

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, September 28, 1943, at 10:30 a.m.

PRESENT: Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. McKee
Mr. Draper

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary
Mr. Clayton, Assistant to the Chairman
Mr. Thurston, Special Assistant to the Chairman
Mr. Goldenweiser, Director of the Division of Research and Statistics
Mr. Gardner and Miss Bourneuf, Senior Economist and Associate Economist, respectively, in the Division of Research and Statistics

Upon request of Mr. Ransom, Mr. Szymczak reviewed briefly the discussion at the meeting which they and Mr. Goldenweiser attended at the Treasury yesterday afternoon with respect to the proposed United Nations Bank for Reconstruction and Development. The representatives of the Board saw no objection to the statement prepared at the Treasury with respect to the organization and powers of the proposed bank being sent to the Allied Governments and discussed with Lord Keynes and other representatives of the British Government while they were in the United States, with the understanding that the statement was entirely tentative and that suggestions with respect thereto would be submitted by members of the Board's staff in further discussions with representatives of the Treasury's staff. There was general agreement during the meeting

9/28/43

-2-

at the Treasury that the plans for the bank and international monetary stabilization should be presented to Congress simultaneously. A memorandum prepared by Mr. Goldenweiser with respect to the discussion at the Treasury has been placed in the Board's files.

Mr. Szymczak stated that Messrs. Goldenweiser and Gardner would participate in a meeting at the Treasury this afternoon for the purpose of a further discussion with Lord Keynes and other representatives of the British Government of the proposed plans for international monetary stabilization, and particularly of certain suggested amendments which had been proposed by Lord Keynes to the White plan. Before this meeting members of the Board had been furnished with copies of Lord Keynes' statement of his suggestions and a memorandum dated September 27, 1943, from Mr. Gardner commenting on these suggested amendments. This memorandum stated that the suggestions pointed to greater independence of the countries participating in the plan, that the British wished by reducing gold contributions to the stabilization fund to permit full use of their remaining gold and dollar resources, that they also wished to be free of the fund's control in large measure even when they used its resources, and that this viewpoint was contrary to the American position. Mr. Gardner elaborated the statements contained in his memorandum and answered a number of questions concerning the provisions of the plan.

During a general discussion, the point was again emphasized

9/28/43

-3-

that the stabilization plan and the plan for an international bank could not be successful unless there were a much broader program, of which these would be only a part, to stabilize the economies of the nations of the world.

Question was raised as to what, if any, indication the members of the Board might wish to give Messrs. Goldenweiser and Gardner with respect to the position they should take in the discussion at the Treasury this afternoon, and it was understood that if their opinion were asked with respect to any of the questions raised during the discussion they would express such views as they saw fit as individuals only, that they would endeavor to avoid any appearance of disagreement with the Treasury during the meeting, and that they would discuss with the Treasury representatives in a separate meeting any differences which they might have.

At this point Messrs. Thurston, Goldenweiser, and Gardner and Miss Bourneuf withdrew from the meeting, and the action stated with respect to each of the matters hereinafter referred to was then taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on September 27, 1943, were approved unanimously.

Memorandum of this date from Mr. Morrill, recommending that Richard M. Bramhall be appointed as a cafeteria helper in the Secretary's Office on a temporary basis for a period of not to exceed 60

9/28/43

-4-

days, with basic salary at the rate of \$1,080 per annum, effective September 28, 1943.

Approved unanimously.

Letter to Mr. Hill, Vice President of the Federal Reserve Bank of Philadelphia, reading as follows:

"In accordance with the request contained in your letter of September 23, 1943, the Board approves the appointment of Hilyard Furness Cummins as an assistant examiner for the Federal Reserve Bank of Philadelphia. Please advise us of the date upon which the appointment becomes effective."

Approved unanimously.

Letter to Mr. Nardin, Federal Reserve Agent at the Federal Reserve Bank of St. Louis, reading as follows:

"In accordance with the request contained in Mr. Parker's letter of September 25, 1943, the Board of Governors approves the payment of a salary to Mr. Edward A. Zehner, Alternate Assistant Federal Reserve Agent, at the rate of \$2,040 per annum, effective September 1, 1943."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

Donald Hanson
Vice Chairman.