

FED. RESERVE BOARD FILE
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FOR CIRCULATION

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

Cardell

My dear Senator Fletcher:

In view of the question which was raised during the debates in the House of Representatives as to the constitutionality of the statement of objectives contained in section 204(b) of the proposed Banking Act of 1935 (H. R. 7617), as passed by the House of Representatives, I am inclosing for your information a memorandum on the subject which distinguishes the Supreme Court's recent decision in the N. R. A. case as well as its decision in the Hot Oil case and demonstrates that the statement of objectives is clearly constitutional.

Cordially yours,

M. S. Eccles,
Governor.

Inclosure. - 2-88
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GENERAL COUNSEL'S OFFICE,

Dictated by.....

Approved by.....

Revised by.....

(Mailed by Norris at Mr. Wyatt's suggestion)

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