

January 23, 1945.

Honorable Brent Spence,
Chairman, Banking and Currency Committee,
House of Representatives,
Washington 25, D. C.

Dear Mr. Spence:

Attached is a draft of a bill approved by the Board and the Treasury, and recommended in the President's Budget Message, reducing the requirements of reserves to be held by Federal Reserve Banks from their present level of 40 per cent in gold certificates against Federal Reserve notes in circulation and 35 per cent in gold certificates or lawful money against deposits to a uniform minimum of 25 per cent in gold certificates against combined note and deposit liabilities. The bill also provides, with the approval of the Treasury, for indefinitely extending the authority expiring June 30, 1945 of the Federal Reserve Banks to pledge U. S. Government securities against Federal Reserve notes issued by Federal Reserve Agents.

I am also attaching a copy of a statement explaining the measure and the need for its enactment.

Sincerely yours,

M. S. Eccles,
Chairman.

Attachments 2

ET:b

January 24, 1945.

Miss Minna L. Ruppert,
Secretary to Senator Wagner,
Washington, D. C.

Dear Miss Ruppert:

This is the letter, with enclosures,
about which I talked to you on the telephone and
which you promised to call to the Senator's at-
tention upon his return.

I would appreciate your letting me
hear from you as soon as the Senator returns.

Sincerely yours,

M. S. Eccles,
Chairman.

MSE:VE:b

January 24, 1945.

Honorable Robert F. Wagner,
Chairman, Banking and Currency Committee,
United States Senate,
Washington 25, D. C.

Dear Senator:

Attached is a draft of a bill approved by the Board and the Treasury, and recommended in the President's Budget Message, reducing the requirements of reserves to be held by Federal Reserve Banks from their present level of 40 per cent in gold certificates against Federal Reserve notes in circulation and 35 per cent in gold certificates or lawful money against deposits to a uniform minimum of 25 per cent in gold certificates against combined note and deposit liabilities. The bill also provides, with the approval of the Treasury, for indefinitely extending the authority expiring June 30, 1945 of the Federal Reserve Banks to pledge U. S. Government securities against Federal Reserve notes issued by Federal Reserve Agents.

I am also attaching a copy of a statement explaining the measure and the need for its enactment.

I have given a copy of the bill and the statement to Chairman Spence of the House Banking and Currency Committee, and have talked to him and Mr. Wolcott, the ranking minority member of the Committee, about the matter. They are both favorable to getting the bill through at the earliest possible date after it has been introduced. However, I asked Mr. Spence not to introduce the bill until I had had an opportunity to talk with you about it and also to Senator Tobey or Senator Taft, representing the minority on your Committee.

I should very much appreciate having an opportunity to talk with you about the bill as soon as convenient after you return to your office, so that if it is agreeable to you, the measure may be introduced simultaneously in both Houses.

With best regards,

Sincerely yours,

M. S. Eccles,
Chairman.

Attachments 2

EF:b