

February 13, 1946.

Honorable Fred M. Vinson,
Secretary of the Treasury,
Washington 25, D. C.

Dear Fred:

In view of the responsibilities placed upon the National Advisory Council for giving guidance to the representatives of the United States on the International Fund and Bank, it has occurred to me that it would be useful to have a special meeting of the Council in the near future to consider the questions which may arise at the coming meeting of the Board of Governors for these institutions.

I dare say that the Governors' meeting will consider a broad range of problems connected with the administration of the Bretton Woods Institutions, not all of which can now be foreseen. However, the Council might devote some time to considering U. S. policy in matters such as the following:

(1) Location of Fund and Bank. I understand the field is still pretty wide open as between Washington and New York, with the foreign countries expected to support New York. I think that on the U. S. side we must weigh very carefully the advantages of having the Fund and Bank in our financial center against the advantages of having them in the center where U. S. policy is formed and where the U. S. representatives could be in intimate contact with Government Agencies and with the National Advisory Council.

(2) Whether Executive Directors and their Alternates should be full-time officers. I understand that there is considerable difference of opinion on this question between our people and the foreign experts who have spoken on the subject. We should consider the extent to which we want to press our view.

(3) Policy on admission of new members. A number of important issues are involved here, in particular the question

of how far we should go in keeping the door open to Russia, Australia, and New Zealand, which did not meet the December 31 deadline.

In addition to these subjects, there are two further ones which it seems to me the National Advisory Council should consider, but which are of such a nature that they should probably be treated in an Executive Session of the Council. These are:

(1) Consideration of candidates for the Managing Director of the Fund and the President of the Bank. It is obvious that a great deal of the success of these institutions will depend upon the persons chosen as their chief executive officers. I appreciate that these officers will not be elected at the Board of Governors' meeting, but I should be surprised if the subject did not come up for discussion there at least on an informal basis.

(2) Salaries of the principal Fund and Bank officials. I do not know what the thinking has been on this subject thus far. It is clear, however, that these salaries should receive serious consideration, not only from the point of view of attracting men of the necessary caliber but also with a view to establishing an appropriate relationship between the sums paid to Executive Directors on the one hand and to the Managing Director of the Fund and President of the Bank on the other.

Sincerely yours,

M. S. Eccles,
Chairman.

JKK:mla