


BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

# Office Correspondence

Date December 12, 1947

To Chairman Eccles

Subject: Proposed statement by U.S.

From Mr. Knapp 

Government on gold subsidies

The members of the National Advisory Council all approved the proposed statement by the U.S. Government on gold subsidies (with one minor change noted below), and it is being issued by Secretary Snyder today on behalf of the N.A.C.

The change involves the sentence in the last paragraph which, as originally drafted, read:

"The present monetary gold stocks of the United States, amounting to 22.7 billion dollars, are substantially in excess of legal reserve requirements."

It was Governor Szymczak's view, with which I agreed, that it would be unfortunate to mention this ticklish subject of legal reserve requirements, especially since there was nothing to be gained by mentioning it. We considered saying that our gold stocks were "more than ample for our purposes", but felt that this might possibly raise some controversy. We therefore suggested the following more neutral language, which at least implies that the present figure is a very large one:

"The present monetary gold stocks of the United States amount to no less than 22.7 billion dollars."

This change was accepted by the other Council members.

I regret that there was no opportunity to clear this change with you, but I feel sure that you will regard it as desirable.

