

Office Correspondence

FEDERAL RESERVE
BOARD

Date July 12, 1935

To Governor Eccles

Subject:

From Lauchlin Currie

L.C.

6-16 16-852

Attached is a batch of letters for your signature. Two are addressed to the Chairmen of the Federal Reserve Banks of Chicago and Cleveland, and the other four to presidents of nonmember banks. They are all in connection with preliminary work on a projected "white collar" study on the ownership of deposits, and have been read and approved by Mr. Goldenweiser.

I am sorry to have to bother you with these things at this time, but we felt that personal letters from you would be the best way of ensuring cooperation.

July 12, 1935.

Mr. W. H. Fletcher,
Acting Federal Reserve Agent,
Federal Reserve Bank of Cleveland,
Cleveland, Ohio.

Dear Mr. Fletcher:

The enclosed letter is, I think, self-explanatory. I should be very grateful if you would have ribbon copies made and address them, under your signature, to the following:

Mr. R. E. Tulloss, President,
First National Bank and Trust Company,
Springfield, Ohio.

Mr. H. E. Freeman, President,
Lagonda National Bank,
Springfield, Ohio.

Mr. J. M. Beeler, President,
First National Bank and Trust Company,
Hamilton, Ohio.

Mr. C. L. Gebhart, President,
Second National Bank,
Hamilton, Ohio.

I should also be grateful if you would send replies or copies of replies to me as soon as you receive them.

Sincerely yours,

Marriner S. Eccles
Governor

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P.C.

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Dear Sir:

The Federal Reserve Board has been invited to submit applications for projects under the works relief program for the purpose of prosecuting studies of a desirable character while at the same time affording employment for "white collar" workers now on the relief rolls. One project whose feasibility is being investigated is a sample study of the distribution of ownership of deposits and the changes in such ownership in the critical years 1928-32. There is at present no information on this subject and it is felt that the study might yield results significant for the interpretation of business conditions and, therefore, for the formulation of credit policies.

Your bank has been tentatively selected as one which it would be desirable to include in the sample study, and I have been asked by Governor Eccles to communicate with you. Since the investigation would require access to the deposit ledgers of the selected banks, I wish to inquire whether you think it would be feasible for you to cooperate. The Board feels that before it can make any commitments in initiating this project it must first secure some assurances of cooperation from the selected banks. The specific request would probably amount to something like desk or counter space for two clerks who would have access to your deposit ledgers and credit files. It has been suggested that you may have been forced to lay off capable and trustworthy clerks or bookkeepers whom you would be glad to see usefully employed. Any such former employees of your bank, or other bookkeepers or accountants in your community now receiving relief or eligible to receive employment from the Federal works program, whose discretion and integrity is known to you would be an obvious and happy choice for all concerned.

Since the material to be studied is of a highly confidential character, it is planned, of course, to devise statistical schedules which will preserve this confidence. It is possible to code schedules in such a manner that the only persons that would see the names of the banks' customers with the schedules of dollar amounts would be the original transcribing clerks. In order to safeguard against leaks at this point it would be necessary to select capable clerks that would be known to and trusted by the bank or banks entered.

Governor Eccles wishes me to recommend this project to your attention as a means of aiding capable former employees or other trustworthy and competent members of your community now in unfortunate circumstances, as well as a means of prosecuting an investigation which it is believed would be of value and importance.

Yours very truly,

July 12, 1935.

Mr. Van Vechten Shaffer, President,
Guaranty Bank and Trust Company,
Cedar Rapids, Iowa.

Dear Sir:

The Federal Reserve Board has been invited to submit applications for projects under the works relief program for the purpose of prosecuting studies of a desirable character while at the same time affording employment for "white collar" workers now on the relief rolls. One project whose feasibility is being investigated is a sample study of the distribution of ownership of deposits and the changes in such ownership in the critical years 1928-32. There is at present no information on this subject and it is felt that the study might yield results significant for the interpretation of business conditions and, therefore, for the formulation of credit policies.

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Mr. Van Vechten Shaffer

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Yours very truly,

Marriner S. Eccles
Governor

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July 12, 1935.

Mr. E. M. Stevens,
Chairman, Federal Reserve Bank of Chicago,
Chicago, Illinois.

Dear Mr. Stevens:

The enclosed letter is, I think, self-explanatory. I should be very grateful if you would have ribbon copies made and address them, under your signature, to the following:

F. B. Bernard, President,
Merchants National Bank,
Muncie, Indiana.

F. D. Rose, President,
Merchants Trust and Savings Co.,
Muncie, Indiana.

S. E. Coquillette, President,
Merchants National Bank,
Cedar Rapids, Iowa.

William Barnes, Jr., President,
Citizens National Bank,
Decatur, Illinois.

O. B. Gorin, President,
Millikin National Bank,
Decatur, Illinois.

H. R. Gregory, President,
The National Bank of Decatur,
Decatur, Illinois.

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Yours very truly,

July 12, 1935.

Mr. Frank C. Welch, President,
Peoples Savings Bank,
Cedar Rapids, Iowa.

Dear Sir:

The Federal Reserve Board has been invited to submit applications for projects under the works relief program for the purpose of prosecuting studies of a desirable character while at the same time affording employment for "white collar" workers now on the relief rolls. One project whose feasibility is being investigated is a sample study of the distribution of ownership of deposits and the changes in such ownership in the critical years 1928-32. There is at present no information on this subject and it is felt that the study might yield results significant for the interpretation of business conditions and, therefore, for the formulation of credit policies.

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Mr. Frank C. Welch

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Yours very truly,

Marriner S. Eccles
Governor

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July 12, 1935.

Mr. Henry A. Rentschler, President,
Citizens Savings Bank and Trust Company,
Hamilton, Ohio.

Dear Sir:

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July 12, 1935.

Mr. J. L. Prochaska, President,
United State Bank,
Cedar Rapids, Iowa.

Dear Sir:

The Federal Reserve Board has been invited to submit applications for projects under the works relief program for the purpose of prosecuting studies of a desirable character while at the same time affording employment for "white collar" workers now on the relief rolls. One project whose feasibility is being investigated is a sample study of the distribution of ownership of deposits and the changes in such ownership in the critical years 1928-32. There is at present no information on this subject and it is felt that the study might yield results significant for the interpretation of business conditions and, therefore, for the formulation of credit policies.

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