July 3, 1947.

Dear Mr. Secretary:

In a letter addressed to you by Mr. Garner on June 24, 1947, the International Bank requested that the Government of the United States grant its approval of the buying and selling from time to time by the Bank of any bonds or other obligations which it shall issue pursuant to the approval confirmed to the Bank in your letter of June 23, 1947.

This matter was considered at a meeting held on June 30 by the Executive Committee of the Federal Open Market Committee. On behalf of the Committee I desire to request that the National Advisory Council, in approving the International Bank's purchase and resale in the United States market from time to time of its own direct or guaranteed obligations, require that the Bank inform the Federal Reserve Bank of New York, as agent for the Federal Open Market Committee, concerning its stabilization program and keep it currently advised as to its operations thereunder. We do not believe that this stipulation would impose any undue burden upon the International Bank, and it would assure the provision to the Federal Open Market Committee of information essential for the proper discharge of its responsibilities. I have asked Mr. Knapp to introduce in the National Advisory Council Staff Committee a paper in support of this recommendation.

The Executive Committee also gave consideration to the question of how the Bank's operations in this market in U.S. Government securities could best be coordinated with domestic monetary and credit policy. I shall communicate with you separately on this subject.

Very truly yours,

(Signed) M. S. Eccles

M. S. Eccles, Chairman,
Federal Open Market Committee.

Honorable John W. Snyder,
Secretary of the Treasury,
Washington 25, D. C.