

February 15, 1946

Honorable Harold D. Smith,  
Director, Bureau of the Budget,  
State Department Building,  
Washington (25) D. C.

Dear Harold:

Together with members of the staff, I have given a great deal of thought to the matter of making effective the Employment Act of 1946. Our conclusions are contained in the accompanying memorandum. I shall be happy to have you use my name in connection with support for a program of the type outlined in the memorandum should you care to do so.

Our view is that unless the Director of the Budget is made Chairman of the Council of Economic Advisers the Act will not be effectively administered. To establish an entirely new agency in the Executive Office of the President to coordinate economic policies and programs without integrating it with the Bureau of the Budget seems to us to go counter to the general need for greater centralization of authority and responsibility with respect to Federal economic policy.

Sincerely yours,

M. S. Eccles,  
Chairman.

Enclosure