

December 17, 1936.

Mr. Cyril B. Upham, Secretary,
Inter-Departmental Committee on Banking Legislation,
Department of the Treasury,
Washington, D. C.

Dear Mr. Upham:

In accordance with the agreement made at the meeting held last Monday in the office of Secretary Morgenthau, I am submitting herewith suggestions relating to banking legislation for the consideration of the committee before presentation to the incoming Congress.

Our experience in the operation of the Federal Deposit Insurance Corporation convinces us that many changes are desirable for the proper exercise of the powers and performance of the duties of the Corporation. However, such changes are far reaching and are intimately interwoven with the many activities of the Federal government in its supervision of banks and its participation in banking. Extensive banking legislation has been passed within the last three years broadening Federal powers pertaining to banks and creating for the first time a financial obligation of the government to bank depositors. We feel that banking legislation at this time would inevitably result in conflicting claims and create an undesirable confusion. No legislation should be proposed until a comprehensive program is developed for the entire field of bank supervision. While there are admittedly administrative difficulties under the present circumstances, it seems to us that they can be overcome through a complete cooperation of the several agencies in order to find a logical solution of our mutual problems.

There is one matter relating to assessments on insured banks, which has no bearing on general banking legislation, in which we are interested. Several difficulties are involved in the assessments now being paid by insured banks which we have been studying with a view to proposing possible changes, resulting in advantages to both the Corporation and the banks. Except for this one proposal, we believe that other matters in which we are interested could be deferred, unless legislation relating generally to banks is introduced.

Very truly yours,

LEO T. CROWLEY,
Chairman.

HWR:BR



TREASURY DEPARTMENT

WASHINGTON

December 18, 1936.

Mr. Marriner S. Eccles,
Chairman of the Board of
Governors,
Federal Reserve Board.

Dear Mr. Eccles:

Attached is a copy of a letter from Chairman Crowley of the FDIC, which is being distributed to the other members of the Interdepartmental Lending Committee for consideration at the meeting next Tuesday at 11, in the office of the Secretary of the Treasury.

Very truly yours,

A handwritten signature in cursive script, appearing to read "C. B. Upham".

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