

Chairman Eccles

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date May 8, 1946

To Files

Subject: _____

From Mr. Knapp



I received a telephone call this morning from Mr. Knoke who stated that the New York Bank had written to the Export-Import Bank yesterday suggesting a procedure for handling the Eximbank operations on the Netherlands credit. He was not sure whether a copy of this letter had been sent to the Board, but at my request promised to see that this was done.

He explained that the letter proposed that the Eximbank designate the New York Bank as its fiscal agent. I asked Mr. Knoke whether this designation would be for the purposes of the Netherlands operation only, and he said "no", that it would be a general designation. I pointed out that if this were the case, the Eximbank might call on the New York Bank in the future to perform other fiscal agency functions which might not be considered desirable by the Bank or by the Board. Mr. Knoke responded that we could meet such issues when they arose and that they were primarily matters for consideration by the Bank unless and until the Bank invited the Board's views. I said that I did not believe the Board felt that it needed an invitation in matters of this character.

I further gathered from Mr. Knoke that it was planned to issue calls to the participant banks in other Federal Reserve Districts through the Reserve Banks in those Districts, but that the remittance of funds and the delivery of notes would be effected through the New York correspondents of the participant banks if the banks so elected.

cc: Chairman Eccles
Governor Szymczak
Mr. Morrill
Mr. Carpenter
Mr. Vest
Mr. Smead
Mr. Gardner

JBK:mla