

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

# Office Correspondence

Date May 17, 1943

To Chairman Eccles

Subject: \_\_\_\_\_

From Mr. Carpenter

STRICTLY CONFIDENTIAL

I thought you might like to have available before talking to the Secretary of the Treasury today the statement which you made at the conclusion of the informal discussion last Saturday of the question of organization for future financing campaigns. Your statement was substantially as follows:

I think I understand the sense of the meeting and the various attitudes of the Presidents. There is some variation. I think there is a general agreement upon the atmosphere that was created, the effect on morale, and the relation it puts the System in. There is also agreement that an effort should be made to clarify it. If the Secretary is antagonistic and says that he meant everything he said, then, so far as I am concerned, I am willing to quit. I wouldn't even want to be liaison officer. (All of the Presidents concurred with your statement at this point.)

I wouldn't go over with any ultimatum that we wanted an apology, but would point out the atmosphere he had created. I would say that I had an extremely difficult time to reconcile myself to any program and would tell him why. Then, depending a good deal upon his reaction and attitude and whether he makes it possible to go along, I would let him know that we do want to cooperate but that he had made it difficult. If he is conciliatory, then we could begin to talk about the program, and I would go over it with him and state that we felt that no publicity should be given to the matter and that it was necessary to set up a new organization, that we all desired to set it up around the Presidents of the Federal Reserve Banks, but that it would be difficult unless we could work out an organization that would be acceptable to the Treasury and the Presidents who are on the job and who would have the responsibility. We would want it on a System basis with the Presidents of all of the Federal Reserve Banks serving as chairmen (but recognizing the special situation in St. Louis). If he wanted to proceed on that basis, we would be glad to have that done. If Allan wanted me to do so, I would say that Mr. Sproul personally wanted to talk to the Secretary. (Mr. Sproul said that he wished you would say that.)

If the Presidents want to leave it to me, I will talk to the Secretary on that basis.

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All of the Presidents agreed that you should talk to the Secretary along the lines outlined above and that in any event you should present the matter to the President and to Mr. Byrnes.

In response to an inquiry by Mr. Szymczak as to what the answer would be if the Secretary should ask whether he should call the Presidents in to talk to them, you suggested that the better procedure would be for the Secretary to call them on the telephone, to drop them a note, or to give you a message which you could convey to the Presidents.

A handwritten signature, likely of the Secretary, consisting of stylized, overlapping loops and a final downward stroke.