

Form F. R. 511

TO _____

FROM _____

REMARKS:

December 19, 1941

Chairman Eccles talked to the President about these matters today while at the White House.

CHAIRMAN'S OFFICE

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Leo Crowley is Chairman & President of Standard Gas & Electric Co.

It operates in 20 states, including Pa., Cal., Okla., Ore., Ky., Ind., Wash., Idaho, Wyo., Minn., Wis., Ill., Ia., Mich., Col. Serving population estimated at 6,800,000. Serves 1662 communities--1548 electricity; 249 gas, 10 steam, 17 transportation; 7 phone; 14 water.

~~1940 operating expenses were \$100,000,000.~~

1940 balance sheet carries property, plant and equipment at \$574,000,000, total assets at \$697,000,000

87 millions of preferred
21 " " Common

Bonded debt around 300 millions

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date December 18, 1941

To Chairman Eccles

Subject: Reorganization of Bank Supervisory Agencies under First War Powers Act, 1941.

From Mr. Wyatt, General Counsel

Pursuant to your request, I have studied the reorganization powers granted to the President by the First War Powers Act, 1941, as passed by both Houses of Congress; and, in my opinion, a complete consolidation of the bank supervisory agencies could be effected thereunder.

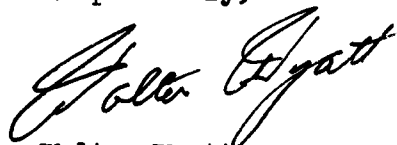
The Act gives the President broad authority "to make such redistribution of functions among executive agencies as he may deem necessary, * * * to consolidate any executive or administrative commissions, bureaus, agencies, governmental corporations, offices or officers", and to transfer duties, powers, personnel, records, property and appropriations from one such agency to another. Under it the President could transfer all of the bank supervisory functions of the Treasury, the Comptroller, the F.D.I.C. and the R.F.C. to the Board.

Six months after the termination of the war, the reorganization powers granted by this Act will expire and all powers, functions, etc., will revert back to where they were before the war; but this is not an insuperable difficulty. It is believed that, if the consolidation is once put into effect, its efficiency will be clearly demonstrated, departmental jealousies will disappear, and it would be relatively easy to obtain an Act of Congress ratifying the consolidation and making it permanent.

It would be necessary to relate the reorganization to "the conduct of the present war"; but this would be easy.

There is a provision that no "bureau" shall be abolished entirely except by Act of Congress; but it is believed that this would cause no practical difficulty. A bureau could be kept in existence to exercise only relatively unimportant powers, such as the currency functions of the Comptroller's Office. Incidentally, this restriction apparently applies only to "bureaus" and not to government corporations such as the F.D.I.C.

Respectfully,



Walter Wyatt,
General Counsel.