

MEMBERSHIP OF THE RECONSTRUCTION FINANCE CORPORATION

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

RECOMMENDING

AN AMENDMENT OF SECTION 3 OF THE ACT CREATING THE RECONSTRUCTION FINANCE CORPORATION TO INCREASE THE MEMBERSHIP OF THE BOARD TO EIGHT

JULY 11, 1932.—Read; referred to the Committee on Banking and Currency, and ordered to be printed

To the Senate and House of Representatives:

Section 3 of the act creating the Reconstruction Finance Corporation provides:

The management of the corporation shall be vested in a board of directors consisting of the Secretary of the Treasury, or in his absence, the Under Secretary of the Treasury, the governor of the Federal Reserve Board, and the Farm Loan Commissioner, who shall be members ex officio, and four other persons appointed by the President of the United States, by and with the advice and consent of the Senate. Of the seven members of the board of directors, not more than four shall be members of any one political party and not more than one shall be appointed from any one Federal reserve district.

The extraordinary heavy burdens placed upon the directors of the corporation during the past few months have resulted in the overwork especially of the ex officio members. It has within the past few days arrived at a point where there is danger of a physical breakdown among the ex officio members in their endeavor to carry dual duties.

I therefore recommend to the Congress an amendment to the act which would eliminate the governor of the Federal Reserve Board and the Farm Loan Commissioner as members ex officio when successors shall have been appointed. It is important that the Secretary of the Treasury shall remain as an ex officio member, and under the

provision for the Under Secretary to act as an alternate it offers the necessary relief. It is desirable that the Treasury should maintain its intimate association with the corporation because of the great financial problems involved in Government issues.

In order that the operations of the corporation may be conducted with certainty and public confidence, both as to its nonpartisan character and its personnel, I recommend that the number of the board be increased to eight, of whom not more than four shall belong to any one political party.

HERBERT HOOVER.

THE WHITE HOUSE, July 11, 1932.

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