



# TREASURY DEPARTMENT

WASHINGTON

November 16, 1935.

The Honorable,  
Marriner S. Eccles,  
Governor, Federal Reserve Board.

Dear Mr. Eccles:

There will be a meeting of the Interdepartmental  
Loan Committee on Thursday, November 21st, at 10:30 *11:00*  
A.M. in the office of the Secretary of the Treasury.

It will be appreciated if you will advise me if  
you will be present.

Very truly yours,

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C.B. Upham, Secretary.  
Interdepartmental Loan Committee.

*Leg'n for next session  
of Congress.*

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November 21, 1935.

The Interdepartmental Loan Committee met in the office of the Under Secretary of the Treasury at 11 A.M. Those present were:

T.J. Coolidge, Under Secretary of the Treasury,  
Charles West, Under Secretary of the Interior,  
Lawrence Clayton, Assistant to Governor, Federal Reserve Board,  
Stewart McDonald, Federal Housing Administrator,  
Floyd Augustine, HOLC, Financial Adviser,  
T.D. Webb, Vice Chairman, Federal Home Loan Bank Board,  
Wayne C. Taylor, Export-Import Bank,  
James B. Alley, General Counsel, EFC,  
W.I. Myers, Governor, Farm Credit Administration,  
Leo T. Crowley, Chairman, FDIC,  
A.R. Clas, Director, Emergency Public Works Housing Corporation,  
Col. H.B. Hackett, Deputy Administrator, Public Works,  
Chester C. Davis, Agricultural Adjustment Administration,  
C.B. Upham.

Mr. Coolidge explained that Secretary Morgenthau was unable to be present and that he had called the meeting so that the various agencies might outline their legislative needs for the coming session.

Mr. Clayton, reporting for the Federal Reserve Board, said that they were not seeking legislation. He thought there might be some refinements of the law but he was of the opinion that the Board thinks they should be sponsored by members of the Congress.

Mr. McDonald, reporting for the Federal Housing Administration, said that any legislation proposed by that agency would be for the clarification of minor details. He suggested as one possible major change that the premium rate on insured mortgages might be made to

apply to the diminishing balance rather than the original principal. He said there was some feeling that it might be well to change the law to permit insurance of 90% of a loan on new construction of houses costing less than \$5,000. He pointed out that Title 1 expires April 1st and there is some discussion of extending it.

Mr. Webb, reporting for the Federal Home Loan Bank Board, said that there was no legislation in contemplation at the present time.

Mr. Taylor, reporting for the Export-Import Bank, said that they would need some legislation but that he would prefer to prepare a report and submit it later.

Mr. Alley, reporting for the Reconstruction Finance Corporation, said that that agency would need no legislation.

Mr. Myers, reporting for the Farm Credit Administration, said that his agency would need no legislation. He added that there was some possibility of suggesting a small emergency crop loan program in order to forestall a larger program sponsored by Congress. He also referred to a forest credit proposal which is not being sponsored by the FCA either.

Mr. Crowley, reporting for the Federal Deposit Insurance Corporation, said that they were proposing no legislation.

Col. Hackett, reporting for the Public Works Administration, said that they would need some legislation to clear up procedure and that he would send in a report tomorrow. Mr. Clas said that they should have some PWA housing legislation and that he is working on it. It will include both clarification of the law and some more money.

Mr. Davis, reporting for the Agricultural Adjustment Administration, said that they can't forecast their legislative needs until the Supreme Court has ruled on the processing tax. He said there may be one small change in the sugar law which would call for an increase in the domestic

production of sugar without any interference of the foreign quotas. Mr. Davis added that they will soon be talking to the RFC about liquidating some cotton and making it available to the trade. He thinks the pool holdings of 600,000 bales spot and one and a half million bales futures may be liquidated.

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Mr. Myers said that they might have a few pennies to give back out of the Rural Agricultural Credit Corporations and that they have about four and a half million to give back to the RFC as soon as they can find a way to do it. He added that there will not be much increase in the guaranteed bonds of Farm Credit — that the land banks will soon go on the bond market on their own.

Mr. West said he knew of no legislation other than that mentioned by Col. Hackett and Mr. Clas.

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