

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Executive Order is only way to end confusion, conflict, duplication in banking field--only one left in which President has not unified the set-up. Pattern set in Fed. Home Loan Bank Adm., Nat. Housing Agency, Farm Credit. Bureaus and bankers would oppose legislation but not after the three agencies has ~~XXXXXX~~ been consolidated. Bankers like divided authority because of its weakness.

Public interest and Administration's record ~~XXXXXX~~ require this step--otherwise headed for breakdown. It would save a great deal doing away with 3 separate examining, legal and other staffing.

You want to help in any way possible; would welcome opportunity to be useful, but you are not a job seeker--don't need one!

Suggest you and Harold Smith work out plan with alternatives.

While Treasury and Leo may be hostile both are over-burdened with responsibilities now apart from incidental banking duties.

Fed. Res. is logical place to set up plan, its credit and monetary powers must key in with examinations. Present futility illustrated by our inability to enforce law against paying interest on demand deposits--your sense of frustrated.