

February 28, 1936

The Honorable Henry Morgenthau
Secretary of the Treasury
Washington, D.C.

My dear Mr. Secretary:

It is my understanding that the Treasury has an arrangement with the State Department by which reports on foreign financial developments are supplied by cable from our foreign representatives. I appreciate the confidential character of much of this material; but I am also impressed with the fact that it is the sort of current information which in some form should be available to the Board of Governors of the Federal Reserve System, since international gold movements constitute a major element in the problem of excess reserves with which the Board must deal. In view of the fact that the Treasury has already made arrangements with the State Department, an independent arrangement by the Federal Reserve Board would not only involve duplication but possibly some confusion as well. It has occurred to me that you might be agreeable to an arrangement under which a designated member of the Board's staff would consult the reports forwarded by the State Department to the Treasury. If this suggestion meets with your approval, I shall only be too glad to set up any procedure you may wish in the interest of preserving the confidential character of the information.

Very truly yours,

H. S. Eccles
Chairman

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Mr. Hardner



ASSISTANT SECRETARY OF THE TREASURY
WASHINGTON

March 9, 1936.

Dear Chairman Eccles:

I have your letter of February 28th, with reference to the desire of the Board of Governors of the Federal Reserve System to receive copies of confidential cables which are furnished to the Treasury Department by the State Department which have a bearing on foreign financial developments and international gold movements.

The Treasury is pleased to cooperate with the Board in this matter and if you will designate some member of the Board's staff to whom you wish such cables to be sent, we will be glad to make the necessary arrangements.

Very truly yours,

Wayne C. Taylor
Acting Secretary.

Honorable Marriner S. Eccles,
Chairman, Board of Governors
of the Federal Reserve System,
Washington, D. C.

Honorable Wayne C. Taylor
Acting Secretary
Treasury Department
Washington, D. C.

Dear Mr. Taylor:

Let me thank you very much for your letter of March 9 in which you offer to send to a designated member of the Board's staff cables furnished to the Treasury Department by the Department of State which have a bearing on foreign financial developments and international gold movements.

The member of the Board's staff who is chiefly concerned with international developments is Mr. Walter R. Gardner of the Division of Research and Statistics, and I shall appreciate it if you will send the cables to him for use in his reports to the Board.

Very truly yours,

M. S. Eccles
Chairman

WRG DD

