



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

OFFICE OF THE CHAIRMAN

May 13, 1944

Dear Marriner:

Ernest had arranged through Senator Wagner's secretary, whom he has known for many years, for us to see the Senator when he came out of the executive session of his Committee. This was at 1:30⁺ after a half hour's wait in his office. The Senator appeared to be perfectly well and showed no signs of fatigue or exhaustion. He also seemed to be in a fairly buoyant mood in spite of his troubles getting the OPA bill past his Committee. It isn't out yet and they are to have another session on Monday.

We handed him your letter and the enclosures and gave him a talk similar to the one you gave Spence. Wagner thought that he would mention the matter to Senator Mead, since the latter is his colleague. We stressed particularly the point that in introducing the bill he should make it clear that it was prepared by the Board in conformity with the Baruch Report. He said he wanted to study the bill and the statement by himself so as to be more familiar with it, and we, of course, told him that if he had any questions we would be only too glad to come up or send someone up to discuss any point with him. Apparently he has known Ernest quite well for a long period as they reminisced about several matters connected with their previous acquaintanceship.

Yesterday afternoon the Subcommittee on Interim Financing met to consider the Maverick proposal for a Title I type of insurance to be provided by an amendment to the pending George-Murray Bill. We were surprised to hear first of all that your telephone conversation with Maverick had been recorded. The statement was made by the SWPC representative that as a result of the conversation they were proposing now to have \$50,000 as the maximum amount of any loan insurable under the plan. They were also apparently willing to have the percentage of loans insured for any one institution set at 10 per cent instead of 20 percent. The Subcommittee would not approve the proposal as an amendment to the George-Murray Bill on the ground that it would endanger the passage of the bill and that under the bill as now drawn the procurement agencies could, if they adopted the policy, authorize an automatic type of T loan. Unfortunately, the Treasury and the Navy gave the proposal considerable encouragement, Bell stating

** Friday, May 12.*

that it had merit and should receive consideration. Coolidge did not compliment the plan but made a good case for it by stating that it was quite tempting to him to have some other agency offer to take the great bulk of the small loans off his hands.

As you know, the 13b matter is on the agenda for the Federal Advisory Council meeting on Monday. Matt has suggested to John that, in your absence, no extended discussion be entered into unless the Council itself wishes it. I think Matt will suggest to them that they defer any extended discussion until the next meeting, when you will be present. I told Matt that it would not be quite "cricket" to have the matter passed over entirely, since the members would discover by the evening papers that your proposal had been introduced that very day. I think, therefore, that they should at least be advised of the introduction of the bill.

Please remember me to all the gang at the bank and the
F.S.C.

Sincerely,

A handwritten signature in cursive script, appearing to read "Larry", with a period at the end.

Honorable M. S. Eccles,
Hotel Ben Lomond,
Ogden, Utah.