



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

152

R-905

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

October 16, 1941

Dear Sir:

There is enclosed for your information a copy of a letter addressed to Chairman Eccles by the Attorney General of the United States under date of October 7, 1941, advising that the Council of State Governments and the Governors' Conference Committee has offered to assist the Federal Government in securing State legislation or administrative action which will be helpful to the national defense effort or in advising State officials concerning legislative or administrative proposals which might be in conflict with the national defense program.

The Attorney General requests advice as to any measures in connection with the defense activities of the Federal Reserve System which we can foresee will require State action, with as detailed a description of such measures as is practicable at this time.

In order that a suitable and prompt reply may be made to the Attorney General, it will be appreciated if you will advise the Board at your early convenience of any problems arising in your district in connection with the defense program which might be alleviated by State legislation or administrative action on the part of the State authorities.

In this connection, it might be helpful if you would request your Counsel to review the laws of the States in your district regarding assignments of accounts receivable, trust receipts, and similar subjects, with a view of ascertaining whether it is possible to suggest any State legislation which would facilitate the financing of subcontractors having subcontracts arising out of the defense program.

Very truly yours,

L. P. Bethea,
Assistant Secretary.

Enclosure

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS

R-905-a

Office of the Attorney General
Washington, D. C.

October 7, 1941

Honorable Marriner S. Eccles,
Chairman, Federal Reserve System,
Washington, D. C.

My dear Mr. Chairman:

An offer to assist the Federal Government in securing state legislative or administrative action, which will be helpful to the national defense effort, or in advising state officials concerning legislative or administrative proposals which might be in conflict with the national defense program, has been made by the Council of State Governments and the Governors' Conference Committee. To be able to assist in such matters, it will be necessary for these organizations, as soon as possible, to know the nature and extent of the problems likely to arise and it has been suggested, with the approval of the Office of Civilian Defense, that this Department make a survey in this field at this time. After this survey has been made, the Council of State Governments and the Governors' Conference Committee will work with the different Federal agencies concerned with the proposals with such assistance as the Department of Justice can furnish.

The Council of State Governments, as you know, embraces the Governors' Conference, the State Legislators' Association and the National Association of Attorneys-General. This organization has cooperated effectively with the Department of Justice and with other defense organizations and agencies during the past two years.

It has occurred to me that this service might be used to advantage in such fields as defense housing, conditions surrounding cantonments, the health and welfare of individuals in defense areas and in other instances where support of, or caution against, state action would aid the national defense program. Preparations made at this time should be helpful in getting ready for the coming state legislative sessions. It is my understanding that seven states will hold regular sessions, and in all probability some six or seven other states will hold special sessions in 1942.

Hence, I shall appreciate it if you will advise me of any measures in connection with the national defense activity of your agency, which you can foresee will require state action with as detailed a description of such measures as is practicable at this time.

-2-

R-905-a

My purpose in making this survey is to inform you of the existence of this offer of assistance and to facilitate your using it if you desire to do so. Of course, I do not desire to interfere in any of the activities of your agency or with any contacts you may have in connection with state matters. Furthermore, you will understand, I am sure, that it will be impossible for me or for this Department to pass upon and approve or disapprove the various suggestions which may be made by the different federal agencies. However, I will be glad to cooperate with you and to render you any assistance I can. To assist me in this matter, I have asked Mr. Lawrence M. C. Smith, Chief of the Special Defense Unit of this Department, to hold himself available to help in this matter.

Sincerely yours,

(Signed) Francis Biddle

Attorney General