

APR 2 1935

111-61-49

Hon. Duncan U. Fletcher, Chairman,
Committee on Banking and Currency,
United States Senate,
Washington, D. C.

My dear Senator Fletcher:

FOR CIRCULATION

I regret that pressure of other business has prevented an earlier reply to your letter of January 18, 1935, inclosing a letter from Mr. M. H. Willis, President of the First National Bank, New Martinsville, West Virginia, recommending that the Federal Reserve Act be amended so as to make loans secured by farm and town real estate eligible for rediscount by Federal reserve banks.

- Gov. ✓
- Mr. Hamlin ✓
- Mr. Miller ✓
- Mr. James ✓
- Mr. Thomas ✓
- Mr. Szymczak ✓
- Mr.
- Mr.

Please note -- check
and return to
Mr. Carpenter

[Handwritten signatures and initials]

I fully appreciate the force of the views expressed in Mr. Willis' letter and I am glad to say that, on my recommendation, there was included in the proposed Banking Act of 1936 (S. 1715 and H. R. 5357) a section authorizing Federal reserve banks, subject to regulations prescribed by the Federal Reserve Board, to make advances to member banks on their promissory notes secured by any sound assets of such member banks, which, of course, would include sound real estate loans. The provision I refer to is Section 206 of the bill, which commences on page 45, line 18. I sincerely hope that this amendment will be adopted.

In accordance with your request, Mr. Willis' letter is inclosed herewith and an extra copy of this letter is inclosed for your

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[Handwritten initials]
5-1-6

Hon. Duncan U. Fletcher -- 2

convenience, in case you care to send it to Mr. Willis. 10

With kind regards, I am

Cordially yours,

Marriner S. Eccles,
Governor.

Inlosures.

GENERAL COUNSEL'S OFFICE,

Dictated by *[Signature]*

Approved by

Reference:

WT:oba

3/28/35

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