Mr Eccles

March 10, 1944

To: Board of Governors

From: Mr. Goldenweiser

In addition to the material on the international stabilization fund, which has already been distributed in preparation for Monday's meeting, there is attached a brief statement about the positions taken by the Board's representatives in the conferences.

E. A. G.

Attachment

March 10, 1944

POSITIONS TAKEN BY BOARD'S REPRESENTATIVES AT STABILIZATION CONFERENCES

It is not easy to state specifically what positions the Board's staff took in the stabilization conferences and to what extent its influence is reflected in the document. In general, however, its efforts were in the following directions:

1. To limit the United States commitment under the plan to a definite amount, say 2 or 3 billion dollars.

2. That there should be an actual fund, consisting of gold and currencies rather than a mere clearing arrangement and an international currency, as was originally proposed by Keynes.

3. To make the gold contributions to the fund as substantial as possible in order to increase the fund's ability to furnish any currency needed and also in order to have foreign countries prove their active interest in the matter by giving up some of their reserves.

4. To increase the amount of the fund's control over the use to which its funds were put, particularly in connection with financing capital exports.

5. To have the purposes of the fund and undertakings by all members stated as forcibly as possible in the preamble or otherwise.

In general, the Treasury and ourselves pulled in the same direction, but the Treasury laid considerably more stress on limiting changes in exchange rates. To the Treasury the proposal is primarily an exchange stabilization fund, whereas to us it is primarily one of a set of instruments for restoring a functioning world economy.

Foreign countries almost without exception tried to reduce the gold contribution as much as possible and reserve full control of their internal and external financial policies. It is probably fair to say that to them the object was to create a fund that would add as much as possible to their international means of payment, would reduce their international reserves as little as possible, and would not interfere at all with any of their policies, domestic or foreign.