

SEP 19 1944

Dear Nat:

I appreciate your sending me the letters commenting on "The Meaning of Bretton Woods" program. It was interesting to see the reactions to the broadcast.

The letters are enclosed and would have been returned earlier but I was out of town when they arrived. Please let me know if I can be of any help in connection with later broadcasts.

Sincerely,

(s) Lux

Mr. Nathan L. Silberberg,  
1627 K Street, N.W.,  
Washington, D. C.

Enclosures.

RB:mcu  
9/16/44

RB

Joint Statement - no provision

~~IV~~ <sup>Insert C-D</sup>  
The following material has been suggested as an addition to Article IV

Alternative A

~~(Add to Joint Statement IV)~~

# Section 6 - Protection of the Assets of the Fund.

No change in the foreign exchange value of the currency of any member ~~country~~ shall alter the gold value of the assets of the Fund. Whenever (i) the par value of a currency of a member is reduced, or (ii) the foreign exchange value of the currency of any member has depreciated within its jurisdiction to <sup>a</sup> significant extent, <sup>with the opinion of</sup> as determined by the Fund, the member shall compensate the Fund by paying to the Fund within a reasonable time an amount of its own currency equal to the reduction in the gold value of the currency of such ~~country~~ <sup>member</sup> held by the Fund. Whenever the par value of the currency of any member has been increased the Fund shall compensate such ~~country~~ <sup>member</sup> by returning, within a reasonable time, an amount in the currency of such ~~country~~ <sup>member</sup> equal to the increase in the gold value of the currency of such ~~country~~ <sup>member</sup> held by the Fund.

D

None of this material is

7/1/44

NOT FOR PUBLICATION UNTIL OFFICIALLY RELEASED

Art. IV  
Add'l. Sec.



August 17, 1944

Secretary Morgenthau

Mr. Luxford

(For your information)

Report on public education program on  
Fund and Bank

1. American Forum of the Air Broadcast on August 22.

The nature of this broadcast, participants, and the preparation of the questions and answers have been outlined to you in a separate memorandum. There remains to be done in connection with this program two things: First, the preparation of your opening and closing remarks which are presently in draft form; second, fixing a time for a discussion of the program between Granik and the delegates. Granik would like to have this some time on Monday.

It is contemplated that the American Forum of the Air will provide two further programs on the Fund and the Bank, both of which will be of the controversial type with Taft and Charles Dewey appearing as opposition on a program which has been tentatively scheduled for the middle of September.

2. Lunch with Salzburger (New York Times).

After discussing this matter with Mr. Gaston, I advised Mr. Salzburger that I would have luncheon with him and members of his editorial staff on Monday, August 21. In my opinion, it would be very helpful if it were possible for Mr. White or one of his men also to attend this luncheon. I should like to discuss this with you at your convenience.



~~Prop~~ Joint Statement - reproduction

The following material has been suggested as an addition to Article IV

Alternative A

Section 7. Separate currencies within a member's jurisdiction

# A member proposing a change in the par value of its currency shall be deemed, unless it declares otherwise, to be proposing a corresponding change in the par value of the currencies of all territories under its jurisdiction. It shall however be open to a member to declare that its ~~proposal~~ proposal relates either to the metropolitan currency alone, or to one or more specified subordinate currencies alone, or to the metropolitan currency and one or more specified subordinate currencies.

Alternative B

(Add to Joint Statement IV)

# If separate currencies are used in different parts of the territory of a member country, the provisions of this article shall apply to each of these currencies.

None of this material is for publication until officially released  
7/1/44 -20- J. & Art IV Additional Section



6. American Legion.

We have discussed the merits of the Fund and the Bank with Mr. Galloway who is Chairman of their Sub-Committee on Foreign Policy. He is going to prepare a report on the subject for the Legion and he wants to obtain our comments before submitting it. While he is inclined to be conservative, nevertheless we are hopeful that we can get him to adopt a sympathetic approach. It will, of course, be extremely helpful if we can get the American Legion working with us in this field.

7. Discussions with Delegates.

In connection with my talks with the various delegates regarding their participation in the American Forum of the Air broadcast, I have had an opportunity to also discuss with them in a general way the subject of cooperation with us on the Fund and the Bank.

(a) Brown has been very cooperative and advises me that he is "working himself to death" attending informal meetings in Chicago explaining the meaning of the Bretton Woods Conference.

(b) Acheson is most anxious to cooperate on the radio broadcast and has indicated a desire to discuss in general the problem of public education.

(c) Senator Tobey is coming all the way from New Hampshire just to participate in the broadcast. He advises me that he has been working under cover on some of the Republican senators, in particular, on Senator Vandenberg.

(d) Congressman Wolcott was reluctant to participate in the broadcast because he was afraid it might interfere with his work behind the scenes with his Republican colleagues. However, he is most cooperative and I have prepared a separate memorandum on my discussions with him.



(e) Senator Wagner and Congressman Spence are, of course, cooperative. Senator Wagner could not participate in the broadcast because of a previous speaking engagement in New York.

(f) Eccles appeared to want to cooperate. However, he stated that he was in a difficult position; that he had sent out a letter to each of the Federals urging them and their officers not to make any public statements in opposition to either the Fund or the Bank. He said that this was particularly necessary in connection with the New York Federal as both Sproul and Williams were getting ready to attack. He now feels that it would be unfortunate if he were to come out publicly on the subject of the Fund and the Bank, since it might open the opportunity for the New York Federal officials to cut loose with their blast. By refraining from a discussion at this time, he feels that he can hope to hold them in line. He did say that if he were called upon to testify before Congress, that that would be a different matter.

(g) Vinson was most helpful and was anxious to participate in the broadcast provided his health permits.

(h) I did not invite Miss Newcomer to participate in the broadcast because we already had an ample number of acceptances. However, she was in Washington one day last week and discussed with me the work she has been doing to support the Bank and the Fund with various women's groups. She will be most helpful and cooperative and was quite enthused with the program for the Women's Conference on International Affairs (Point 3).

### 3. Discussions with Bankers.

Last week I had a long discussion with John Laylin (former Assistant General Counsel here in the Treasury) on the Fund and the Bank and sold him on both plans.



He is counsel for a number of important banks and indicated that he would "throw his weight" to get them to modify their views. Later, he arranged a dinner at which his father-in-law, a Mr. Morgan who is Vice President of the National City Bank, as well as a Mr. Wasson, Vice-President of J. P. Morgan. Wasson came down to Washington from New York just for the purpose of participating in this discussion. By the end of the evening, both Wasson and Morgan were in agreement on the merits of the Bank and Wasson stated that he was also prepared to support the Fund. Mr. Morgan was a great deal more conservative (one of these old gold standard advocates) but it was clear that he was deeply shaken on the Fund. He admitted its technical thoroughness but was still yearning for the days of the good old gold standard. In these discussions Laylin was extremely helpful. Wasson urged us to prepare an annotation of the Bank and Fund Agreement which might be studied by bankers. He felt that a more complete explanation which might be possible in such an annotation would be most helpful in educating the bankers who are anxious to study it.

9. Congressman Voorhis.

At Congressman Voorhis' request, Ness and I called on him yesterday and discussed at length the Fund and Bank. He indicated his willingness to support both proposals, and took notes from which he intends to prepare a speech on the subject which he hopes to deliver before Congress recesses.

(Signed) Ansel F. Luxford