

MEETING AT TREASURY

October 9, 1943

4:30 P M

Present: The Americans and British who were at the morning meeting.

A draft of the brief version of the minutes was distributed.

Keynes suggested a rephrasing of the opening paragraph: "that the following details not included in the directive to the drafting committee are also covered by the discussion on the same basis as the directive itself". White agreed to this language.

The British proposed that 3 (i) include a definition of local funds.

It was decided to change 4 (i) in the directive to read that the fund's account shall be kept at the Central Bank.

5 (i). Keynes was concerned about this provision which seemed to give the contributing country the right to decide when its currency was to be rationed. White agreed to omit it.

Keynes thought the provision about the Fund levying a charge on its transactions and assessing member countries could easily be left to the drafting committee. White agreed. Keynes commented that it might not be wise to charge for transactions and put most of the burden on the debtor countries.

Bernstein suggested that the clause saying the Fund shall deal only with governments or their fiscal agents and international banks owned by member governments should be inserted in the directive. White said that the Americans had omitted the power to deal with individuals in deference to the British position.

On 11 there was some inconclusive discussion. Keynes wanted to say "when the provision of further currency is at the discretion of the fund basic votes . . . etc."

It was decided that the list of differences should be expanded to give both the American and the British positions.

Keynes commented that the British insisted on the phrase "gold-convertible currencies" in 8 (ii), and that 7 (VI) should be added since the British were convinced that each country should be allowed a 10% unilateral exchange rate change in each 10 year period.

Keynes also wanted to omit the sentence under 5 saying the resources of the Fund shall be used exclusively for the benefit of member countries.

It was agreed that the directive and the minutes would be polished up on Monday.

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White repeated that the directive is not to be made public until agreement has been reached on both the directive and the minutes - also that only after agreement will it be discussed with other countries. Some other governments will be consulted and the directive will not be published until agreement has been reached on the time of publication. K

Keynes wondered what would be done if a minor country objected to a point. White said let them vote against it in the conference.

In reply to Keynes White said he wouldn't discuss the thing with Russia until U. S. and England reach agreement. If they ask questions he will answer them on the basis of the published White plan. After main countries agree will circulate it to all the United and Associated Nations.

Keynes suggested an exchange of letters on the procedure to be followed and White agreed. White suggested that the directive and minutes be initialled by Keynes and White.

Keynes then brought up the monetization of Unitas problem and suggested that this difference be added to the minutes. White agreed.

There was some discussion of what to tell the press about the meetings - mentioned some formula about cordial and fruitful and will be continued and about differences being greatly narrowed.

White and Pasvolsky were opposed to a formal statement.