

111 2-40  
10

May 27, 1935.

My dear Senator:

For your information I am enclosing a copy of a radio talk which I made on Saturday evening on the Banking Bill of 1935.

It seemed to me that you might wish to have textually the statements which I made particularly with reference to the composition of the Open Market Committee under Title II.

As you will note, I sought to emphasize that, in my judgment, it is of paramount importance to have such powers as we possess in carrying out monetary policy vested in a controlling body on which responsibility will be definitely placed. At present, as you are aware, three major powers exist, but their use is impaired and complicated by the diffusion of authority and responsibility. How that controlling body shall be constituted seems to me to be an important but not a primary consideration although, of course, I have expressed my own view, in testimony before the Senate and House Committees, that it would be preferable to have the Federal Reserve Board, as such, designated as the responsible agency, acting, however, only after consultation with an advisory committee of five governors of the Federal Reserve banks.

Inasmuch as the principal controversy over the pending bill has centered on the question of how the controlling authority shall be constituted I thought that my own viewpoint as expressed in this necessarily somewhat brief radio discussion might be of interest, and I am therefore taking the liberty of sending you this copy, supplementing as it does my statements before the Senate and House Committees, copies of which I previously forwarded to you.

Respectfully,

M. S. Eccles,  
Governor.

Honorable Duncan U. Fletcher,  
United States Senator,  
Washington, D. C.

(Same letter to all members  
of the Senate Banking and  
Currency Committee)

Enclosure. ELT:sb

2-1-10

## Office Correspondence

FEDERAL RESERVE  
BOARDDate May 27, 1935.

Governor Eccles

Subject:

From Mr. Thurston

... 16-852

If you approve I shall have the following letter drafted to accompany copies of your radio talk which I am sending to all members of the Senate Banking and Currency Committee:

My dear Senator:

For your information I am enclosing a copy of a radio talk which I made on Saturday evening on the Banking Bill of 1935.

It seemed to me that you might wish to have textually the statements which I made particularly with reference to the composition of the Open Market Committee under Title II.

As you will note, I sought to emphasize that, in my judgment, it is of paramount importance to have such powers as we possess in carrying out monetary policy vested in a controlling body on which responsibility will be definitely placed. At present, as you are aware, three major powers exist, but their use is impaired and complicated by the diffusion of authority and responsibility. How that controlling body shall be constituted <sup>although important, an important but not a primary</sup> seems to me to be a ~~secondary~~ consideration although, of course, I have expressed my own view, in testimony before the Senate and House Committees, that it would be preferable to have the Federal Reserve Board, as such, designated as the responsible agency, acting, however, only after consultation with an advisory committee of five governors of the Federal Reserve banks.

Inasmuch as the principle controversy over the pending bill has centered on the question of how the controlling authority shall be constituted I thought that my own viewpoint as expressed in this

# Office Correspondence

Date \_\_\_\_\_

To \_\_\_\_\_

Subject: \_\_\_\_\_

From \_\_\_\_\_

16-852

10

- 2 -

necessarily somewhat brief radio discussion might be of interest, and I am therefore taking the liberty of sending you this copy, supplementing as it does my statements before the Senate and House Committees, copies of which I previously forwarded to you.

Respectfully,

M. S. Eccles,  
Governor.

2-3-21