

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date November 12, 1943.

To Chairman Eccles

Subject: _____

From Mr. Clayton

There has been circulated by Mr. Hackley a memorandum respecting the testimony of Messrs. Jesse Jones and James Forestal for the Senate Military Affairs Committee, November 5, on the subject of contract termination.

Jesse Jones limited himself to answering questions which brought out his opinion that the contracts of the RFC agencies (Defense Plant, Defense Supplies, Metals Reserve and Rubber Reserve) would be able to settle their terminations promptly, and that it would not be advisable for the General Accounting Office to review such settlements. If such authority were given, he said, the whole procedure would be slowed down.

Forestal read a prepared statement, a copy of which was attached to Hackley's memorandum. I have read this through and find that his ideas and recommendations are all square with those of Patterson.


