

June 11, 1945.

The Honorable Fred M. Vinson,  
Director,  
Office of War Mobilization and Reconversion,  
The White House,  
Washington, D. C.

Dear Fred:

I appreciated having the opportunity to talk with you at luncheon on Thursday with regard to the Wagner-Spence Bill, among other things. In accordance with your suggestion, I am enclosing for your information and for the staff's study that I earnestly hope you can have made the following material:

1. A copy of S. 511 (the Wagner-Spence Bill), together with a copy of my letter of January 19 to Senator Wagner, to which I call particular attention because it quotes from the Report to Congress on January 1, 1945, made by your predecessor as Director of the Office of War Mobilization and Reconversion, specifically endorsing the Wagner-Spence Bill. ✓

2. Copies of the still uncompleted hearings held on this measure by the Banking and Currency Committee of the Senate on August 24 and 25, 1944 and by the House Committee on August 23, 1944. As the Committees have not closed the hearings, they have not printed the testimony and these page-proof copies are the only ones I have been able to obtain. Accordingly, I would greatly appreciate it if, when you have no further need for them, you would have them returned to me.

3. An exchange of letters, dated March 5, March 14, and March 15, 1945 with Governor Gardner, Chairman of the Advisory Board of the Office of War Mobilization and Reconversion. Let me call attention particularly to my letter of March 14 in response to Governor Gardner's request. This letter sums up the case for the Wagner-Spence Bill as I see it and for the fundamental principle at stake. ✓

4. An excerpt from President Roosevelt's Annual Message to Congress on January 6, 1945, which endorses Government postwar aid, particularly to new small enterprises through the guarantee principle. ✓

June 11, 1945

5. Copy of my statement before Representative Patman's Select Committee on Small Business on June 1, 1945. The marked portions of pages 5, et seq., discuss specifically the Wagner-Spence Bill. (Copies of the hearing are not yet available.)

While the foregoing looks like a rather formidable array of information, it is selected from a voluminous file that at least indicates the effort I have made to get action on this line.

The Senate and House Committees in August of 1944 did not get beyond my testimony in the hearings, chiefly, I believe, because it was not only late summer but, of course, the national election was impending and the campaigns of all House members and of some members of the Senate Committee were demanding their attention.

May I call attention also to a number of letters that appear in the text of the Senate hearings, on galley page 9KKE; one being an endorsement of the bill by the Secretary of War, another by the Director of Contract Settlement, and a third by Mr. Baruch. The so-called Baruch-Hancock Report had similarly urged this measure.

Subsequent to the hearings, the bill was reintroduced in both Senate and House with several amendments that it seemed wise to make since they met a number of objections without impairing the principle or validity of the bill.

Governor Gardner's Advisory Board, on which business, agriculture and labor are represented, without exception expressed approval of this bill. Mr. Byrnes volunteered to aid in any way he could to get the measure through Congress. I recently went over this subject thoroughly with Mr. Krug of the War Production Board, who told me he would be glad to support the bill and thought it very desirable to help in financing reconversion and postwar production.

However, if the financial help which the measure provides is to be of any real use, the measure should be passed at the earliest possible date. Therefore, I hope that you can have your staff give the matter as prompt consideration as possible. If you conclude, as I believe and trust you will, that the bill should be enacted, it would undoubtedly be of the greatest help in getting action for you to communicate personally with Chairmen Wagner and Spence, asking them to push for enactment. I hope you will not think this a presumptuous suggestion on my part.

The Honorable Fred M. Vinson - (3)

June 11, 1945

There is no reason that I can conceive why it should not pass without serious controversy or delay. The only opposition of any consequence, so far as I can discover, comes from a few of the big city banks, especially in New York -- about the same group that tried to sabotage the Bretton Woods Agreements. However, the Federal Advisory Council, a statutory body consisting of leading bankers from every Federal Reserve district, and headed by Ned Brown of Chicago, endorses the bill with only one dissenting member.

Finally, let me say again how much I appreciate your interest. I hope it will lead to enactment of the bill before the summer recess.

With kindest personal regards,

Sincerely yours,

M. S. Eccles,  
Chairman.

Enclosures 5

P.S. Since writing the above, I note that there is a move afoot to have Congress adjourn from July 10 until September, so that unless the bill is acted on promptly in the House so it can get to the Senate for action as soon as Bretton Woods is out of the way, it would all have to go over until the fall.

M.S.E.

ET:b