

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

R-644

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 1, 1940



Dear Sir:

It has been the custom for the Board of Governors, in response to requests from the Federal Advisory Council, to propose topics for consideration by the Council at its meetings in Washington. In accordance with this procedure, the Board has suggested that consideration be given to the following topics at the meeting of the Council which will be held on May 19-21, 1940.

The Board will appreciate it if your directors will also discuss these topics at their next meeting if convenient, and if you will let the Board have the benefit of the views of your directors with regard to both questions:

1. The Council has urged upon the Board the "modification of the policy of extreme easy money". The Board would like to have the opinion of the Council as to the more important causes of the "easy money" conditions; as to what actions within the power of the Board of Governors would be desirable and effective in the public interest; and as to the probable consequences of such actions.
2. What are the business prospects for the next 90 days and in the Council's opinion do such prospects justify any change in the System's present banking and monetary policies?

Very truly yours,

A handwritten signature in cursive script that reads "Chester Morrill".

Chester Morrill,
Secretary.

TO THE CHAIRMEN OF ALL FEDERAL RESERVE BANKS