

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

# Office Correspondence

Date January 6, 1947

To Chairman Eccles

Subject: \_\_\_\_\_

From Mr. Knapp

Attached is a copy of an interesting memorandum which Mr. Gerschenkron obtained from the State Department and which gives some clues to the mystery of the Russian attitude toward international trade and toward adherence to the Bretton Woods institutions.

The report on the Russian attitude is far from clear, but it is apparent (1) that the Russians are worried about their supply of dollars and (2) that they are hopeful of an increase in the dollar price of gold, of which they mine important quantities.

We have certainly not heard the last of Russian requests for a loan from the United States. However, they can afford to wait if necessary, and it is evident from some of their statements elsewhere that they are counting on an eventual collapse of business activity in this country which would make us willing to grant them much better credit terms (~~and~~ much better prices) than at the present time.

Attachment

CONFIDENTIAL

December 2, 1946

United States Delegation to the United Nations  
Memorandum of Conversation

November 30, 1946

Subject: Soviet Membership in  
the Specialized Agencies

Participants:

Mr. Nikolai V. Orlov, Adviser  
to the Soviet Delegation and  
Member of the Contributions  
Subcommittee  
Mr. William Hall

Mr. Orlov told me that Wednesday evening, after I had shown him Senator Vandenberg's memorandum to the Contributions Subcommittee, suggesting the use of the Monetary Fund to meet the exchange difficulties, he had called Mr. Gerashenko, the Soviet delegate on Committee 5, and Chief of the Economic Department of the Soviet Foreign Office, to inquire whether there was any possibility of Soviet membership in the International Monetary Fund next year, with the possibility that this would facilitate a larger Soviet contribution.

Mr. Gerashenko told him that the Foreign Office still had the question of membership in the International Monetary Fund and the Bank and the International Trade Organization under consideration, but that the difficulties which they had been experiencing in bringing the internal price structure in line and the probable drains on dollar exchange resources made it doubtful whether they would be able to join these organizations in the near future.

Mr. Orlov complained to me that the principal exports of the Soviet Union to the United States, namely furs and certain metals, were no longer in heavy demand and that there had been very substantial drops in the price level which affected the Soviet exchange position. He said this put a definite limit on the possible contributions to the United Nations and other organizations.

I told him that I was sure the United Nations would be willing to accept gold, which I had understood the Soviet Government had been quite successful in mining during the war. He said that this was probably true, but there were difficulties both as to supply of the metal and its dollar price.