

TO BE TELETYPE

May 12, 1945

To Secretary Morgenthau

From Mr. Luxford

Re: Bretton Woods Conference

Wolcott requests amendments to the bill on the following points as the basis for a compromise:

1. Language that would make it clear that the monetary fund should limit its operations to short term stabilization operations.
2. The C.E.D. amendment authorizing the Bank to make long term stabilization loans.
3. The creation of an Advisory Council to guide American representation on the Fund and Bank and coordinate the activities of the U. S. Export-Import Bank.
4. The appointment of one person to serve as American Governor of both the Fund and the Bank (leaving separate executive directors, however).
5. Modification of the provisions relating to the President's right to get information requested by the Fund.

Wolcott is prepared to discuss these matters in terms of amending the Bill before Congress and not requiring amendments to the Bretton Woods Agreements as conditions to our acceptance.

We had previously cleared language with Brown, Eccles, Acheson (except on chairmanship point) and Vinson covering all the points except Wolcott's first point. White, O'Connell, E. M. Bernstein and I are in agreement regarding language to offer in connection with Wolcott's first point. I have also cleared the substance of such language provisionally with Acheson's office in his absence. The compromise language we propose to give Wolcott this afternoon upon receipt of your approval is quoted below. We will give it to him with the explicit understanding that it is not final and subject to revision.