

✓
BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date July 3, 1947

To Chairman Eccles

Subject: NAC Staff Committee approval of
letter to Secretary Snyder to the Inter-
national Bank

From Mr. Knapp
JK

The National Advisory Council Staff Committee approved this afternoon a letter to be written by Secretary Snyder to the International Bank incorporating our proposal for the International Bank's providing full and current information on its stabilization operations in its own securities to the Federal Reserve Bank of New York. The only change in the letter was suggested by Mr. Murphy of the Treasury Department who asked that the Federal Reserve Bank of New York receive this information in its capacity "as agent for the Federal Open Market Committee and as fiscal agent for the U.S. Treasury". I felt I had no grounds for opposing this amendment.

I believe, however, that we should keep this incident in mind in connection with the next matter relating to the International Bank's dealings in U.S. Government securities. It is possible that the Treasury Department may again propose an amendment which would require approval for such transactions to be given ^{to} the Federal Reserve Bank of New York acting not only as agent for the Federal Open Market Committee, but also as fiscal agent for the Treasury. I assume that you would be opposed to any such amendment, but I shall discuss the matter with you again before we proceed with any paper on this next subject.

The paper concerning the International Bank's operations in its own securities will be presented to the National Advisory Council for approval next Tuesday.