

FEDERAL RESERVE BOARD

WASHINGTON

OFFICE OF GOVERNOR

September 12, 1935.

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msf
Governor M. S. Eccles,
Care of Eccles Investment Company,
Ogden, Utah.

My dear Governor:

With reference to the latest unpleasant publicity to the effect that the entire present Board, including yourself, was to be scrapped, I think it has been definitely countered. I talked yesterday with the Herald Tribune which, along with the Washington Post, printed this morning a refutation. The Associated Press carried a similar refutation on the previous afternoon.

I understand that at a press conference this morning, Secretary Morgenthau, in response to a question, said that he hoped and expected that you would be reconfirmed as chairman and that he had no knowledge of any contrary intention on your part or of the origin of this current piece of newspaper fiction.

As I think Mr. Clayton told you over the phone, I had luncheon with Shelton of the Kiplinger Service, who volunteered that the references which he wrote grew out of what he was told Senator Glass had said confidentially to some newspaper men to the effect that an entirely new Board was contemplated by him. I personally cannot believe that the Senator was correctly represented because, as I understand, he said explicitly both to Dr. Miller and to Governor Hamlin that this was not the intention. In any case, Shelton gave me to believe that what he printed did not come from the Treasury. Subsequently, however, two different newspaper men who cover the Treasury told me that they had obtained from what they considered reliable sources in the Treasury the intimation that you were to be replaced. Neither volunteered to tell who the source of this information might be. However, as one of the two is very close to a certain official, I have my own suspicions as to the source and I am sure that your suspicions are the same. Anyway, the incident, I think, is closed for the time being. Needless to say, if I am able to confirm the aforesaid suspicions, I shall let you know.

On another subject: Allen Grover, of Fortune, writes me to ask if we can prepare, to be in his hands by November 15th, an article for publication in the January issue which goes to press December 25th. I assume that this is agreeable to you, but I shall await your saying so before making any final commitment to Grover.

Faithfully,

Edw. Hurston