

MEETING AT TREASURY
October 6, 1943

Present: Keynes, Robbins, Opie, Baster,
Robertson, Thompson McAusland,
Whaley
White, Bernstein, Luxford,
Richardson, Livesy, Coe, Cohen,
Goldenweiser, Gardner, Bourneuf

It was decided that a general statement of principles should be agreed on, and also minutes of these meetings. Keynes said he would draft a statement omitting the monetization of units although this concession was not accepted by London. They would incorporate points on which there was some probability of agreement although on some points they would go beyond what the U. S. experts had already agreed to. The British think policing should begin only after a country has exhausted two-thirds of its quota but have left it indeterminate in this draft.

Keynes suggested that a member's gold contribution should only be used by the Fund to obtain the currency of another country if the contributing country's currency in the Fund exceeds 150% of its quota. White objected that we had already reduced the gold contributions drastically.

White said on exchange rates U. S. willing to allow 10% unilateral and 10% requiring two day answer. Keynes argued in favor of instant withdrawal. Bernstein said would have to refuse further drafts on the Fund. Keynes said that the period after a country had been refused a change in exchange rates would be impossible and Bernstein argued that the country would be given an alternative - perhaps exchange control.

Clayton was opposed to instant withdrawal and White also. White suggested might allow instant withdrawal if also declared the country in default on its obligations. Keynes said this was impossible. He said the world was not ready to submit to multi-lateral decisions on exchange rates.

Goldenweiser suggested that the U. S. might want to withdraw instantly and would not want to be called in default. Whether three months notice, more or less, does not make a fundamental difference.

White said he would prefer a general power to withdraw without notice to having it tied up with exchange rates.

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Cohen argued in favor of a cooling off period. Gardner remarked that good behavior for three months more was not worth much. 10

Goldenweiser argued that countries will cooperate only as long as they want to anyway. They must want to join.

Gardner brought up the provision about not refusing changes on grounds of social or political policies.