

April 24, 1950.

Honorable William Benton,
United States Senate,
Washington 25, D. C.

Dear Bill:

I am returning herewith your draft of a minority report on S. Res. 246. This is such a good job and so well done that I have only some minor suggestions to make, together with a paragraph which you can use if you wish, referring to my views. The enclosed memorandum contains these changes.

Sincerely yours,

M. S. Eccles.

Enclosure

Change the last sentence of the second paragraph to read as follows:

"Reorganization Plan No. 1 simply makes more explicit the relation between the Comptroller and the Secretary of the Treasury that has existed in fact during the past 16 years."

On page 4 where the statement is made that the Secretary of the Treasury already appoints the Deputy Comptroller of the Currency, change this to read "Deputy Comptrollers".

On page 5, change the first line to read as follows: "I do agree that the present confusion created by bankers concerning the status of the Comptroller".

On page 5 change the opening sentence in the last paragraph to read:

"This campaign obscures the true facts; there is merely superficial plausibility to the argument that the banks pay for the work of the Comptroller of the Currency and thus he should be left right where he is."

At the bottom of page 4 insert a new paragraph as follows:

"This statutory mandate to the Comptroller has not been a mere formality. I know from my talks with a high official who has been personally acquainted with the operations of the Treasury, including those of the Bureau of the Comptroller of the Currency, throughout the past 16 years, and including the regimes of three Secretaries of the Treasury that the policies of the Comptroller of the Currency have been, in fact, controlled by the Secretary of the Treasury. He states that the Comptroller could not have functioned with less independence during this period than would have been the case if this reorganization plan had been in effect. For example, the first Deputy Comptroller of the Currency for a long period was the personal representative of the Secretary of the Treasury; a Secretary of the Treasury dictated the participation of the Comptroller of the Currency in an agreement among the three Federal supervisory agencies on examination policy; the policies of the Comptroller with respect to the approval of branches for one of the largest banking organizations in the country have been determined from time to time by the various Secretaries of the Treasury; and the Comptroller of the Currency has not been in position to make recommendations to the Congress with respect to legislation except after consultation and in accordance with the views of the Secretary of the Treasury. Thus the situation with respect to the Comptroller will not be different under this plan from what it has been. He makes the comment, however, that this reorganization plan will have the merit of bringing out into the open the lodgment of responsibility in the Secretary of the Treasury for the determination of policies where heretofore there has been obscurity as to whether that responsibility was exercised by the Comptroller. It is better to make it explicit than to continue to permit it to be covered up."