

Personal

Secret

May 4, 1945

Dear Ned,

I am enclosing copies of the following:

1. Memo of Conference with Jesse Wolcott
2. Memo of conversation with Judge Vinson
3. Draft of possible amendments

Burgess has been in touch with Wolcott and it appears that if a compromise is to be reached it may very likely be effected through this medium.

Last week the Secretary had Judge Vinson, Governor Eccles and Dean Acheson for lunch to discuss the Wolcott proposal. At that meeting it was agreed that I should draft some amendments embodying the substance of the discussion and distribute them to those present and to you for comment.

When you have had a chance to go over these, I would appreciate it if you would give me your views by telephone or otherwise.

The way things are shaping up here, I expect the hearings to close toward the middle or end of next week. There are several indications at this point that we may get some Republican support and we definitely have a working majority at this point.

Sincerely,

(Signed) Lux

Mr. E. E. Brown,
President,
First National Bank of Chicago,
Chicago, Illinois.

Enc.

P.S. I have not had an opportunity to show these to the Secretary to date.

AFL:mr:d

A.F.L.

TOP SECRET

Draft - 5/3/45

AMENDMENTS TO H. R. 2211 WHICH COULD BE MADE
FOR PURPOSES OF COMPROMISE

1. CED Proposal: A new section will be added, entitled
"STABILIZATION LOANS BY THE BANK":

"Sec. 13. If the management of the Bank does not interpret its powers under the Articles of Agreement as authorizing the Bank to make or guarantee loans for programs of economic and monetary reconstruction which may include long-term stabilization loans, the governor and executive director of the Bank appointed by the United States are hereby directed to promptly propose and support an amendment to the Articles of Agreement for the purpose of explicitly authorizing the Bank, after consultation with the Fund, to make or guarantee such loans. The President is hereby authorized and directed to accept such amendment on behalf of the United States."

2. Council Proposal:

Section 4 is amended to read as follows:

"NATIONAL ADVISORY COUNCIL ON INTERNATIONAL
MONETARY AND FINANCIAL PROBLEMS"

"Sec. 4. (a) There is hereby established the National Advisory Council on International Monetary and Financial Problems (hereinafter referred to as the Council), consisting of the Secretary of the Treasury, as Chairman, the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System and the Chairman of the Board of Directors of the Export-Import Bank

(b) The Council:

(i) in consultation with the representatives of the United States on the Fund and Bank, shall formulate, for the approval of the President, general policy directives for the guidance of the representatives of the United States on the Fund and Bank.

(ii) shall advise and consult with the President and the representatives of the United States on the Fund and Bank on major problems arising in the administration of the Fund and Bank.

(iii) except as otherwise provided in section 5 of this Act is hereby authorized, with the approval of the President, to give or refuse the approval, consent, or agreement of the United States whenever, under the Articles of Agreement of the Fund or the Bank, such approval, consent or agreement of the United States is required before any act may be done by the respective institutions.

(iv) from time to time, but not less frequently than every six months, shall transmit to the Congress a report, approved by the President, with respect to the participation of the United States in the Fund and the Bank.

(c) The representatives of the United States on the Fund and Bank shall keep the Council fully informed of their activities and shall provide the Council with such further information or data as the Council may deem necessary to the appropriate discharge of its responsibilities under this Act.

(d) The Council, with the approval of the President, is also directed to coordinate the policies of the Export-Import Bank with those pursued by the United States in connection with the Fund and Bank."

3. One Person as Governor of Both Fund and Bank:

Section 3: Section 3 is amended to read as follows:

"Sec. 3. (a) The President, by and with the advice and consent of the Senate, shall appoint one governor to represent the United States on both the Fund and the Bank, an executive director of the Fund and an executive director of the Bank. The executive directors so appointed shall also serve as provisional executive directors of the Fund and the Bank for the purposes of the respective Articles of Agreement. The term of office for the governor shall be five years and for the executive directors two years but the executive directors shall remain in office until their successors have been appointed.

(b) The President, by and with the advice and consent of the Senate, shall appoint one or two alternates for the governor and one alternate for each of the executive directors. Alternates for the executive directors shall be selected by the President from names recommended to him by the executive directors.

(c) No person shall be entitled to receive any salary or other compensation from the United States for services as a governor, executive director, or alternate."

4. Revision of Information Provision:

Section 9 is amended to read as follows:

"OBTAINING AND FURNISHING INFORMATION"

"Sec. 9. So long as the United States is a member of the Fund, the President may require at any time, in the manner and under the penalties provided in Section 5(b) of the Trading with the enemy Act (U.S.C., title 50, App. Sec. 5), as amended, the furnishing of any data that may be requested by the Fund under Article 8, section 5, of the Articles of Agreement of the Fund."

SECRET

May 4, 1945

Dear Governor,

Pursuant to the arrangements we made at the Secretary's lunch the other day, I am enclosing a first draft of possible amendments we could accept on the Bretton Woods legislation.

I would like to come over and get your suggestions at your convenience.

Sincerely,

(s) Lutz

Honorable Marriner S. Eccles,
Board of Governors of the
Federal Reserve System,
Washington, D. C.

P.S. I have not had an opportunity to show these to the Secretary to date.

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Enc.

AFL:nrd

SECRET

May 4, 1945

Dear Judge,

Pursuant to the arrangements we made at the Secretary's lunch the other day, I am enclosing a first draft of possible amendments we could accept on the Bretton Woods legislation.

I would like to come over and get your suggestions at your convenience.

Sincerely,

(e) Luf

Honorable Fred M. Vinson,
Federal Loan Agencies,
Washington, D. C.

P.S. I have not had an opportunity to show these to the Secretary to date.

Enc.

(u) A.F.X.

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