

FEDERAL RESERVE BANK
OF NEW YORK

NEW YORK 45, N. Y.

April 24, 1951.

~~CONFIDENTIAL~~

Dear Mr. Secretary:

I am very glad to have your letter of April 19, 1951, expressing your appreciation of the cooperation of this bank, and particularly of Norman Davis, in connection with the financial-surveillance procedure established as an adjunct to export control.

It is gratifying to know that this informal procedure has proven fruitful in turning up some useful clues and that you feel that its continuation is worthwhile. You may be sure that you will have the continuing cooperation of this bank in its execution.

Yours sincerely,



Allan Sproul,
President.

The Honorable,
The Secretary of the Treasury,
Washington 25, D. C.

APR 19 1951

~~CONFIDENTIAL~~

Dear Allan:

Now that the confidential financial-surveillance procedure, as an adjunct to export control, has been operating for several months, and has, with the assistance of Norman Davis, been extended to Chicago, San Francisco, and Los Angeles, I want to express my warmest appreciation for the cooperation of the Federal Reserve Bank of New York and particularly of Norman Davis, who not only has been handling the procedure in New York but was most helpful in explaining the procedure to the bankers in Chicago, San Francisco, and Los Angeles.

We have never expected that this informal procedure would yield a great deal of information, since it has seemed to us likely that persons who were endeavoring to evade the export controls would keep their tracks well covered. Nevertheless, some useful clues have turned up and, in any case, we continue to feel that we will learn more through this confidential reporting system than we would through any publicized mandatory procedure.

Cordially yours,

(Typed) JOHN W. WATSON

Secretary of the Treasury

Mr. Allan Sproul, President
Federal Reserve Bank of New York
New York, New York

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CONFIDENTIAL

Dear Mr. Young:

The small team which recently called on you to explain the financial-surveillance procedure which has been operating in New York as a means of assisting export control, and to discuss its extension to Chicago, has reported to me the very cordial reception which you and other officials in the Federal Reserve Bank of Chicago accorded to them. I am sure that your ready understanding of the problem had a great deal to do with the willingness of the larger banks in Chicago to cooperate in this confidential procedure.

I very much appreciate the assistance which you and Mr. Neil Dawes and the other officials of the Federal Reserve Bank of Chicago have given to us.

Sincerely yours,

(Signed) JOHN W. EYDSS

Secretary of the Treasury

Mr. C. S. Young
President, Federal Reserve
Bank of Chicago
Chicago, Illinois

FAS:meh 4/17/51

Federal Reserve Bank of Chicago

OFFICE OF THE PRESIDENT



April 24, 1951

*F. B. B.
Chicago*

The Honorable John W. Snyder
Secretary of the Treasury
Washington, D. C.

Dear John:

It was nice of you to take time out from your busy schedule to write me about the reception accorded to the small team which recently visited this bank to explain the financial-surveillance procedure which has been operating in New York as a means of assisting export control and to discuss its extension to Chicago. We enjoyed having the group visit us.

Regards,

W. A. Young
President