A-1: We are attempting to give all of the press a full regard of each day of the Conference's work. Each afternoon at three o'clock the members of the press galler in this room to hear the day's developments. Ot such sessions one or more of the deligates or adviser at the Conference regard on the activities of each Committee that has met during to day. those well this report includes a statement on The major giounts your which agreement has been readed; points upon which there is disagrament and the yourse views reature of the consideration, pro & con on the subject; and occasionally proposals of general intend which have been introduced during the day, even though the proposal may not be discussed & in committee until some time later. any regularitation of the great at the grans confinence is free t ask any question he worts and a every possible effect is made to framsh a direct orgly. in alltim tedal pour I think I should also state that members of the pours are fore t discuss any mother with

A-1: We are attempting to give all of the press a full report of each day of the Conference's work. Each afternoon at three o'clock th members of the press gather in this room to hear the day's developments. At such sessions one or more of the delegates or advisers at the Conference report on the activities of each Committee that has met during the day. Those mall This report includes a statement on the major points upon which agreement has been reached; points upon which there is disagreement and the various views nature of the considerations. pro & con on the subject; and occasionally proposals of general interest which have been introduced during the day, even though the proposal may not be discussed in committee until some time later.

Any representative of the press at the press conference is free to ask any question he wants and every possible effort is made to finish a direct reply.

I think I should also state, in addition to the daily press conference, the press are free to discuss any matter with

UNITED NATIONS MONETARY AND FINANCIAL CONFERENCE any member of the delegations of the various combines of the pours has full access t all parts of to hotel exercite actual committee meeting which are held in executive session, of course, all plenders sessions of the Confirmer and one offento. Dr. Coms. a. In Mr. Mr. Dermitt, you have furnished each accompletely representation of the first of the conference with a complete text of all te proposals which have been mide at the sear that they have been dimend as they have been introduced & griset any discussion by the conference. Is the customing A. Ia Mo, the is an inorotion so for as I Rnow in houdling green matters at International conferences, Homever, Section morgethem of the head of the other

any mem member of the delegations of the various countries & the press has full access to all parts of the hotel except the actual committee meetings which are held in executive session. Of course, all plenary sessions of the Conference are onen open to the press.

Q. 1a Mr. Mr. Desmott, you have furnished each acredited representative of the press or this conference, of the record, with a complete text of all the proposals which have been made at this event though they have not been discussed as they have been introduced & prior to any discussion by the conference.

Is this customary

A. 1a No, this is an innovation so far as I know in handling press matters at international conferences. However, Secty Morgenthau & the head of the other

UNITED NATIONS MONETARY AND FINANCIAL CONFERENCE deligations here fell that the press was entitled to have our complete cooperation; the it was important that the whole would Know wh everything that is going on how at Britton Woods; and we decided that the best way to do then was to give the grew all of the Documents in advance and have an ample apportunity to shall each from & ask any question they gu emas asab it meles it hards come up for consideration by a conference. Q.16 Has the goral ground successful Mi A. 16 In my opinion it has been most successful and its may requested a Sundmark in the hundling of Prins malter at future conferences.

entitled to have our complete cooperation; that it was important that the whole world know wh everything that is going on here at Bretton Woods; and we decided that the best way to do this was to give the press all of the documents in advance fo so they could study the provisions and have an ample opportunity to study each provision & ask any question they like about it when it does come up for consideration by the conference.

- Q. 1b Has this approach proved successful MrMc Desmott
- A. 1b In my opinion it has been most successful and it may represent a landmark in the handling of press matters at future conferences.

UNITED NATIONS MONETARY AND FINANCIAL CONFERENCE & the international conference program A 2. The Conferme has two being specific assignment. They assignments are; (1) to formulate a concrete programly Junes for an International monetary Junes Which programs will be preferred to book trail counting for its acceptant or regular (2) to formulate a concorde projosal for an International Book for Reconstruct and Development for submission to end construct for justed in the (3) to.

Q2. Mr. Luxford, what is the general purpose of this international conference?

A2. This Conference has two very specific assignments and one general assignment.

The are The specific assignments are:

(3) To.

- (1) To formulate a concrete proposal for an International Monetary Fund, which proposal when agreed upon will be refunded back to each country represented for its acceptance or rejection.
- (2) To formulate a concrete proposal for an International Bank for Reconstruction and Development for submission to each country represented in the same manner

UNITED NATIONS MONETARY AND FINANCIAL CONFERENCE The general assignment is to Consider what other mem of whent monten & Thouland & more Cooperations are necessary of to Josemulate recommendations on the subjects Q3. Mr. Lufford, will the deligates t this Conference actually sign an agreement which will be binding on sail A3, No Sir. This expressly understood by Every Delegale & the President Rosenth in morting te vacious countries t partugate in the conferme expressly ed blin polomas on het setels asked to enter into a binding openment at the Confinence Instead, we are assembled here for the Jungon of formulating to precise terms for agent

The general assignment is is to for consider what other means of international Monetary & International Financial Cooperation are necessary & to formulate recommendations on these subjects.

Q3. Mr. Luxford, will the delegates at this conference actually sign an agreement which will be binding on each country?

A3. No Sir. It is expressly understood by every delegate at this President Roosevelt in inviting the various countries to participate in this conference expressly stated that no country will be asked to enter into a binding agreement at this Conference. Instead, we are assembled here for the purpose of formulating the precise terms for agree

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The International of June & French Books but earl deligation will submit and brobases & its day for accelerant or regulum. Q. H. Mr Lyford, the Will Congruen have t approve and Joshupation in a International monton Dund & Folomational Bank? A.H. Yes our, Boll to President & Seity Morgathan horregulally stated that any agraments on either progosol will be submitted t Congress for their afferred or regention of the this country would make make mo commitments whatsoever which who would interfere with the foundon of Congress t make its own downer,

the International Fund & International Bank but each delegation will submit such proposals to its gov't for acceptance or rejection.

Q.4. Mr Luxford, Who Will Congress have to approve our participation in the International Monetary Fund & International Bank?

A.4. Yes sir. Both the President & Secty Morgenthau has repeatedly stated that any agreements on either proposal will be submitted to Congress for their approval or rejection & that this country would make no commitments whatsoever which who would interfere with the freedom of Congress to make its own decision.

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Q. H. Just what is the purgose of the Shillgoton Sund my Kitferd ? A. H. Withour going into Detail Mr. ___ the International Montany Dund is intended to make in possible for the countries of the world, to fruly engy in trade of commerce with each they receive will have for the goods will have a stable value of can be spent when they want t spend them. In other words if I might use a losse Endoys the countries of the world are today in something of the world are as the thisten original colonies of the constitution was adopted. Earl had to own every while of tradebetween colonies was

Q.4. Just what is the purpose of the Globalization

Fund Mr. Luxford? A.4. Without going into detail Mr _____, the International Monetary Fund is intended to make it ultimately possible for the countries of the world, joining that form the Fund, to freely engage in trade & commerce with each other on without fear with confidence that the currencies they receive will have a for their goods will have a stable value & can be spent when they want to spend them. In other words, if I might use a loose analogy, the countries of the world are today in something of the same state about the same condition as the thirteen original colonies of this country at the time the Constitution was adopted. Each had its own currency

which & trade between colonies was

Constantly menaced of not strangled because no one could be certain that if he took the currenty of another colony it would be good whenhe & medel it. Each colongs curry fluctuality in yoling of trule was more difficult of the Structus miround were grant. Now, we went at a long hay loward solving this currency ordelin when the 13 colonier accepted the constitution + promitte to godene I work t introduce a single curreny, manuly te dollar, Which had to some value in all the Colonies. It was then possible for trado to Develop amongst the states on an ever expending basis to the benefit of all of us. That in a brook sense is what we are now shooting of in this Conferent with a Fulsonstrond monteny gund,

constantly menaced if not strangled because no one could be certain that if he took the currency of another colony it would be good when he do needed it. Each colonys currency fluctuated widely in value & trade was most difficult & the financial risks involved were great.

Now, we went all a long way toward solving this currency problem when the 13 colonies accepted the Constitution & premitted the Federal Govt to introduce a single currency, namely, the dollar, which had the same value in all the colonies. It was then possible for trade to develop amongst the states on an ever expanding basis to the benefit of all of us.

That in a broad sense is what we are now shooting at in this Conference with the International Monetary Fund.

We do not intend, of course, to me substitute one currency for all the currencies now in use in the world, But, 4 butter all ser , distrogui don is att the every country joining the fund shall define the volue of its currenty in gold and untertake t maintain the value, we do intered that thus, gold becomes te common denominator for all to currenius, just as the Della become the common denominator for all traile in te U.S. be also intend to stown go toward the gold of complete converlebility of member commens so that the answer effected who sells automobile to metion for methor browns or radios to Russia for Russian Broubles can both into dollars without loss. Worthon

We do not intend, of course, to merely substitute one currency for all the currencies now in use in the world. But, & this is most important, we do intend that every country joining the fund shall define the value of its currency in gold and undertake to maintain that value. We do intend that Thus, gold becomes the common denominator for all currencies, just as the dollar became the common denominator for all trade in the U.S. We also intend to strive for toward the gold of complete convertability of member currencies so that the American exporter who sells automobiles to Mexico for Mexican pesos or radios to Russia for Russian rubles can always confe convert the pesos or rubles back into dollars without loss. More than

Thus, we also work to be certain that the guigocurrencio for which we sell good abroad can always be used by us to buy goods from those combons whose Currenis we take That is a substant a in shall are ottengting t work out through the was en ft. but Grantman moderne for successful and it the country of the reconstant their sconomies after le war, it is not too much to say with trade of commen may flow as feely between Courtons as it now does between the states of the United Slite. Thus televel of ned wisome in each country con be raised just as the General

that, we also want to be certain that the foreign currencies for which we sell goods abroad can always be used by us to buy goods from those countries whose currencies we take.

That in a nutshell is what we are attempting to work out through the International Monetary Fund. If we are successful and, if the countries of the world are given an opportunity to reconstruct their economies after the war, it is not too much to say that the world may see the day when trade or commerce may flow as freely between countries as it now does between the states of this United States. Thus the level of real income in each country can be raised just as the financial unification of the thirteen colonies

W UNITED NATIONS MONETARY AND FINANCIAL CONFERENCE Southard the development into thee 48 states of te U.S. Q. 5. What about the International Bank Mrs. Surges ?. Surged. What are to general gurgoses? A. 6. You will recall that in discussing what the Fortraduoid Montery Dund could Do for foreign trade, I quelifuel my statement by saying" if the Country to world are given a chance to reconstruct their economis after the wor. Well that is exactly When the International Bonk for Reconstruction , southing et enters te gisture a x The highly developed industrial system of the country did not emerge menely from the adoption of a single currenty for to whole of

facilitated their development into these 48 states of the U.S.

Q.5. What about the International Bank Mr

Luxford. What are its general purposes?

A.5. You will recall that in discussing

what the International Monetary fund could

do for foreign trade, I qualified

my statement by saying "if the

countries of the world are given a

chance to recontruct their economies

after the war." Well that is exactly

where the International Bank for Reconstruction

& Development enters the picture.

The highly developed industrial system of this country did not emerge merely from the adoption of a single currency for the whole of

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to United States. Mrs, it also was greatly assisted by the investment of foreign capital in the country. artiend of the Revolutionary war we were rich in natural resources but no ordered to cogetal to finance the Development of their nessources sother the world as a whole could profit from their Use. Doneyn investors, bring ciptal, mostel in our industry, in or roulroads, in or mines, and from with the capital we were able to translate our now materials into goods thornow flows into every mooky cranny of the world. We have graftled-- the whole world has grotted from the investment of Joseph Cojetal during our early days.

the United States. No, it also was greatly assisted by the investment of foreign capital in this country.

At the end of the Revolutionary War we were rich in natural resources but no one here had the capital to finance the development of these resources so that the world as a whole could profit from their use

Foreign investors, having capital, invested in our industry, in or rail-roads, in our mines, and from with this capital we were able to translate our raw materials into goods that now flows into every nook & cranny of this world. We have profited -

 the whole world has profited from this investment of foreign capital during our early days.

(T3) UNITED NATIONS MONETARY AND FINANCIAL CONFERENCE today there are other countries in need of capital with which to develop the resources, However, the butter experience of the twentus of therties after te last was makes countries homing the necessary capital most word of investing wabrood, there is too little assurance that they will ever get in boul - let alone earning a return on their involument. to those of us who have studied the Problem 'I seems most clear that frige cogetal is available formestment abroad if te investor car be assured of the the money will be regard & that he will receive a fair return for to use of his money. There is totach of the Bank, not to adually insent its capital abroad

Today there are other countries similarly in need of capital with which to develop their resources. However, the bitter experience of the twenties & thirties after the last war makes countries having the necessary capital most wary of investing it abroad. There is too little assurance that they will ever get it back - let alone earning a return on their investment.

To those of us who have studied the problem it seems most clear that foreign capital is available for investment abroad if the investor can be assured of the that the money will be repaid & that he will recieve a fair return for the use of his money.

That is the primary task of the Bank. Not to actually invest its capital abroad

for georgesed of reconstruction & Development but t use its vast resources to quaranter t to pivote investor that he will not los his money or a fair return of 44 countains, This the Book can do, for it tight have Ten bellen dollars in moones to um and bossippe Josses. Wetrosia, it status to very rook of Jonings investment by seeing to it that looms while it guarantees actually and sound loans, actually will mener the Broductionly of the bossowing Country and that the Gorrowing country autually will be able to regard to hoon. It will staning an holy ab lless it sent most muster for dominate is in a gostunt do, make an importal study of the whole grouped & obtain the

for purposed of reconstruction & development, but to use its vast resources to guarantee to the private investor that he will not lose his money or a fair return on it.

This the Bank can do, for it will have

ten billion dollars in resources & the combined pledge of 44 countries, to
meet any possible losses. Moreover,
it strikes at the very root of sound foreign
investment by seeing to it that loans
which it guarantees actually are
sound loans, actually will increase
the productivity of the borrowing country,
and that the borrowing country actually
will be able to repay the loan. It will
have Thus it will do what no private
investor has done in the is in a
position to do, make an impartial study
of the whole project & obtain the

(15) Committeed committeed of the borrowing Country t 44 other Country that the Such will have will be regard. The Bank will visure investors against loss, 'I will wise underedoped & was toon countries cope copied with which t develop their nesoures of it will tal the messer required to protect theely against loss. There are the essentials of restoring prote foreign moestment, Then you mem that the International Book will not compate with pounts On to contram, it will not tal any Loan that to givente muchel will absort on reasonable trans withouts Duthy, it can be safely statul that, unless an International Bunch of the chroster does offert quanter

international commitment of the borrowing country & 44 other countries that the loan will be repaid. The Bank will insure undeveloped & war torn countries eapil capital with which to develop their resources & it will take the measures required to protect itself against loss.

These are the essentials of restoring private foreign investment.

Q. Then you mean that the International Bank will not compete with private investors?

A. On the contrary, it will not take any loan that the private market will absorb on reasonable terms. without its Further, it can be safely stated that, unless an International Bank of this character does offer to guarantee

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foreign loors, the girente morestor will do little foreign musting because he know only to well what huppened after to luch world was when at to adequate steps were not taken to protect his interests & he ended up the loses. a why should this be an International Book rollow than a boul owned poling by the Unstile Stales A. That is an important question, but thanswer is single. The whole world Profits from so a country dueloping its row resources of the world; trade always That being so, the comment it is only reasonable that early country of loss in

foreign loans, the private investor
will do little foreign investing because
he knows only too well what happened
after the last World War when adqi
adequate steps were not taken to
protect his interests & he ended up
the loser.

Q. Why should this be an International

Bank rather than a bank owned

solely by the United States.

A. That is an important question, but the answer is simple. The whole world profits from a country developing its raw resources & the world's trade always nkjf trade of each country increases.

That being so, the countries it is only reasonable that each country should share the risk of loss in