

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, April 1, 1940, at 10:00 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. Davis
Mr. Draper

Mr. Morrill, Secretary
Mr. Carpenter, Assistant Secretary
Mr. Clayton, Assistant to the Chairman
Mr. Thurston, Special Assistant to the
Chairman
Mr. Wyatt, General Counsel
Mr. Paulger, Chief of the Division of
Examinations
Mr. Goldenweiser, Director of the Division
of Research and Statistics
Mr. Smead, Chief of the Division of Bank
Operations
Mr. Dreibelbis, Assistant General Counsel
Mr. Wingfield, Assistant General Counsel

There was presented a draft of letter which had been prepared pursuant to the action taken at the meeting of the Board on March 27, 1940, addressed to Mr. Steagall, Chairman of the Banking and Currency Committee of the House of Representatives, in which was set forth a proposed statement of the Board's position on H.R. 8638, the Steagall Bill, and S.1318, the Byrnes Bill. The draft of letter was read as was a draft of letter prepared by Mr. Ransom which related only to the Steagall Bill and both drafts of letters were discussed.

Chairman Eccles suggested that instead of sending a letter at this time a more satisfactory way of handling the matter might be for him to call Mr. Steagall on the telephone, to refer to a conversation which he had with Mr. Steagall last year with respect to the

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Byrnes Bill and to say that that bill and Mr. Steagall's own bill raised certain questions which appeared to the Board to be of a controversial nature and about which the Board had some concern, that the Board would like to know whether the Banking and Currency Committee of the House of Representatives expected to take any action with respect to the two bills, that it was assumed by the Board that the bills would not be reported out by the Committee without hearings, and that if the Committee does report them out at this session the Board would like to have an opportunity to be heard before that is done.

It was agreed unanimously that Chairman Eccles should act in accordance with his suggestion.

Mr. Morrill read a draft of the statement on the Farm Credit Act of 1940 (H.R. 8748 and S.3509), which had been prepared in accordance with the request made at the meeting of the Board on March 27, 1940.

Mr. Davis stated that he had discussed over the telephone with Secretary of Agriculture Wallace and Mr. Currie, Assistant to the President of the United States, who is also working on the bill, certain of the questions raised in the statement, and that it would be his (Mr. Davis) suggestion that before any use was made of the statement members of the Board have a discussion of the matter with Secretary Wallace at which Mr. Currie should be present.

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It was agreed unanimously that the matter should be handled in this manner and Mr. Davis was requested to arrange a meeting at which Secretary Wallace, Messrs. Currie, Eccles, Davis and Morrill, and anyone that Secretary Wallace desired to bring with him from the Department of Agriculture, would be present.

Thereupon the meeting adjourned.

Robert Morrill
Secretary:

Approved:

W. S. Eccles
Chairman.