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STAFF/DATE: Bp 8/4/09

RG 56 GENERAL RECORDS OF THE
DEPARTMENT OF THE TREASURY

Records of the Assistant
Secretary of the Treasury re:
Monetary and International
Affairs

CHRONOLOGICAL FILE OF HARRY
DEXTER WHITE, NOV. 1934-APR. 1946

Chronologicals 56-62

Box 11

Entry 360p

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Authority 790 079

White

Division of Monetary Research

CROSS REFERENCE SHEET

Memo to: Memorandum for the Secretary

From: H. D. White

Dated: June 27, 1944

Subject: Questions at issue on the Bank
(Original and 6 copies sent to the Secretary, from
Atlantic City, N.J., via Mr. Fred Smith)

See file: Atlantic City - Memoranda submitted to the Secretary.

Staff Memoranda) Mr. White
June - December 1944

DI-1066

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Authority 790 079

White

Division of Monetary Research

CROSS REFERENCE SHEET

Memo to: Memorandum for the Secretary

From: H. D. White

Dated: June 27, 1944

Subject: The U.K. Bank Proposal

(Original sent to the Secretary, from Atlantic City, N.J.,
via Mr. Fred Smith)

See file: Atlantic City - Memoranda submitted to the Secretary.

Staff Memoranda) Mr. White
June - December 1944

DI-166

White

June 26, 1944

MEMORANDUM FOR THE SECRETARY

The attached document contains provisions on the proposed International Monetary Fund which have been submitted by the experts of the various countries represented on the Agenda Committee. The provisions marked Alternative A are taken from the draft prepared by the Treasury staff and represent the views of the U. S. technicians. The remaining alternatives have been submitted by the representatives of other countries and additional ones are added every day. As new provisions are submitted they are included in the document for discussion in the informal Agenda Committee.

By considering the alternative provisions in the Agenda Committee, it will be possible to clear away all of the technical points on which there is agreement. No commitment is made by any member of the Committee even on these technical points. Of course, all of the major policy questions are specifically reserved for final decision by the delegates.

The Agenda Committee is operating under a steering committee consisting of U. S., U. K., U.S.S.R., China, France and Mexico.

H. D. White

6/27/44 - Mailed to Secretary Morgenthau in Washington, from Atlantic City, by special delivery.

(For attachment, see file "Atlantic City - Memoranda submitted to the Secretary".)

HDW:lr 6/26/44

Staff Memoranda) Mr. White
June - December 1944

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White

June 25, 1944.

MEMORANDUM FOR THE SECRETARY:

The British submitted a set of documents, copies of which are appended. These documents were prepared on the boat (The Queen Mary) on which the British delegation were accompanied by some of the Dutch, Belgian, Greek, Norwegian, Czechoslovakian, Indian and Chinese delegations. They had many meetings on the boat and they probably utilized the occasion to gain support for some of their views.

We have had a number of meetings already with the British alone and with the entire delegation here -- consisting of some 75 technicians, and have, on the whole, made considerable progress in clearing up a number of the points which many of the representatives of foreign countries misunderstood or did not fully understand. Incidentally, these discussions are having the great advantage of helping our own people understand the problems and program.

It is apparent from our preliminary discussions with the British that there will be several troublesome differences between the British and ourselves which the American delegation will have to contend with at the conference.

The chief of these are briefly as follows:

1. The British want to increase the flexibility and ease of alterations of exchange rates. We think we should not budge one bit.
2. They are advocating changes in the direction of making the resort to the resources of the Fund much more automatic and a matter of right as compared with our view that the resort to the resources of the Fund is always conditional upon the taking of measures for correcting the situation and always in a sense that they are implicit or explicit of the Fund.
3. They object to what we call "deterrent charges" on those who utilize the Fund. These deterrent charges are in

6/26/44 - Or. mailed to the Secretary from Atlantic City, by special delivery, with attachments referred to.
(For attachments, see filed "Atlantic City - Memoranda submitted to the Secretary.")

Staff Memoranda) Mr. White
June - December 1944

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effect interest rates which increase progressively with the amount purchased from the Fund by any one country and likewise increase the longer the period before which they are repurchased. (See appended provision and tables.) We regard this as an important feature in our proposal and it looks as though the American delegation will be in for a difficult time trying to obtain agreement on this matter at the conference.

4. The British are going to back the small countries in their demands for larger quotas, particularly Australia, and are going also to back India's demand that it be accorded an equivalent position with that of China.

5. There also appears on the horizon a technical fight on what constitutes gold holdings and offsets and a large number of other technical points of complex though minor character. We hope that most of these minor and technical points will be ironed out before the conference so that the delegates will be free to handle the larger issues.

6. The British group also submitted alternate proposals on the Bank. (A copy is appended and a memorandum on its difference with our proposal is being prepared.) They seem to be in accord with the general approach that we had proposed, though there are some substantial differences which will have to be ironed out at Bretton Woods. It seems that we are not as far behind on the Bank proposal as we had thought, and suggest that we had better concentrate most of our time on the Fund. There are, however, a number of delegates who are not very familiar with the Bank proposal and we hope to use some of the time during this week to familiarize the various foreign experts with the details of the Bank proposal so that they will be able to consider and discuss the matter intelligently at Bretton Woods.

7. We hold a large meeting from 10:30 to 1 in the morning and another from 4 to 6 in the afternoon, reserving the intervening hours and the evenings for committee work, for meetings of the American technical group and preparation of material for the following day. Breakfast, lunch and dinner are occasions for bringing our allies in line and softening up the beach heads for D week at Bretton Woods.

Staff Memoranda) Mr. White
June - December 1944

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Tomorrow we will have ready a first draft of a Fund document containing various provisions which have been submitted by the technicians of the foreign countries along with our proposal. Will send you a copy as soon as it is done.

8. Everybody is working quite hard. We are getting excellent cooperation from the men of the Federal Reserve, State Department and other departments. Treasury personnel are putting in about 14 hours a day. The secretarial staff is also working very hard. Luxford and his boys are a great help.

You will be interested to know that Mr. Brown is staying with it in a big way. He is present at every meeting, stays through all the big meetings and small meetings and our own conferences and is helpful. It looks as though you have chosen wisely.

9. The Finance Minister, Mr. Suarez, of Mexico, is going to be in Washington Wednesday or Thursday. I'll ask your office to contact him since he would like to see you, and we are eager to maintain relations with Mexico. His representatives here are very helpful and are likely to prove invaluable at Bretton Woods in winning support for our views among the Latin American States.

H. D. White

Staff Memoranda) Mr. White
June - December 1944

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Division of Monetary Research
CROSS REFERENCE SHEET

Memo to: Memorandum for the Secretary
From: H. D. White
Dated: June 23, 1944.
Subject: Questions at issue on the Fund.
Original sent to Secretary by special delivery, from Atlantic City to Fishkill Farm, Fishkill, New York.

See file: Atlantic City - Memoranda submitted to the Secretary.

Staff Memoranda) Mr. White
June - December 1944

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Treasury Department
Division of Monetary Research

Date June 22 19

To: Secretary Morgenthau
From: Mr. White

Appended are:

- (1) A memorandum discussing the work that we are doing in preparation for the Conference.
- (2) A list of questions being considered by the sub-committees.
- (3) A draft of an agreement for an International Monetary Fund on which we are still working.

*(not appended
hereto)*

6/22/44 - mailed to the Secretary in the 8:30 p.m.
mail from Atlantic City

MR. WHITE
Branch 2058 - Room 214-1/2

to the Conference. A copy of this draft is attached. Work is also going forward on a draft of an agreement for establishing a Bank for Reconstruction and Development. Revision of these drafts of the agreements on the Fund and the Bank will continue during the sessions of the agenda committee and revised drafts will be sent to the Treasury from time to time. No attempt is being made to get agreement on these drafts. We are concerned with clarifying questions and finding out where difficulties arise.

White
June 22, 1944

Atlantic City has the Conference. team that will technical aid at ratory work the U. S. his country on ration will be paration and the settled questions onference.

U. S. delegates ne 14, 1944. The e purpose of pre- s on some questions Meetings of the a day.

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n the Fund and the mplete draft of onal Monetary Fund the U. S. delegates

Staff Memoranda) Mr. White
June - December 1944

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White

June 22, 1944

MEMORANDUM FOR THE SECRETARY:

1. The work of the U. S. experts in Atlantic City has been of inestimable value in preparing for the Conference. The experts are being trained to work as a team that will give the U. S. delegates the best possible technical aid at the Conference. As a result of this preparatory work the U. S. delegates can be sure that the policy of this country on international monetary and financial cooperation will be set forth clearly in the drafts now in preparation and the U. S. delegates will be informed of the unsettled questions that will be more fully discussed at the Conference.

The group of technical advisers of the U. S. delegates to the Conference began its meetings on June 14, 1944. The group was divided into 4 committees for the purpose of preparing a statement on the agenda and drafts on some questions that will be considered by the Conference. Meetings of the full group have been held regularly twice a day.

An important purpose of these meetings and committees has been to clarify and coordinate the views of the American technical advisers on all outstanding questions in preparation for work in the agenda committee now meeting in Atlantic City and in the Conference later at Bretton Woods. Another important aspect of the work of the American technical experts has been the training of the technical advisers in committee work on the tentative agenda of the Conference and the training of the technical secretariat for the Conference. This will help assure the efficient operation of the U. S. delegates and the smooth functioning of the Conference.

During this period, previous drafts on the Fund and the Bank have been enlarged and revised. A complete draft of an agreement for establishing an International Monetary Fund was prepared as the basis for the work of the U. S. delegates at the Conference. A copy of this draft is attached. Work is also going forward on a draft of an agreement for establishing a Bank for Reconstruction and Development. Revision of these drafts of the agreements on the Fund and the Bank will continue during the sessions of the agenda committee and revised drafts will be sent to the Treasury from time to time. No attempt is being made to get agreement on these drafts. We are concerned with clarifying questions and finding out where difficulties arise.

Staff Memoranda) Mr. White
June - December 1944

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2. About 30 technical representatives of other countries arrived on June 19, 1944. The U. S. representatives met with this group as a tentative committee on agenda. The committee was divided into 4 subcommittees, corresponding to those that will be organized at the Monetary and Financial Conference, with foreign experts as chairmen and reporters and U. S. experts as secretaries.

Some 20 questions have been assigned to these subcommittees for consideration. A list of these questions is attached. The drafts prepared by the U. S. experts have been the basis for discussion of these questions. The subcommittees have been reporting back to daily meetings of the full committee and these reports have given the experts of all countries represented an opportunity to express their views on the questions that must be considered. The U. S. experts are in this way kept informed of the questions that will be pressed by the foreign delegates at the Conference.

The remaining experts are expected to arrive tomorrow and the full agenda committee, representing all 15 countries, will then be in a position to agree on final arrangements for an agenda that will be submitted to the Conference for its action.

3. The success of the Conference depends not only on the technical preparation by the U. S. experts of the material needed by the U. S. delegates, but as well on the assurance that the Conference secretariat, staffed by technical men from the Government departments, will know their duties and perform them efficiently. This is what we hope to do during the period of the agenda committee meeting.

IV. Functions and Immunity Provisions

14. Relationship to Other Organizations

15. Information, Publication of Reports, and H. D. White

16. Looking up the Fund and Regulating Operations

17. Transitional Arrangements

Staff Memoranda) Mr. White
June - December 1944

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Questions Being Considered by U. S. and Foreign Experts

1. Quotas
2. Payment of Subscription
3. Depositories and Form of Currency Holdings
4. Protection of the Assets of the Fund
5. Par Values of Currencies in Gold
6. Changes in Par Values
7. Multilateral Clearing
8. Acquisition of Gold by the Fund
9. Charges by the Fund
10. Scarce currencies
11. Capital Movements
12. Additional Undertakings on the Part of Member Countries
13. Governing Board and Executive Committee
14. Withdrawal and Suspension of Member Countries
15. Distribution of Profits of the Fund
16. Liquidation of the Fund
17. Taxation and Immunity Provisions
18. Relationship to Other Organizations
19. Information, Publication of Reports, and Recommendations of the Fund
20. Setting up the Fund and Beginning Operations
21. Transitional Arrangements

Staff Memoranda) Mr. White
June - December 1944

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White

June 13, 1944

2:50 P.M.

Something

Mr. Brand of the British Treasury just telephoned to say that Lord Halifax had asked him to repeat the gist of the message which he, Lord Halifax, had just submitted to Secretary Hull as follows:

The British Government understands that the President may say something in his press conference with respect to the French currency situation. It is the hope of the British Government that the President would not say that the French Comité has approved of the currency to be used since that might serve only to stimulate De Gaulle to make further statements of repudiation. Secondly, they wish that the President would not refer to the possible use of yellow seal dollars or BMA notes until there has been an opportunity for further discussion on that point with the British Government.

H. D. White

6/14/44 - Or. sent to Mr. D. W. Bell.

*Or. filed in "French Currency - Exchange of Cables
Between P.M. & Pres."*

HDW/jm 6/13/44

Staff Memoranda) Mr. White
June - December 1944

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