

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date April 2, 1947

To Chairman Eccles

Subject: Meeting with Mr. Bartelt.

From R. A. Musgrave *RAM*

Wednesday of last week Mr. Vest, Mr. Rouse and myself met with Mr. Bartelt to discuss the bill procedure. (I assumed that Mr. Vest reported on this meeting and, therefore, did not report earlier.) Mr. Vest's opinion was read and Mr. Bartelt felt that the opinion covered the points which have given him concern. He indicated that he would like to submit the opinion to Treasury counsel before proceeding further.

In discussing the general problems Mr. Bartelt indicated clearly that he was in favor of such action and gave the impression that perhaps the main obstacle was the cost argument. We agreed to prepare a memorandum on this matter with his staff and work on this is in process. Also, Mr. Bartelt will be over for lunch tomorrow to discuss further details with Mr. Thomas and myself.

Bob Rouse mentioned today that he got the impression in his discussion with Under Secretary Wiggins last night that the atmosphere appeared to be favorable for action on Treasury bills. In particular, the Under Secretary appeared to be favorable towards the Federal Reserve proposal for a restricted long-term issue.