

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date December 2, 1944

To Messrs. Eccles and Szymczak

Subject: _____

From Mr. Carpenter

Attached is an excerpt from the minutes of the meeting of the Board held yesterday with respect to the further action to be taken in connection with the Bretton Woods agreements. It will be noted that the matter was referred to you (Messrs. Eccles and Szymczak) with power to act with the understanding that, following the discussions with the State and Treasury Departments, you would submit a recommendation to the Board as to the statement to be made by the Board and as to its publication.

A handwritten signature in black ink, appearing to be 'L. H. Carpenter', written in a cursive style.

Excerpt from the minutes of the meeting of the Board of Governors
held on December 1, 1944

There were then distributed copies of a memorandum submitted by Messrs. Eccles and Szymczak in accordance with the action taken at the meeting of the Board on November 21, 1944, and reading as follows:

(The memorandum from Messrs. Eccles and Szymczak
appeared at this point.)

Copies of a draft of a public statement of the kind contemplated in the first paragraph of the memorandum were also distributed and the memorandum and statement were read.

In the ensuing discussion of the proposed statement Chairman Eccles suggested that the statement might create the impression that the Board was of the opinion that the International Stabilization Fund and the Bank for Reconstruction and Development would be more effective and would work more smoothly in solving the problems with which it had to deal and was a more ideal mechanism than might actually turn out to be the case and that he would like to see the statement revised to cover that point and to make it clear that, while the Fund and the Bank would have shortcomings and there were other controlling factors in the situation, the Bretton Woods proposals were the best solutions available for a difficult problem.

After considering how Chairman Eccles' suggestion could be met, the discussion turned to the steps to be taken in connection with the memorandum and proposed statement, and Chairman Eccles expressed the opinion that it was important that the matters referred to in the memorandum which would affect enabling legislation be placed before, and discussed with, representatives of the Treasury and State Departments at the earliest possible moment

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so that they could be considered before the legislation was crystalized.

There was also a discussion of whether the proposed statement should be released before the conferences with the Treasury and State Departments, and Chairman Eccles suggested that the form of the public statement and the decision of the Board with respect to its release might be affected by the outcome of the discussion with respect to the matters to be covered in the enabling legislation, and, therefore, he would prefer to send the proposed statement to the Treasury and State Departments as a tentative one that was under consideration by the Board.

During the course of the discussion, Mr. Evans moved that the whole matter be referred to Messrs. Eccles and Szymczak with power to act along the lines suggested by the Chairman.

Thereupon, Chairman Eccles said that what he would like to do would be to prepare letters to the Secretaries of the Treasury and State Departments in which the questions with respect to the enabling legislation would be presented and to which the proposed public statement in a form agreed upon would be attached as a tentative statement that was being given consideration by the Board for publication in the Federal Reserve Bulletin or for release to the press as the position of the Board, and that when the letters were signed he would send copies to Under Secretary of the Treasury Bell and Assistant Secretary of State Atchison, and would call them on the telephone and advise them that the letters were being placed in the mails. He also said that copies of the letters to the State and Treasury Departments and the proposed statements could be handed to the Presidents of the

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Federal Reserve Banks when they arrived for their conference in Washington on December 8 and the matter could be discussed with them while they were here.

Mr. Szymczak suggested that under that arrangement the proposed public statement would not be released until after a decision had been reached on the questions with respect to the enabling legislation that were of interest to the Board.

At the conclusion of the discussion, Mr. Evans' motion was put by the chair and carried, with the understanding that following the discussion with the State and Treasury Departments Messrs. Eccles and Szymczak would submit a recommendation to the Board as to the statement to be made and as to its publication.

On this action Mr. McKee asked to be recorded as "not voting".