

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

# Office Correspondence

Date April 15, 1944

To Board of Governors

Subject: International Monetary  
Conference: cables to England,  
Russia, Mexico, and Brazil

From Walter R. Gardner *WRG*

In accordance with Governor Szymczak's request I attach copies of two cables sent to the British on the subject of an international monetary conference. I have just brought back with me two more cables from the Treasury, one, the British reply of April 9, and the other, a message from Secretary Morgenthau to the Russian Commissar of Finance dated April 10. Copies of these will be sent to the Board members as soon as they can be made.

I have also learned from a confidential source other than the Treasury that cables have already gone out to Mexico and Brazil summarizing the Joint Statement and asking their assent to its publication with a view to holding an international conference.

Attachments

C O P Y

CONFIDENTIAL

April 5, 1944

Please send the following cable to the American Embassy, London.

"To Winant from the Secretary of the Treasury.

"Please call upon the Chancellor of the Exchequer and inform him of the following personal message from me. I should also appreciate it if you would supplement the message with an oral explanation of the urgent necessity for an immediate reply.

"1. The President has given his approval to the calling of a conference of the Ministers of Finance\* of the United and Associated Nations for the purpose of establishing an International Monetary Fund and a Bank for Reconstruction and Development. He has specified that if a conference is to be called, he wishes it convened during May. To do this, it is essential to publish the Joint Statement of recommendations within a week or so inasmuch as a minimum of five to six weeks must elapse between the publication of the Joint Statement and the convening of the conference. This period is needed both to prepare for the conference and to permit discussions of the Joint Statement in Parliament as requested by the U. K. experts.

"2. Before we can publish the statement, we must also have the acquiescence of the technical experts of some other countries. The U. K. technical experts have insisted that we do not show even a preliminary draft of the Joint Statement to the technical experts of other countries until its publication has been agreed between us. For this reason we need about a week between the day the U. K. experts agree to the Joint Statement and the date of actual publication.

"3. It is not my intention to try to influence in any way the decision of the Chancellor of the Exchequer on the recommendations of the technical experts. As the Joint Statement explicitly states the recommendations are solely those of the technical experts, and governments are in no way bound by them. My purpose is to inform the Chancellor of the Exchequer of the necessity for a prompt decision on whether or not the U. K. experts agree with the Joint Statement of principles.

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\* "Ministers of Finance" was changed to "Governments" in the cable that was actually sent. (W.R.G.)

"4. It is clear that unless we hear from the U. K. within a few days or so regarding publication of the Joint Statement we shall be unable to hold a conference at the time selected by the President. If it is not held then, there is no saying if and when a conference can be held. It is my hope, therefore, that you will let me know within a few days the decision on publication of the Joint Statement.

"5. If the Joint Statement is published promptly there would still be time for public discussions of the recommendations of the experts before invitations to the conference are issued. Under any circumstances, it is my intention to appear before the appropriate Congressional Committees soon to inform them of the status of the technical discussions. The precise date for issuing invitations and convening the conference could be settled soon after the Joint Statement is published."

HDW:EMB/jm 4/5/44

C O P Y

CONFIDENTIAL

April 10, 1944

U. S. URGENT

Please send the following cable to the American Embassy, London.

To the Ambassador from the Secretary of the Treasury.

"I appreciate your help in trying to expedite the decision on whether to publish the Joint Statement of principles. Please call upon the Chancellor of the Exchequer and give him this message:

"1. I have received the cable of the Chancellor of the Exchequer. I want to emphasize again that my inquiry in No. 2951 of April 5, 1944 is solely concerned with the prompt decision on publication of the recommendations of the technical experts and not with the larger question of the attitude of the governments on the proposals.

"2. When the Joint Statement of principles was drafted, the experts of the United States and the United Kingdom had constantly in mind that no formal commitment of governments at this stage of the discussion should be called for. It was clearly understood by both groups that this was to be so and accordingly the following provision was written into the Joint Statement: 'Governments are not asked to give final approval to these principles until they have been embodied in the form of definite proposals by the delegates of the United and Associated Nations meeting in a formal conference.' In view of this provision I fail to understand why the question is being raised in connection with the publication of the Joint Statement.

"3. We are quite aware that you will want an opportunity for debate on the Joint Statement in Parliament. It was specifically agreed that a period of a week or so immediately after the publication of the Joint Statement would suffice for Parliamentary debate. A final decision to call a conference would not be made until after the debate.

"4. It has now become necessary for me to appear sometime next week before the appropriate committees of Congress and advise them either that agreement has been reached among the technicians or explain the inability of the technicians to go forward with the contemplated program. It would obviously be of considerable help if I could announce when I appear before the Congressional committees that the Joint Statement would be published the next day and I could communicate the text of the Joint Statement to them.

"5. I feel that the U. K. Treasury representatives have placed us in a most embarrassing position by their delay in indicating to us their decision on the sole matter of publication of the Joint Statement. The anomalous position in which we are placed has made it impossible for us to keep the Congress, our public and other governments informed, has given rise to harmful rumors, and has increased the difficulty of carrying through our program. Unless we hear immediately that the Joint Statement can be published next week (in time to clear with the technicians of other countries before my meeting with the Congressional committees) then it is my personal opinion that we shall not be able to hold a conference this year. This has all been made clear to Waley, Grant and Opie on the occasions of their return to London for the information of the appropriate officials in London."

HDW:EMB:AFL:LP:EGC?lr

4/10/44