

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

# Office Correspondence

Date August 20, 1943

To Chairman Eccles

Subject: Publicity on currency

From Mr. Goldenweiser

stabilization

I inquired at the Treasury yesterday and found that they had not issued any release on the subject until yesterday. Yesterday's release is attached, and I believe is entirely proper. The only reference to the Chicago meeting is a sentence on the second page, which I have marked in red. Allan Sproul's reference must be to an article which appeared under a Chicago date line in the Herald Tribune for August 14. In this statement, after saying that Harry White would explain his proposal, it was stated that he would be assisted by E. A. Goldenweiser, Economist for the Federal Reserve Board. I do not know whether Leland gave it out that way or whether that was just a newspaper man's version. It is, of course, entirely inaccurate. There was a further release by Leland dated August 19, which is also attached, and which seems to be unobjectionable.



TREASURY DEPARTMENT  
Washington

FOR RELEASE, MORNING NEWSPAPERS  
Friday, August 20, 1943.

Press Service  
No. 38-16

Secretary Morgenthau made public today a revised draft of the Treasury's tentative proposal for an International Stabilization Fund of the United and Associated Nations.

The revised draft was prepared by technical experts of the Treasury in cooperation with experts of other Departments. The revision followed exploratory discussions that have been going on for more than two months between the monetary experts of this Government and the monetary experts of nearly thirty countries. While suggestions of representatives of other countries have been included in the revised draft, Secretary Morgenthau pointed out that it does not necessarily reflect the views of the experts of any other countries.

The exploratory technical discussions in Washington have been held in response to an invitation Secretary Morgenthau sent late last March to the finance ministers of the United Nations, enclosing for their examination, a preliminary draft of the Treasury's tentative proposal. The finance ministers were requested to submit the draft for study by their technical experts and to send their experts to Washington to discuss the feasibility of international monetary cooperation along the suggested lines.

Secretary Morgenthau said the exploratory discussions have been extremely helpful in clarifying the views widely held by the experts of the United Nations.

"I believe the technical experts are unanimous in their view that international monetary cooperation is essential if we are to avoid the collapse of some monetary systems, to prevent the disruption of foreign exchanges and to facilitate the restoration and balanced growth of international trade," he said.

There will be further discussions with the representatives of other countries who are expected to arrive during the month, Secretary Morgenthau said. He said that no conference would be called until he had had an opportunity to consult with the Congressional committees.

"This revised draft", he said, "is in every sense still a preliminary document. It has not received the official approval either of the Treasury or of this Government."

Secretary Morgenthau pointed out that he is keeping the appropriate committees of the Senate and the House fully informed of the discussions. On April 5 and 6, 1943, Mr. Morgenthau appeared before three committees

of the Senate and three committees of the House to explain the proposal for an International Stabilization Fund. Mr. Morgenthau said he intended to appear before the appropriate committees of the Senate and the House soon after Congress convenes to consult with them further on the proposal.

"Treasury officials", Mr. Morgenthau said, "are arranging discussions with representative public groups to explain what we are doing, and to get their suggestions. There will be a conference of officers and directors of several Federal Reserve Banks in Chicago next week at which proposals for postwar stabilization of currency will be fully discussed." //

The Secretary indicated that similar conferences will be held with other Federal Reserve Banks.

Within the next few weeks Treasury officials will hold conferences with the Advisory Council of the American Bankers Association, the New York City banks and other representative banking groups. Arrangements are also being made for meetings with members of the Foreign Trade Council and other organizations representing business men engaged in foreign trade.

Secretary Morgenthau said the Treasury had received a large number of letters regarding the proposal, many of them embodying interesting suggestions. All of these letters are being carefully considered.

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These articles are protected by copyright and have been removed.

The citations for the original articles are:

*New York Herald Tribune*, "Chicago Forum on Stabilization to Hear White: Author of American Plan and Towers to Discuss Varied Monetary Proposals," August 20, 1943.

*New York Herald Tribune*, "Allies to Discuss Stabilization in Chicago Aug. 26: U. S., British and Canadian Delegates Will Consider Post-War Monetary Plans," August 14, 1943.