

APR - 9 1948

Dear Mr. Secretary:

The Board has been informed by Mr. Allan Sproul that you have asked him to accompany you as your adviser on your forthcoming trip to the Bogota Conference. We have told Mr. Sproul, and I am glad to inform you, that the Board has no objection to his serving in that capacity. The Board, however, has considered this development in the light of its desire for harmonious and efficient operation of the Federal Reserve System as well as of the System's good relations with other departments of the Government. We should like to discuss our views on this matter with you when opportunity offers, but in the meanwhile the Board would like to bring to your attention its ideas as to what would be suitable procedure in connection with requests to Reserve Bank officials or staff members to serve on foreign missions of the Government.

It is our feeling that prior consultation with the Board on such matters would be appropriate in view of the functions of this Board, and of the Chairman of the Board, in the international field, and in view of the Board's responsibilities for supervising the activities of the Federal Reserve Banks, especially in international matters. It is hoped that upon consideration you will agree that consultation on questions of this kind involving the Treasury and the Federal Reserve System would be both proper and desirable.

This is the second occasion on which Mr. Sproul has been invited to accompany you to international conferences without there having been any advance consultation with the Board. The first occasion was the meeting last September in London of the Governors of the International Fund and Bank. The Board does not consider that it is in any way improper for Reserve Bank officials, and particularly the President of the Federal Reserve Bank of New York, to be a part of delegations of this sort, but there are frequently matters of internal arrangements and priorities on which the Board should be given an opportunity to express its views before any such appointment is definitely made.

Honorable John W. Snyder

-2-

I am also writing to the Secretary of State regarding the general question of the representation of the Federal Reserve System at the Bogota Conference. A copy of my letter to the Secretary of State is enclosed for your information; you will note that I am sending him a copy of my letter to you.

Sincerely yours,

(SIGNED) M. S. ECCLES

M. S. Eccles,
Chairman pro tem.

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

Enclosure

cc: Honorable George C. Marshall, Secretary of State
Mr. Allan Sproul

COPY

The Secretary of the Treasury
Washington

April
Thirteenth
1948.

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

Dear Marriner:

Your letter of April 9, in which you express the desire for harmonious and efficient operation of the Federal Reserve System as well as of the System's good relations with other departments of the Government, has been read with great interest.

I am pleased that you have advised Mr. Sproul that you have no objection to his accompanying me to the Bogota Conference as an adviser in the event that I make the trip.

I have found Mr. Sproul extremely helpful to me since I have been in Government service, both as friend and as counselor, and I have called upon him in many instances to assist me in deliberations. Unfortunately, I was unaware of the necessity of propriety of obtaining the Board of Governors' approval of these discussions and consultations with Mr. Sproul. I quite naturally assumed that if there was any question in this reference that Mr. Sproul would clear the matter with the Board himself.

I shall be happy to discuss with you and the Board on all occasions any questions which involve the policies of the Treasury and those of the Federal Reserve System.

My contemplated trip to Bogota will be made only upon the specific request of the Secretary of State, who is heading up the delegation, for I feel that the selection of the representatives from the various Government agencies to conferences such as that being held in Bogota rests solely with him.

Mr. Sproul was requested by me to go as my personal adviser, and not as a member of the Federal Reserve System.

Now that you have stated the rules of the Board with reference to requests for Reserve Bank officials to serve as advisers, I shall be happy to take the matter up with the Board in the event I find it appropriate and desirous for such consultations in the future.

Again let me thank you for the fine cooperative spirit shown the Treasury Department by the Federal Reserve Board.

Sincerely,

(signed) John W. Snyder