

✓

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date December 4, 1946.

To Chairman Eccles

Subject: Mr. Sproul's proposals on

From Mr. Knapp

licensing gold transactions.

JK

You will recall that in a letter to you dated November 8 Mr. Sproul enclosed a copy of a letter which he had written to the Secretary of the Treasury concerning the licensing of gold transactions and suggested that the Staff Group on Foreign Interests "have a go" at this problem. This item was placed on the agenda of the Staff Group meeting held in New York last Wednesday, November 27. Mr. Knoke had prepared a memorandum for the Staff Group which expressed objection to most of the proposals made by Mr. Sproul. After a thorough discussion, the Staff Group was inclined to agree with Mr. Knoke and Mr. Dembitz was delegated to draft a report from the Staff Group to the Policy Group on this matter. This report should be ready for submission to the Policy Group early next week, and at that time I will give you a memorandum summarizing the problems involved and the conclusions which we have reached.