

APR 16 1945

Dear Mr. Laylin:

I was happy to receive your letter of March 29, in which you enclosed the complete text of your letter to the New York Times.

Although I realize that your letter to the Times was written with the best of intentions and that your objective is the same as ours--namely, the creation of the institutions proposed at Bretton Woods and other arrangements for the reduction of trade barriers--I am still of the opinion that you over stress the need for concurrent action.

I believe I have pointed out in conversations we have had, that the Bretton Woods Agreements are not entirely dependent upon the simultaneous execution of a multilateral treaty on commercial policy. To a large extent, the belief that countries will join the Fund and make no effort to reduce other trade barriers is based upon the assumption that the United Nations, both large and small, are only interested in obtaining dollars and are not directing their efforts toward expanded world trade. As you know, the pecuniary advantages which a country might obtain by using the Fund, while at the same time continuing and expanding commercial policy barriers to trade, would be extremely small in relation to its long-term interest in foreign trade.

Other countries as well as the United States realize that in the immediate post-war period trade policies, both monetary and commercial, must be formulated and that the pattern established in the next few years will determine international economic behavior for a long time to come. I believe that they are sincerely trying to work out policies which will permit all the countries to prosper and that their interest in and support of the Bretton Woods proposals is merely one of the many steps that they will be willing to take in this direction.

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I would be happy to discuss this aspect of Bretton Woods with you at any time you suggest.

Sincerely yours,

(Signed) Ansel F. Luxford

Assistant to the Secretary

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