A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, June 19, 1940, at 2:10 p.m.

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

Mr. Morrill, Secretary

ALSO PRESENT: Mr. McCabe, Chairman, Federal Reserve Bank of Philadelphia, and an assistant to Mr. Stettinius on the staff of the Advisory Commission to the Council of National Defense

Mr. McCabe was present by invitation of the Board for the purpose of participating in a discussion of the matter hereinafter referred to.

Mr. Szymczak presented for the Board's consideration a draft of a letter, for Chairman Eccles' signature, to the President of the United States, reading as follows:

"As a means for advancing the defense program effectively the Board of Governors of the Federal Reserve System, with the cooperation of the officers and directors of the Federal Reserve Banks, wishes to offer you the facilities of the System. The offer covers both operating plant and the services of the System as a going organization.

"Included in the plant are the offices and equipment of the twelve Federal Reserve Banks and their twenty-four branches situated in thirty-six leading cities in various parts of the country. These cities are so distributed that they afford close contact with..."
"every part of the whole area of the country and its economic structure.

"As an illustration of the possible use the Advisory Commission to the Council of National Defense might desire to make of Federal Reserve facilities, office space could be provided in each or some of the Federal Reserve Bank and branch buildings throughout the country for a representative or representatives of the Commission. These representatives could have personal contact over the territory served by the Bank or branch, and might in many cases make it unnecessary for industrialists and others within the district to travel on to Washington.

"The System is connected by special telegraphic service centered at the Board's offices and already utilized daily by the United States Treasury in the transfer of Government funds and otherwise.

"The System collects and compiles currently information as to the productive and distributive activities of business in all fields—agriculture, manufacturing, mining, construction, distribution, finance—and as to employment and prices. This and other necessary information could be made available to the Advisory Commission to the Council of National Defense.

"In addition to the administrative and professional staff which the System can make available to the defense program, there is also available the assistance of Members of the Federal Advisory Council and the boards of directors of the twelve Federal Reserve Banks and their branches.

"Each of the twelve Federal Reserve Banks has a board of nine directors—three of these are bankers; six are business and professional men whose private interests and experience lie in manufacturing, transportation, merchandising, farming, publishing, education, and other important fields. The directors of the branches are similarly representative, not only of banking, but of commerce, agriculture and other industrial pursuits—a total of two hundred and sixty.

"The Federal Reserve Banks are already acting, as they have for years, as fiscal agents of the United States Government.

"During the last war the services performed by the Federal Reserve Banks in this capacity were, it is believed, of the utmost importance in facilitating the fiscal business of the Government.

"We hope that you will call these services and facilities to the attention of the members of the Advisory
"Commission of the Council of National Defense and that you and they will ask the Reserve System for any service it may perform through its plant and organization."

After a brief discussion the letter was approved unanimously.

Thereupon the meeting adjourned.

Chairman.

Secretary.