

January 17, 1961.

MEMORANDUM FOR PRESIDENT-ELECT KENNEDY

*Quintal*

SUBJECT: Coordination and Development of Basic  
Economic, Fiscal and Monetary Policy.

*Dillon*  
*\* 33*  
*memor to*  
*the President*

At Secretary Anderson's suggestion there has been developed in the last couple of years a mechanism for informal discussion with the President of basic economic, fiscal and monetary policies, which may well be worth continuing in your administration. At irregular intervals, which averaged out to about once a month, the Secretary of the Treasury, the Chairman of the Council of Economic Advisers and the Chairman of the Federal Reserve Board met with the President to discuss, without any formal agenda, subjects of interest in the general economic field. Typical items for discussion would be the state of the economy, monetary policy, problems of debt management, balance of payments, etc. From one to two hours were always set aside for these discussions and no notes or records were kept. The meetings were not keyed to any emergency and so did not attract any particular attention from the press. They afforded the President an opportunity to hear at first hand the views of the senior officials of the government most intimately connected with economic problems on matters of current interest to any one of them, and on any other matter which the President himself cared to raise.

This mechanism, besides serving a useful purpose in informing the President and allowing him to reach decisions on general policy matters, also served as a mechanism for tying the Federal Reserve Board more closely in with the executive branch of the government. In the absence of such meetings there does not appear to be any opportunity for the President to meet with the Chairman of the Federal Reserve Board without attracting undue attention.

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I feel that the views of President Eisenhower and Secretary Anderson on the usefulness of these meetings and any suggestions they may have on this general subject would be helpful to you in determining the course of action you may wish to pursue in this field. I have specifically not recommended any discussion of the balance of payments or gold problem at this meeting since I understand that these have been fully discussed with you on previous occasions both by President Eisenhower and Secretary Anderson.

/s/ Douglas Dillon

Douglas Dillon

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