A. I. B. SEMINAR NO. 1

Hold at

The Midday Club

Friday, October 8, 1943
7:15 - 9:00 p.m.
I. Procedure of the seminar

1. A series of five meetings held at intervals of two weeks and dealing with topics of outstanding importance.

2. Topic for a meeting will be introduced formally in an address by an outstanding authority.

3. Major issues raised will then be discussed by the members of a carefully selected panel.

4. At the conclusion of the panel discussion the audience will be given an opportunity to direct questions either to the main speaker or to the individual members of the panel.

II. Introducing members of the panel

We have been exceptionally fortunate in securing both the acceptance and the presence of three outstanding individuals to serve as members of our panel.

Before introducing the main speaker of the evening, I would like to take the occasion to have you meet them.

They are:
1. Mr. Alfred H. Williams, President of the Federal Reserve Bank of Philadelphia and for many years professor of industry and Dean of the Wharton School of the University of Pennsylvania.

2. Dr. Eugene E. Agger, Professor of economics at Rutgers University and Commissioner of Banking and Insurance of New Jersey.

   Dr. Agger is author of a book on Organized Banking and another on Utilizing the Federal Reserve Statement which is used by regular courses of the American Institute of Banking. He also has written many articles in the field of banking.

3. Dr. E. M. Bernstein, Assistant Director of Monetary Research of the U. S. Treasury and author of Money and the Economic System.

   This is the first time that I have met Mr. Bernstein, but our paths joined at one point even though they did not cross. In the fall of 1929 I taught for a semester at North Carolina State College and for a term, just as I left to go to the University of Wisconsin, Mr. Bernstein joined the faculty of North Carolina. His work was of such high quality that he shortly transferred to the University of North Carolina at Chapel Hill — unquestionably the best university in the South.
III. Introducing Mr. White

1. **Nicholas Nickleby**, by Charles Dickens 1839

"'Besides which,' continued Mr. Gregs bury, 'I should expect him, now and then, to go through a few figures in the printed tables, and to pick out a few results, so that I might come out pretty well on timber duty questions, and finance questions, and so on; and I should like him to get up a few little arguments about the disastrous effects of a return to cash payments and a metallic currency, with a touch now and then about the exportation of bullion, and the Emperor of Russia, and banknotes, and all that kind of thing, which it's only necessary to talk fluently about, because nobody understands it. Do you take me?'

"'I think I understand,' said Nicholas."


"The responsibility is not and never will be in this country of maintaining the parity of gold and paper money in any European or any foreign country. Each country must work out its salvation for itself."

3. We have learned since these passages were written. We have learned that we must take these matters seriously, since they affect our very lives, and that the hope for a satisfactory solution does not lie in dogmatic uncoordinated action.
We are fortunate to have with us a person who stands at the forefront of ideas in this field.

Mr. Harry White, Assistant to the Secretary of the Treasury.
IV. Summarizing Mr. White's Talk

Mr. White's presentation certainly raises many questions that can be discussed with profit. The original plan made public on April 7 has been improved as a result of earlier discussions. For example, the reservation of ten per cent of aggregate quotas to be used as a special allotment for the equitable adjustment of quotas (China and Russia depending upon the exact formula adopted) — the greater flexibility in adjusting exchange rates in the immediate post-war period.

Even the revised draft of July 10 "is in every sense still a preliminary document."

Mr. White has indicated that he does not have as a counsel of perfection O. W. Holmes "Natural Law", August 1918:

"It is not enough for the knight of romance that you agree that his lady is a very nice girl — If you do not admit that she is the best God ever made or will make, you must fight. There is in all men a demand for the superlative, so much so that the poor devil who has no other way of reaching it attains it by getting drunk."

Mr. Brenner's Counsel
IV. Some of the questions that are raised by Mr. White's presentation.

1. Why create a wholly new institution instead of building on existing agencies?

2. Why not start with a nucleus of key countries on an informal basis instead of creating a world organization - the position of John Williams?

3. Does the plan impinge upon the financial sovereignty of member countries?

4. What is the maximum amount for which the United States might be liable - and how much of the Fund will we be called upon to provide?

5. - A question that a number of bankers have asked - Will assistance be based on scrutiny of credit risks?

6. Can the Fund deal with the immediate post-war emergency without depleting its supply of strong currency and thus impairing its ability to function on a permanent basis?