

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date January 14, 1948

To Chairman Eccles

Subject: _____

From Mr. Knapp

AKK

In connection with Secretary Snyder's testimony, the Treasury Department has prepared a book of material containing, among other things, a series of hypothetical questions and proposed answers. Most of these answers are fully consistent with established N.A.C. policy, but a few break new ground.

Of special interest is the fact that the Secretary is apparently prepared to recommend that the Administrator of the new European Recovery Program agency become a member of the National Advisory Council. At the same time he rejects the idea of having the Secretary of National Defense become a member. No reference is made to the possibility of naming the Secretary of Agriculture.

The question and answer with regard to the Administrator are as follows:

"Q: Shouldn't the Administrator be a member of the National Advisory Council?

A: It would be fitting to make the Administrator a member of the Council. The NAC is made up of the heads of the Government agencies which are most concerned with foreign financial operations. The Administration will be one of the most important of such agencies. The activities of the Administrator will necessitate frequent consultation with the Council under the express terms of the proposed Economic Cooperation Act and under the provisions of the Bretton Woods Agreements Act. While the Council would undoubtedly invite the Administrator, in any event, to participate in all meetings affecting his activities, a statutory recognition of his position would certainly be appropriate. If the Committee desires, I would be glad to submit draft legislation making the Administrator a member of the Council."