

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

April 29, 1968

MEMORANDUM FOR THE RECORD

Re: Special Drawing Rights Leadership Meeting

The following members of the Congress attended a meeting in the Cabinet Room at 5:25 p.m. to hear a briefing on the Special Drawing Rights Message:

Senators

Fulbright
Mansfield
Smathers
Williams
Dirksen
Hickenlooper
Bennett
Sparkman

Congressmen

McCormack	Morgan
Albert	Mahon
Mills	Widnall
Byrnes	
Ford	
Arends	
Bow	
Laird	

Officials from the government present were:

- Secretary Fowler
- Federal Reserve Chairman William McChesney Martin
- Chairman of the CEA, Arthur Okun
- Under Secretary of the Treasury, Fred Deming
- Under Secretary of the Treasury, Joseph Barr

White House staff members present were:

- Ed Fried
- Ernie Goldstein
- Barefoot Sanders
- Mike Manatos

The President opened the meeting stating that a special message and legislation on the SDRs would be submitted tomorrow and that

the Congressmen were welcome to the Cabinet Room to hear about their details.

Secretary Fowler explained the purposes of the SDRs, described their functions and stressed the need for early U.S. approval since the agreement could not go into effect without U.S. ratification. Secretary Fowler distributed a detailed National Advisory Council report on the SDRs. The Secretary explained that these SDRs would not help the U.S. or other Nations deal with their balance of payments deficits.

Chairman Martin described the SDRs as a "constructive addition" to the world's monetary system. He said that Central Banks would accept SDRs as they would gold. They were important because this would allow reserves to keep pace with the growth of trade and prevent the world from sliding into a depression or recession. Mr. Martin described the SDRs as the "finest achievement" since Bretton Woods and now the Congress must take action to activate the agreement.

Chairman Okun said that the soundness of the world's monetary system was essential to our own prosperity at home.

The President then summed up the need for SDRs and their significance, said that the message would be transmitted tomorrow and opened the floor to comments and questions.

Senator Smathers asked the committees to which the measure would be referred and was told that it would go to the House Banking and Currency Committee and the Senate Foreign Relations Committee. He also asked whether there would be any opposition and Secretary Fowler replied "none had been encountered yet".

The Speaker asked how urgent the need for action was and Secretary Fowler said that Congress should move as quickly as possible because the activation of the SDR Agreement would take the pressure off the gold market.

There were no other questions and the meeting adjourned at 5:50 p.m.

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Lawrence E. Levinson