

May 8, 1945

Chairman Eccles:

After talking with you when he visited at the Board last week, Mr. Guy Greer asked me to try to resurrect a memo he wrote while working in Professor Hansen's section, the subject of the memo being the financing of small business. A search of the files in the Special Studies Section and those in General Files revealed no memo addressed to you, but I believe the attached copy of a memo from Mr. Greer to Governor Draper may be the one he had in mind. I hope this will be of assistance to you.

P. Bramlett

October 13, 1942

Governor Draper

AID TO SMALL BUSINESS

Guy Greer

You might be interested in the attached, which was the subject of discussion at lunch with Robert Nathan of WPB, Clayton, Smead, and myself from here, and Donald Davenport and Dal Hitchcock from Labor. The consensus of opinion was that the first part of the proposal, involving certificates and provisional commitments to liquidating concerns, would be virtually impossible to administer. The permanent corporation idea received a more cordial reception. The general feeling was that the best we could hope for would be to help small business firms (1) to convert to war production when feasible, (2) to liquidate and conserve their assets if this is possible, or (3) to maintain the business in being. In the case of the third alternative, the suggestion was made that possibly the permanent corporation referred to in my memorandum could assume the fixed charges and take a lien on business provided the state and local governments would grant a moratorium on taxes.

If you have time to look it over, I should like very much to have your reactions to the attached memorandum. Would you think it worth-while to pursue further the idea of certificates of being war casualties and provisional commitments for post-war advances of capital funds?

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Attachment

GEG:bs