

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 ~~the~~ 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. ~~These matters~~ 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 furnish a direct reply. in addition to daily press conference,

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any ~~member~~ 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 ~~open~~ open to the press.

Q. 1a Mr Mc Dermott, you have furnished each accredited representative of the press at this conference, ^{with the record,} with a complete text of all the proposals ~~which have been made at the event~~ ~~of~~ they have not been discussed as they have been introduced & prior to any discussion by the Conference. Is this customary

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delegations here felt that the press was entitled to have our complete cooperation; that it was important that the whole world know ~~not~~ 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 ~~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.16 Has the approach proved successful ^{Mr} Mc Dermott?

A.16 In my opinion it has been most successful and it may represent a landmark in the handling of press matters at future conferences.

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Q 2. Mr Lufford, what is the general purpose of this international conference?

A 2. This Conference has two very specific assignments and one general assignment. ~~The~~ The specific assignments are:

(1) To formulate a concrete proposal for an International Monetary Fund, which proposal ^{when agreed upon} will be referred to each country ^{consequently} 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.

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

Q3. Mr Lufford, will the delegates to this Conference actually sign an agreement which will be binding on each country?

A3. No Sir. ~~It is expressly understood by every delegate to the 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 the Conference. Instead, we are assembled here for the purpose of formulating the precise terms for ~~agreement~~

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Q. H. Mr Lufford, ~~Will~~ Will Congress have to
approve our participation in the International
Monetary Fund & International Bank?

A. H. Yes sir. ~~Both the President & Secy Morgenthau~~
has repeatedly stated that any agreements
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Q.4. Just what is the purpose of the Stabilization Fund Mr. Lippard?

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 join} the Fund, to freely engage in trade & commerce with each other ~~without fear~~ ^{with confidence} that the currencies they receive will ~~have~~ ^{have} 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

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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 ~~to~~ needed it. Each colony's currency fluctuated ^{widely} in value & trade was most difficult & the ^{financial} ~~risks~~ ^{risks} involved were great.

Now, we went ~~at~~ a long way toward solving this currency problem when the 13 Colonies accepted the Constitution & permitted 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.

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UNITED NATIONS MONETARY AND FINANCIAL CONFERENCE

We do not intend, of course, to ~~simply~~ 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 the currencies, just as the dollar became the common denominator for all trade in the U.S.

We also intend to strive ~~for~~ toward the goal of complete convertibility 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 ~~convert~~ convert the pesos or rubles back into dollars without loss. More than

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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 & commerce may flow as freely between countries as it now does between the states of the United States. Thus the level of real income in each country can be raised just as the financial unification of the British Colonies

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

Q. 5. What about the International Bank Mr. Lufford. 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 reconstruct 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. 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 ^{had} 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 our railroads, 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.

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

Today there are other countries in need of capital with which to develop their resources. However, the bitter experience of the twenties & thirties after the last war makes countries hoarding 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 that~~ that the money will be repaid & that he will receive a fair return for the use of his money.

This is the task of the Bank, ^(primary) not to actually invest 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.

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

for purposes 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
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This the Bank can do, for it will have
 ten billion dollars in ~~resources~~ ^{resources} 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
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 the productivity of the borrowing country,
 and that the borrowing country actually
 will be able to repay the loan. ~~It will~~
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~~International~~ ~~Commitment~~ Commitment of the borrowing country + 44 other countries that the loan will be repaid. The Bank will insure investors against loss; it will ~~insure~~ ~~assure~~ underdeveloped & war torn countries ~~capital~~ 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~~ Further, it can be safely stated that, unless an International Bank of this character does offer to guarantee

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

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 own resources & the ~~world's trade~~ ~~always~~ trade of each country increases. That being so, ~~the countries~~ it is only reasonable that each country should share the risk of loss in

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