

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

S-419

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

January 3, 1942



Dear Sir:

Enclosed you will find a copy of a letter, dated January 1, 1942, addressed to the Board of Governors by the Honorable Robert P. Patterson, Under Secretary of War, and a copy of Governor Draper's reply thereto, relating to Executive Order No. 9001, dated December 27, 1941. There is also enclosed a copy of P. & C. General Directive No. 98, signed by the Under Secretary.

In all probability the Defense Contract Officer at your head office and branches, if any, will receive an increasing number of requests from officers of the supply arms and services of the War Department for information and assistance in expediting the war effort. Requests will be received for confidential reports regarding industrial concerns in order to aid in the intelligent awarding of contracts and in order that requests for advance payments may be acted upon as promptly as possible. It will be appreciated if you will forward to this office a copy of each of the reports made by the Defense Contract Officer at your head office and branches, if any, advising the name of the officer to whom the report was furnished and the name and address of the concern involved. In those cases where the report is furnished in connection with an advance payment request, please also set forth in the copy of the report forwarded to this office the number and amount of the contract, the date of its execution, the article or articles contracted for, and the amount of the advance payment requested.

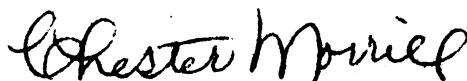
Major Paul Cleveland of the Office of Under Secretary of War plans to visit certain field procurement districts in the very near future and, as Judge Patterson's letter sets forth, expects to contact certain of the Defense Contract Officers while on such visits in connection with the War Department's procedure as outlined in General Directive No. 98.

-2-

S-419

Your cooperation in assisting the War Department will be very much appreciated.

Very truly yours,



Chester Morrill,
Secretary.

Enclosures 3

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS
COPY TO FEDERAL RESERVE DEFENSE CONTRACT OFFICERS

(P. & C. General Directive No. 98 sent only with
copies to Presidents and Defense Contract Officers.)

WAR DEPARTMENT
OFFICE OF THE UNDER SECRETARY
Washington, D. C.

January 1, 1942

Board of Governors of the
Federal Reserve System,
Federal Reserve Building,
Washington, D. C.

Attention: Honorable Ernest G. Draper

Gentlemen:

For your information there is enclosed a copy of P. & C. General Directive No. 98, dated December 30, 1941, relating to Executive Order No. 9001, signed by the President of the United States on December 27, 1941. This General Directive, addressed to the chiefs of the supply arms and services, outlines the War Department procedure in respect to advance payments to contractors.

As you will note, reference is made to the chiefs of the supply arms and services and other officers obtaining confidential information with regard to financial condition and management referred to in the Directive from the Federal Reserve Defense Contract Officers at the 12 Federal Reserve Banks and 24 Branches. The War Department would appreciate the Federal Reserve System's cooperation in making available confidential information of this nature in order to aid in the intelligent awarding of contracts and in order that requests for advance payments may be acted upon as promptly as possible.

A representative of the Advance Payment Section, Purchase Contract Branch, Office of the Under Secretary of War, will visit certain field procurement districts in connection with the War Department's operations under P. & C. General Directive No. 98, and if agreeable to you expects to contact your defense contract officers. Also, a list of the names and addresses of the Federal Reserve Defense Contract Officers, which your office is furnishing, will be made available to the chiefs of the supply arms and services and other officers in order that they may know the proper contacts to make at the Federal Reserve Banks and Branches.

It is contemplated that representatives of my office will continue to call upon the Board of Governors, as in the past, for confidential information regarding certain contractors making requests for advance payments in those cases where the requests are not supported by sufficient information to enable my office to pass upon them initially or by way of review.

Your cooperation in assisting the War Department in these matters should materially expedite the war effort and will be very much appreciated.

Sincerely yours,
(Signed) Robert P. Patterson
Under Secretary of War

S-419-b

January 3, 1942

Honorable Robert P. Patterson,
Under Secretary of War,
War Department,
Washington, D. C.

Dear Judge Patterson:

Receipt is acknowledged of your letter of January 1, 1942, relating to Executive Order No. 9001, signed by the President of the United States on December 27, 1941, and General Directive No. 98 of the War Department outlining the War Department's procedure in respect to advance payments to contractors.

It is the desire of the Board of Governors to be of every possible assistance to the War Department in expediting the war effort and you can be assured that Federal Reserve Defense Contract Officers at the twelve Federal Reserve Banks and twenty-four branches will fully cooperate with the chiefs of the supply arms and services in making available certain confidential information to aid in the intelligent awarding of contracts and to expedite action in respect to advance payments to contractors.

The Board of Governors has today advised the Presidents of the Federal Reserve Banks and the Federal Reserve Defense Contract Officers of the new procedure to be followed by the War Department and has also advised them that a representative of your office will visit certain field procurement districts and expects to contact the Defense Contract Officers in certain of the Reserve Banks.

Sincerely yours,

(Signed) Ernest G. Draper

Ernest G. Draper.