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June 22, 1944

Committee 1.

Tsiang, Bystrov, Bulhoes, Plumptre, Goldenweiser, Livesey, Minskoff, Bourneuf.

Purposes - Joint Statement

Bulhoes - Would leave out last part of sentence - period after institution. All agree. Plumptre suggests "cooperation and consultation". Minskoff seems to think could leave out "consultation" - Plumptre, Goldenweiser and Bourneuf agree.

Tsiang - On 2. - Wonders if should say "the primary objective". Some discussion of last phrase - decide better to leave in.

Plumptre - On 3 - Does "confidence" mean confidence of nationals, No - means confidence of government, says Goldenweiser. Livesey says primarily for immediate post-war. Goldenweiser stresses long run. Recommends no change. Plumptre asks for explanation.

4. On 4 Goldenweiser - British stressing flexibility. Americans, stability. Steering middle course.

5. Plumptre - would say "those" foreign exchange restrictions - so as to make it clear that not intended to prevent controls of capital movements. Goldenweiser no objection. Livesey feels New York Times type of objections would be aroused.

Goldenweiser would insert after "elimination of foreign exchange restrictions" the words "on such transactions". All seem agreeable except Tsiang, opposed to modifications.

Minskoff says language of Joint Statement is broader than either suggested change.

Tsiang - must be specific provision elsewhere for capital transactions.

Plumptre - 5. of Joint Statement as now worded contradicts the later provision.

6. Tsiang likes this - Plumptre would put nearer the top of list - Goldenweiser would make 6. into 4. All agree.

Goldenweiser - would rephrase "disequilibrium when it occurs".

Bulhoes would add item 7. - a bridge between the Fund and the Bank.

Goldenweiser - might mention that only one part of post-war machinery.

Bourneuf - Reference to X-1 - with added positive statement that will cooperate with other agencies.

Tsiang - If discuss Bank at Bretton Woods - specific mention not necessary. Morgenthau refers to Bank in introduction to Joint Statement.

Bulhoes - Would like to carry over the sense of Morgenthau's statement to the official document.

Goldenweiser - Proposes his addition IX - obligation to stick to purposes.
"The purposes and policies of the Fund shall be the purposes and policies of the member countries as well. The Fund shall have the right to make representation to a member country at any time that its actions are not in accordance with the purposes and policies of the Fund and the member country undertakes to give serious consideration to the views of the Fund as so expressed."

Gives example of speculative capital exports by country, not using the Fund.

Tsiang - Sympathetic with reasons for Goldenweiser's proposal. Is afraid of political repercussions.

Minskoff - suggests belongs under IX. - If under IX - question of sanctions.

Tsiang - Would make Goldenweiser's statement as additional statement under I - after list of six purposes.

Goldenweiser - if put this under I - would stop after first sentence. Perfectly all right to end there.

"The above purposes etc.

Tsiang - says this would eliminate some of the political difficulties.

Bulhoes - is right to make report implied? Yes, says Goldenweiser.

Bystrov - would like wording of Mr. Goldenweiser and discuss tomorrow before bringing up in general committee.

Mosse - Would like to discuss the general nature of the Fund.

Goldenweiser - sees no objection.

Tsiang - says nature is mixed - would create difficulties.

Mosse - says wants discussion.

Goldenweiser - would mean discussion of whole document.

Mosse - will there be free markets, or what relations will there be
between free and controlled markets?

Plumptre - Is Mosse raising question of working regulations vs.
constitution - description of how the Fund will look in
action. Suggests White or Keynes make a statement -
Will not introduce at general meeting.

Bulhoes - would like to discuss quotas. Minskoff says will be in a
different committee.

Tsiang - wants further flimsies before meeting.

Tsiang - Wants as little as possible on paper.