

SEP 1 - 1943

Dear Mr. Cox:

This is in reply to your letter of July 21, 1943, in which you have commented on our reply to your letter dated May 21, 1943.

It has never been a primary purpose of the International Stabilization Fund proposal to establish a new international currency. The trade of the world would be carried on in terms of national currencies just as it has always been carried on. There is provided a new monetary unit called the Unitas to serve as a unit of account. There is obviously a need for a unit of account in which to keep the records of the Fund, as the Fund will in fact have a number of national currencies. A unit defined in terms of gold would seem to be most appropriate for this purpose.

The fundamental purpose of the Fund proposal is to provide an instrument of international cooperation for achieving international monetary stability and a balanced growth of multilateral international trade. It is our belief that this purpose can be attained only through the joint efforts of the United Nations and the countries associated with them.

You say your main criticism is that the plan hasn't the slightest chance of adoption. I'm inclined to think you are much too pessimistic, but, of course, only time will provide the final evidence.

Very truly yours,

H. D. White

H. D. White,
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RFM:mww
8/30/43

Ret. to Room 205