

TO _____

FROM _____

REMARKS:

4/18/44

The attached was used at the meeting
in the Secretary's office at the Treas-
ury today -- meeting held at 9:00 a.m.
Chairman Eccles, Dr. Goldenweiser and
Mr. Gardner attended for the F.R.B.

CHAIRMAN'S OFFICE



April 18, 1944

Secretary Morgenthau

Chairman Eccles

In connection with the proposed Stabilization Fund, I should like to make the following points:

1. The mechanism worked out in the proposed plan is technical. The Board and the System have not reached conclusions with regard to it. They are considering it, however, with full realization that any international proposal of this character must involve many compromises on the part of all concerned.

2. In addition to its general interest in the economic welfare of the country, the System has a special interest and responsibility in connection with bank reserves that will be directly affected by the workings of the plan. For this reason the System should be represented in the group that is to select the American director of the fund and to direct his activities.

3. It is clear that, notwithstanding this plan, there is likely to be strong tendency for gold to flow to the United States in the years ahead. The System is deeply concerned about this broader and longer-term problem which involves a wide range of questions with regard to our international economic policy, exports and imports, international investments, and treatment of gold. In the meantime, the System will certainly require additional powers from Congress for handling additions to member bank reserves brought about by gold imports.
