

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

# Office Correspondence

Date April 20, 1944

To Board of Governors

Subject: More communications on the Fund,

From Walter R. Gardner *WRG*

the Bank, and the proposed conference

Five communications with reference to an International Monetary Conference have already been sent to you. I now attach three additional documents.

The first is a cable of April 15 from the Chancellor of the Exchequer to Mr. Morgenthau with reference to the Joint Statement of principles on the Fund. The Chancellor says "We would agree to publication in both countries on a date and time to be fixed immediately agreement has been reached on outstanding points now being discussed at expert level".

The second document is Mr. Morgenthau's reply of April 17 in which he states "we shall release the Joint Statement to the press at 8:00 p.m. April 21, Washington time. In accordance with previous arrangements with Opie we have asked Moscow and Chungking, as well as some of the American Republics to join in the publication of the Joint Statement. We are also sending a summary, but not the text of the Joint Statement, to all of the American Republics with whom we have consulted. We assume you will make similar arrangements for informing the Dominions and governments in London and Cairo prior to publication, and to arrange, if possible, for simultaneous publication or announcements by some of these countries. \*\*\*\*\* It has long been clearly understood that after the publication of the Joint Statement on the Fund there would be opportunity for debate in Parliament. Promptly after the conclusion of the debates, we will raise with you the immediate issuance of invitations to a conference of the United and Associated Nations on the establishment of international agencies for postwar financial cooperation." Mr. Morgenthau also informs the Chancellor in this cable that he has sent him a similar statement upon the Investment Bank and that he would like to release it with the agreement of the British in the near future. If he cannot obtain that agreement within the next week or so, he would release it as a statement "representing the views of the technical experts of the United States and having the approval of the experts of a number of other countries, but not including the United Kingdom".

The third document is a telegram from Mr. Morgenthau to President Roosevelt requesting authorization to tell Congress that the President would "probably appoint a delegation to be headed by the Secretary of the Treasury and including, among others, representatives of both houses of Congress". He states that Secretary Hull concurs in this request.

To: Board of Governors

- 2 -

I understand that the meetings tomorrow on the hill will be closed sessions and will be attended by Secretary Morgenthau and Messrs. White and Bernstein for the Treasury and Messrs. Acheson, Pasvolsky, and Collado for the State Department. Apparently no word has been received from the Russians with regard to the Joint Statement on the Fund and they may therefore have to be left out at this stage. I understand also that no word has been received from the British with regard to the proposed statement on the Investment Bank. Congress will be shown the American version and will be told it is the intention to publish such a statement shortly.

Attachments 3

C O P Y

CAMER 305  
of April 15th

Following for Opie.

Chancellor of the Exchequer has given the following message to Mr. Morgenthau through Mr. Winant today, April 15th.

Begins. I received your personal message of April 10th through Mr. Winant.

My colleagues and I have discussed arrangements for publication of agreed statement of principles on International Monetary Fund. We would agree to publication in both countries on a date and time to be fixed immediately agreement has been reached on outstanding points now being discussed at expert level, of agreed statement of principles, it being understood that statement would be on non-Unitas basis. Provided that agreement on outstanding points can be reached in time publication would be next week as you desire.

2. We should think it necessary that on publication we should make an announcement explaining status of documents and indicating in general terms nature of objectives of scheme and stating purpose of publishing it now. We should of course wish for an understanding with you as to form which such a statement would take and would hope that something on similar lines might be adopted also by you.

3. Our idea of such a statement would be on following lines: Begins.

This statement of principles for an international monetary fund is the result of close study over many months at expert level between our two countries. It in no way commits Governments concerned. It is conceived as part of a general plan for international cooperation, objectives of which as a whole would be the progressive development of international trade, active employment, reasonable stability of prices and machinery for orderly adjustment of exchanges.

The purpose of publication in this way and at this stage is to promote informed discussion in all quarters from which valuable guidance can be obtained by Governments in preparation for time when policies of various interested states have to be formulated. Ends.

4. Would you let me know whether you would consider a statement on these lines suitable for your purposes and whether you agree that publication on your side should be accompanied by such a statement.

5. In the light of these proposed arrangements we should propose not to show any document to technical experts of European Governments over here and to await publication before discussing statement with them.

C O P Y

Apr. 17, 1944

MOST URGENT - HIGHEST PRIORITY

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

"To Winant from Secretary Morgenthau:

"I am very grateful to you for the prompt reply from the Chancellor of the Exchequer.

"Please give this message to the Chancellor of the Exchequer.

"1. I wish to express my thanks to the Chancellor of the Exchequer for his message of April 15.

"2. At the request of the Congressional leaders, my appearance before the appropriate Congressional committees has been postponed to Friday, April 21. In consequence of this modification, we shall release the Joint Statement to the press at 8:00 p.m. April 21, Washington time.

"In accordance with previous arrangements with Opie we have asked Moscow and Chungking, as well as some of the American Republics to join in the publication of the Joint Statement. We are also sending a summary, but not the text of the Joint Statement, to all of the American Republics with whom we have consulted.

"We assume you will make similar arrangements for informing the Dominions and governments in London and Cairo prior to publication, and to arrange, if possible, for simultaneous publication or announcements by some of these countries.

"We have discussed with Opie the issuance of an explanatory statement to the press at the time the text of the Joint Statement is released. He will inform you of our general agreement with the statement you suggest and with the slight modification we propose. It is my understanding that the explanatory statements issued in Washington and London will not be precisely the same in language although they will convey the same meaning.

"Mr. White and Mr. Opie have examined in detail the arrangement previously agreed upon for steps following the publication of the Joint Statement on the Fund. As Mr. Opie will have informed you, it has long been clearly understood that after the publication of the Joint Statement on the Fund there would be opportunity for debate in Parliament. Promptly after the conclusion of the debates, we will raise with you the immediate issuance of invitations to a conference of the United and Associated Nations on the establishment of international agencies for postwar financial cooperation. As I have previously explained, a prompt decision on this matter would make it possible for us to hold a formal conference at the end of May in accordance with the preference expressed by the President.

"3. We have transmitted to Winant the text of a proposed Joint Statement on the establishment of a Bank for Reconstruction and Development with the request that he furnish it to you. The Joint Statement is confined to an exposition of those principles which should govern a Bank for Reconstruction and Development on which we feel there could be no disagreement among the technical experts.

"Mr. White told Mr. Opie this morning that when I appear before the Congressional committees on Friday I will be compelled to report to them on the results of the technical discussions on the Bank for Reconstruction and Development. Obviously, I would like to be able to report that the experts of the United States and the United Kingdom are in agreement on a statement of principles on the establishment of the Bank, and at the same time make the statement available to the Congressional committees. I am not unmindful of the short notice you have received on this proposal. If your experts cannot indicate their agreement at once, but feel that agreement might be reached on a statement if postponed for a week, I could inform the Congressional committees that the technical experts of the United States and the United Kingdom have come to a large measure of agreement and hope to issue a joint statement of principles within another week.

"On the other hand if it should not seem feasible to the experts of the United Kingdom to join with the experts of the United States in issuing a Joint Statement on the Bank within the next week or so, I shall explain frankly to the Congressional committees that there has not been opportunity to reach agreement with the technical experts of all of the countries. I will then release this statement on the establishment of a Bank for Reconstruction and Development as representing the views of the technical experts of the United States and having the approval of the experts of a number of other countries, but not including the United Kingdom. I shall, of course, add that it is my hope that after further study the experts of the United Kingdom will see their way clear to join in subscribing to this statement of principles.

"As I must make arrangements immediately on the material to be presented to the Congressional committees, I should appreciate a prompt reply indicating which of these courses on the Bank you would prefer. I hope you will understand that the urgency for a decision is one forced upon me by circumstances.

EMB:AFL:sh  
4/17/44

C O P Y

TELEGRAM FOR THE PRESIDENT FROM THE

SECRETARY OF THE TREASURY

I have made arrangements to appear before the appropriate Congressional committees on Friday, April 21, to discuss the joint statement of technical experts of the United Nations on the establishment of an International Monetary Fund. The Treasury has planned the release of the joint statement to the press at 8:00 p.m., April 21, Washington time for Saturday morning papers, and it is anticipated that the statement will be released in London as well as possibly Moscow, Chungking, and some of the American republics and British Dominions.

Although no final discussion can take place with the British regarding the convening of an international conference on the monetary fund and bank proposals this spring pending discussion of the matter early next week in the British Parliament, I propose to tell the Congressional committees frankly of our desire to call such a conference if circumstances permit. In this connection the members of Congress are certain to ask questions regarding the composition of the United States delegation and particularly the participation of the Congress in the conference. Secretary Hull and I would recommend that I be authorized to state that you would probably appoint a delegation to be headed by the Secretary of the Treasury and including, among others, representatives of both houses of Congress. We believe it very important that a statement be made of your intention thus to invite direct Congressional participation in the work of the United States delegation to the conference if it is convened.

We both believe that such a statement to the Congressional committees will be of the greatest importance in getting the proposed conference off to a good start with the Congress and request accordingly that, if you approve, you authorize me to make the suggested statement to the members of Congress.

Secretary Hull approves this telegram.

Sent to President 4/18/44