

8/1/47

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Gov. Eccles:

I am returning the press clippings which you handed me in regard to the proposed Reorganization Authority for the President. Without waiting for the detailed analysis which the Legal Division will prepare later, I looked over the Bill (S. 526), as set out in the Congressional Record.

It would give the President very much broader authority than that embodied in the law which has expired. It would be on a permanent basis. The only exceptions that would be retained would be those which would prohibit abolishing or transferring an executive department or consolidating any two or more executive departments and, as in the previous law, it could not be applied to the Comptroller General of the United States or the General Accounting Office, which are declared to be a part of the legislative branch of the Government. There is a special provision with reference to the municipal Government of the District of Columbia which would not be of any particular interest to you.

In other words, the exceptions in the previous law with reference to such organizations as the Interstate Commerce Commission, the Securities & Exchange Commission, the Federal Communications Commission, the Federal Deposit Insurance Corporation and a number of others are not retained in this new Bill.

Any plan which the President might adopt could take effect upon the expiration of 60 calendar days of continuous session of the

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Congress following the date on which the plan is transmitted to Congress, unless before the expiration of such period there had been passed by the two Houses a concurrent resolution stating in substance that the Congress does not favor the Reorganization Plan.

CW

January 18th. 1949

Wash Star 1/13/49 (Douglas)
H Jones 1/14/49 (Knowles)