

DEPARTMENT OF STATE
WASHINGTON



TOP SECRET

September 24, 1947

Dear Marriner:

I am enclosing herewith a body of materials on the general subject of European Economic Recovery, which include (a) certain preliminary work of the Department of State setting forth the problems of European recovery, and (b) the papers of the Advisory Steering Committee on European Recovery Program. The documents in the first category consist of:

(1) Memorandum entitled "Certain Aspects of the European Recovery Problem from the U.S. Standpoint." This is a preliminary background study prepared in the Policy Planning Staff of the Department during July. Since it is outdated in certain respects by the rapid march of recent events, particularly in connection with the British dollar position, it is desired that it be handled for the time being on a Top Secret basis.

(2) A summary statement of the Department of State's present views on the content of a European economic recovery program which was communicated to Under Secretary Clayton in Paris for guidance in his informal discussions with representatives of the Paris Conference. It should be noted that no United States representatives took part in the meetings of the Paris Conference and that Mr. Clayton at all times explicitly stated to representatives of other governments that he could in no way commit the United States Government to any course of action.

(3) A paper

The Honorable
Marriner S. Eccles,
Chairman, Board of Governors,
Federal Reserve System.

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(3) A paper entitled "Questions of Policy and Procedure Regarding U.S. Aid to European Economic Recovery", which contains a most detailed statement of this Department's present views on a series of specific questions regarding the European recovery program.

(4) A report entitled "Problems of European Reconstruction", which the Department of State is considering releasing informally at the appropriate time as background material on the nature of the economic problems being faced by European countries.

(5) An initial rough draft of possible required legislation.

You will note that these documents do not touch upon the capacity of the United States to aid Europe, since this is a subject for study by the committee appointed by the President on June 22, 1947.

The extreme complexity of this problem certainly requires the best thinking in the interested Departments and Agencies in order that a sound governmental position may be developed. To this end considerable preliminary work has been done to establish the mechanism for arriving at interdepartmental positions on the host of complicated issues arising from this problem.

In addition to utilizing existing intragovernmental machinery for this purpose, an interdepartmental Advisory Steering Committee was established a short time ago to provide guidance to the Secretary of State on questions of policy and strategy. The membership of this Committee includes representatives of the White House, the Departments of State, Agriculture, War, Navy, Treasury, Interior and of the Bureau of the Budget. I think it would profit by representatives from the Federal Reserve Board and, if you agree, you might designate someone in your agency to serve on this Committee and work with representatives of the Department of State on matters relating to European

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economic recovery. Mr. Bonesteel, whom I have appointed to coordinate work within the Department on this subject, is serving as Executive Secretary to this Committee.

Enclosed among the papers of the Advisory Steering Committee is the agenda for the next meeting, scheduled for 3:30 P.M., Thursday, September 25, in Room 5104, New State Building.

Very sincerely yours,

