

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date January 16, 1947.

To Chairman Eccles

Subject: Anglo-Argentine Agreement

From Mr. Knapp



You may have noticed a number of statements in the press recently to the effect that the British have replied to our note protesting against the clause in the Anglo-Argentine Agreement relating to Argentina's use of blocked sterling. There have even been stories to the effect that another letter has been written to Chancellor Dalton by Secretary Snyder.

The Treasury has not officially admitted even the receipt of a reply to the first letter, but I am informed in strict confidence by Mr. Overby that such a reply has been received. He said that the Secretary was "sitting on it" and that he was not free to disclose the contents. I am sure that Mr. Snyder will bring this matter before the National Advisory Council in due course, but if you desired, you could raise the question about it at the next N.A.C. meeting on the basis of the numerous press reports.

Attached is an editorial from Tuesday's Herald Tribune which states that Dalton has admitted a "technical violation" of the loan agreement with the United States, but has "tossed it off" as of no practical significance. I would agree with the Herald Tribune's comment on this reported statement.

Attachment
JBK:mla

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The citation for the original is:

New York Herald Tribune, "A British Mistake," January 14, 1947.