

DRAFT
JANUARY 15, 1945.

To the Congress of the United States:

In my message of January 9 outlining the budget for the next fiscal year, I called attention to the need for immediate action on the Bretton Woods proposals for an International Monetary Fund and an International Bank for Reconstruction and Development. It is my purpose in this message to indicate the importance of these international organizations in our plans for a peaceful and prosperous world.

A [We must take measures now to construct a world in which our political ideals will flourish and our economy will prosper. The time that remains before our enemies are finally defeated may be the only period during our lives in which there is a real opportunity to set in motion the machinery that will provide security for all peace-loving nations.

The creation during the war of a working partnership of the United Nations has proved beyond doubt that right-minded governments and peoples joined together are an unbeatable combination. The Dumbarton Oaks discussions have pointed the way to political unity in peace as well as in war. International political relations will be healthy and vigorous, however, only if solutions are found to the difficult economic problems we face today. The Bretton Woods Conference is striking evidence that the solution of international economic problems

lies in effective collaboration modeled on our common efforts during the war. I can imagine no greater danger to permanent peace than the political atmosphere which would be created should we permit unrestrained economic rivalry in the post-war period.

Our plans for economic cooperation must be directed toward the goal of full employment and higher standards of living. Domestic policies alone will not achieve this goal for we cannot isolate ourselves from economic conditions in other countries. Depressions are contagious and I am convinced that we can avoid contamination only by joining in cooperative efforts to achieve a prosperous world economy. The expansion and balanced growth of international trade are an essential part of such a program.

The International Monetary Fund and the International Bank for Reconstruction and Development will contribute to the necessary expansion of trade by removing from the arsenal of economic warfare some of its most destructive weapons. The Fund will prevent a recurrence of the monetary chaos of the 1930's. It will outlaw competitive currency depreciation and restrictive exchange controls and, in their place, will substitute an orderly procedure in which the interests and responsibilities of all nations are recognized.

In the field of international investment, also, all nations have recognized their joint responsibility. Large sums will be needed for the reconstruction of areas devastated by the war and for the development of industrially retarded nations. To meet this need, the all nations have agreed to establish an International Bank in which borrowers and

lenders alike will share on an equitable basis the risks involved. The principal function of the Bank will be the encouragement of private investment by guaranteeing loans which are sound from the point of view of both debtor and creditor.

I do not want to leave with you the impression that these proposals are perfect in every detail. It may well be that the experience of future years will show us how they can be improved. I do wish to make it clear, however, that these Articles of Agreement are the product of the best minds that 44 nations could muster. These men, who represented nations from all parts of the globe, nations in all stages of economic development, nations with different political and economic philosophies, have reached an accord which is presented to ^{you} for your consideration and approval. It would be a tragedy if differences of opinion on minor details should lead us to sacrifice the basic agreement achieved on the major problems.

When the war ends, the financial strength of the United States will far exceed that of any other country in the world. The other United Nations look to us for leadership in matters of finance, and the Bretton Woods proposals place squarely before the nation the choice of assuming this position and discharging its responsibility¹²³ or rejecting the plan, letting each country seek its own salvation along the path of economic rivalry.

The Fund and the Bank are not intended and could not serve as a solution of all the economic problems which will face the United Nations

when the war is over. Each problem must be handled in the manner most appropriate to its solution. It is my expectation that other proposals will shortly be ready to submit to you for your consideration. These will include the establishment of an international organization in the field of food and agriculture, a multilateral agreement on the reduction of barriers to international trade, an arrangement for the distribution of burdensome world surpluses of certain commodities, and a revision of the Export-Import Bank of Washington to meet certain problems particularly important to the United States.