

**FEDERAL RESERVE BANK
OF NEW YORK**

November 16, 1945.

CONFIDENTIAL

Honorable M. S. Eccles, Chairman,
Board of Governors of the
Federal Reserve System,
Washington 25, D. C.

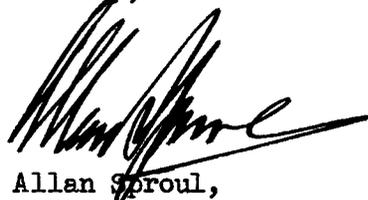
Dear Chairman Eccles:

The Board's letter of November 8th concerning the chairmanship of the staff group on foreign affairs poses a delicate question. My opinion is asked concerning a person and a disposition of the Board's staff, of whom and of which I have little knowledge, and it is asked after the Board has approved the proposed change. The ballot would seem to contain only a "yes" column.

As a matter of fact, I am not greatly concerned as to who is chairman of the group, provided the group offers a means of free discussion and exchange of information, and is not allowed to die of disuse or to become a forum for the propagation of some particular approach to or program of foreign relations. I do have the feeling, however, that if we are approaching these things as a System matter, and if the chairman of the group must come from the Board's staff rather than being selected by the group, there is advantage in having as titular head of the group the man who is also the head of the Board's division working with the group, rather than a special assistant to the Chairman. If a special assistant to the Chairman is inserted in this place, it seems to me that Board and System lines of organization may be broken down and staff morale impaired.

There is one other matter I might mention with respect to the group. I understand that it has tended to grow in size without apparent direction and to become somewhat unwieldy. I should think it would be preferable to limit the meetings to those regularly designated as members of the group, and to invite others only when there are topics up for discussion with respect to which they can make a particular contribution.

Yours faithfully,



Allan Sproul,
President.

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