<td>Lebanon</td>
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<td>Ethiopia</td>
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<td>Total</td>
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Total Votes Cast: 33,360
ACCREDITED MEMBERS OF DELEGATIONS AT
THIRD ANNUAL MEETING

AUSTRALIA
Governor
N. J. O. Makin
Alternate Governor
S. G. McFarlane
Advisers
Stanley F. A. Bryson
Donald J. Munro
Roger H. Star
Roland Wilson

AUSTRIA
Governor
Georg Zimmermann
Temporary Alternate Governor
Franz Stoeger Marenbach

BELGIUM
Governor
Gaston Eyskens
Alternate Governor
Maurice Freire
Advisers
Thomas Basyn
Franz De Voghel

BOLIVIA
Governor
Hector Ormachea Zalles
Alternate Governor
Jaime Gutierrez Guerra
Adviser
Damaso Carrasco

BRAZIL
Governor
Francisco Alves dos Santos-Filho
Alternate Governor
Octavio Paranagua

CANADA
Governor
Douglas Charles Abbott
Alternate Governor
Robert Broughton Bryce
Adviser
J. F. Parkinson

CHILE
Alternate Governor
Fernando Illanes
Adviser
Victor Moller

CHINA
Governor
Yun-wu Wang
Alternate Governor
T. L. Soong
Advisers
Yuen-Ting Shen
Kuo-Hwa Yu
Technical Advisers
T. T. Chang
Mun-Ho Leung
Yih Loh
Deson Sze
Hsioh-Yih Wang

COLOMBIA
Governor
Emilio Toro
Temporary Alternate Governor
Ignacio Copete-Lizaralde

COSTA RICA
Governor
Julio Pena
Alternate Governor
Angel Coronas
Adviser
Enrique Pucci

CUBA
Alternate Governor
Miguel A. Riva
Advisers
Luis Machado
Joaquin Meyer
CZECHOSLOVAKIA
Governor
LEOPOLD CHMELA
Alternate Governor
BOHUMIL SUCHARDA
Advisers
ZDENKO BLAZEJ
ZIKMUND KONECNY

DENMARK
Governor
CARL VALDEMAR BRAMSNAES
Alternate Governor
HAKON JESPersen
Adviser
COUNT B. AHLEFELDT

DOMINICAN REPUBLIC
Governor
JESUS MARIA TRONCOSO

ECUADOR
Governor
AUGUSTO DILLON
Alternate Governor
PEDRO L. NUNEZ

EGYPT
Governor
AHMED ZAKI BEY SAAD
Alternate Governor
AHMED BEY SELIM

EL SALVADOR
Alternate Governor
MANUEL MELENDez V.

ETHIOPIA
Governor
GEORGE A. BLOWERS

FINLAND
Governor
SAKARI TUOMIOJA
Alternate Governor
RALF TORNGREN
Advisers
JOHAN ALBERT NYPOMP
PENTTI PAJUNEN

FRANCE
Alternate Governor
PIERRE MENDES-FRANCE
Temporary Alternate Governor
WILFRID BAUMGARTNER
Advisers
PIERRE CALVET
GUILLAUME GUINDEY
ROGER HOPPENOT
EMMANUEL LAMY
CHRISTIAN VALENSI

GREECE
Governor
ATHANASE SBAROUNIS
Temporary Alternate Governor
PETROS EXARCHAKIS
Adviser
KYRIAKOS VARVARESSOS

GUATEMALA
Governor
MANUEL NORIEGA MORALES
Alternate Governor
LEONIDAS ACEVEDO

HONDURAS
Governor
JULIAN R. CACERES

ICELAND
Governor
JON ARNASON
INDIA
Governor
SIR CHINTAMAN DESHMUKH
Alternate Governor
N. SUNDARESAN
Advisers
B. K. MADAN
KEITH COTTON ROY
D. S. SAVKAR

NETHERLANDS
Governor
P. LIEFTINCK
Alternate Governor
M. W. HOLTROP
Advisers
J. W. BEYEN
WILLEM KOSTER
L. R. W. SOUTENDIJK

NICARAGUA
Governor
J. JESUS SANCHEZ ROIZ
Adviser
RENE SCHICK

NORWAY
Governor
GUNNAR JAHN
Alternate Governor
OLE COLBJORNSEN
Advisers
ALF ERIKSEN
HALLVARD HILLESTAD

PANAMA
Governor
OCTAVIO VALLARINO
Alternate
AQUILINO VALLARINO

PARAGUAY
Governor
JUAN PLATE

PERU
Governor
CARLOS MONTEIRO BERNALLES

PHILIPPINE REPUBLIC
Governor
JOAQUIN M. ELIZALDE
Alternate Governor
MIGUEL CUADERNO
Temporary Alternate Governor
JUAN A. BARRETO
Adviser
EDUARDO QUINTERO
Technical Advisers
DELFIN E. SILVERIO
LEONIDES S. VIRATA

IRELAND
Governor
ABOL HASSAN EBTEHAJ
Advisers
HASSEIN AHARI
F. NOURY-ESPANDIARY

IRAQ
Governor
AHMED IZZET MOHAMMED
Alternate Governor
AMIN MUMAYIZ

ITALY
Alternate Governor
GIORGIO CIGLIANA-PIAZZA
Advisers
PAOLO BAFFI
FRANCESCO GIORDANI
LUIGI ATTILIO JASCHI
EGIDIO ORTONA

LEBANON
Alternate Governor
GEORGES HAKIM
Adviser
EMILE N. MATTAR

LUXEMBOURG
Alternate Governor
HUGUES LE GALLAIS

MEXICO
Temporary Alternate Governor
ALFONSO CORTINA GUTIERREZ
POLAND
Alternate Governor
Janusz Zoltowski
Advisers
Leon Baranski
Zygmunt Karpinski
Jan Woloszyn

SYRIA
Governor
Faiz El-Khoury
Alternate Governor
Husni A. Sawwaf
Advisers
Nihad H. Ibrahim Pasha
George J. Tomeh

TURKEY
Governor
Nurullah Esat Sumer
Alternate Governor
Nahit Alpar
Adviser
Resat Aksan

UNION OF SOUTH AFRICA
Governor
Michiel Hendrik de Kock
Adviser
Henry Oswald de Villiers

UNITED KINGDOM
Governor
Sir Stafford Cripps
Alternate Governor
Sir Gordon Munro
Advisers
N. R. Bertram
A. S. Gambling
K. M. Goodenough
S. C. Leslie
J. G. Owen
Sir Henry Wilson Smith
B. F. St. J. Trend
Sir John H. E. Woods

UNITED STATES
Governor
John W. Snyder
Alternate Governor
William L. Clayton
Temporary Alternate Governors
Andrew N. Overby
Frank A. Southard, Jr.
Advisers
Eugene R. Black
Preston Delano
Edmond M. Hanrahan
Paul G. Hoffman
John S. Hooker
Thomas J. Lynch
William McCchesney Martin, Jr.
Garrison Norton
Charles Sawyer
James J. Saxon
Brent Spence
Allan Sproul
M. S. Szymbczak
Wayne Chatfield Taylor

URUGUAY
Alternate Governor
Nilo Berchesi
Temporary Alternate Governor
Juan Felipe Yriart

VENEZUELA
Governor
Carlos A. D'Ascoli
Alternate Governor
Hector Santaella

YUGOSLAVIA
Governor
Obren Blagojevic
Alternate Governor
Dragoslav Avramovic
Adviser
Mihailo Kolovic
INTERNATIONAL ORGANIZATIONS
OBSTERS

BANK FOR INTERNATIONAL
SETTLEMENTS
Roger Auboin

FOOD AND AGRICULTURE
ORGANIZATION
Mary Ladd
David Lusher

INTERIM COMMISSION OF
THE INTERNATIONAL
TRADE ORGANIZATION
J. A. Lacarte

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOP-
MENT ADVISORY COUNCIL
Sir Arthur Salter

INTERNATIONAL LABOR
ORGANIZATION
E. J. Riches

LIBERIA
Sidney de la Rue

PAKISTAN
M. O. A. Baig

SIAM
Dilokrit Kridakon

UNITED NATIONS
Walter Chudson
Karol Krcmery
Karl Lachmann
OFFICERS OF THE BOARD OF GOVERNORS AND
PROCEDURES COMMITTEE FOR 1948-49

OFFICERS

Chairman ____________________________________________ FRANCE

Vice Chairmen _________________________________________ CHINA

India

United Kingdom

United States

PROCEDURES COMMITTEE

Chairman ____________________________________________ FRANCE

Vice Chairman _________________________________________ INDIA

Reporting Member ________________________ UNION OF SOUTH AFRICA

Members ____________________________________________ CHINA

Ethiopia

Iceland

Luxembourg

United Kingdom

United States

Uruguay

Venezuela

Yugoslavia