

PERSONAL AND
CONFIDENTIAL

March 20, 1947.

Dear Gavin:

Enclosed is a copy of a report which I received from one of the Federal Reserve Banks representing a composite recollection of a number of those who attended off-the-record meetings or luncheons at which Mr. Vardaman spoke. I had an extensive discussion with Secretary Snyder about this matter and he agrees that it would be desirable to get as complete reports as possible from the various Federal Reserve districts visited by Mr. Vardaman.

All the Board members, with one exception, would greatly appreciate it if you could furnish me with a similar account so far as your recollection or that of others who heard him goes. We would like to know whether in his talks or conversations in your district he took much the same line as reflected in the enclosed report, and we would like to have any supplemental information you might be able to provide as to his attitude and activities. Secretary Snyder tells me that he has had reports from friends in many parts of the country of attacks on him and even on the President.

With best regards,

Sincerely yours,

Mr. H. G. Leedy, President,
Federal Reserve Bank of Kansas City,
Kansas City, Missouri.

Enclosure

ET:b

(IDENTICAL LETTER TO MESSRS. GILBERT, ~~WHITTEGOM~~ AND EAMHART)

FEDERAL RESERVE BANK
OF
KANSAS CITY

March 29, 1947

PERSONAL AND CONFIDENTIAL

Mr. Marriner S. Eccles, Chairman
Board of Governors of the
Federal Reserve System
Washington 25, D. C.

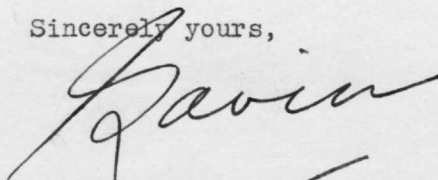
Dear Marriner:

Enclosed are letters in longhand written to me by Oliver P. Cordill, Vice President in charge of our Oklahoma City Branch, and Lyle L. Hague, one of our Class C directors, together with typewritten copies which can be more easily read. Mr. Cordill's letter was received soon after I returned here from my recent trip to Washington, but I held it awaiting receipt of Mr. Hague's letter, which reached me only yesterday. In an accompanying note Mr. Hague explained that the delay in writing me was due to illness.

In line with the suggestion in your letter of March 20, I shall later furnish you an account of what occurred at the meetings here at which Mr. Vardeman spoke. There may be a little delay in doing this, however, due to the collaboration which I feel should be had. I have asked Mr. Pipkin, Vice President in charge of our Denver Branch, to make a similar report of the meetings which Mr. Vardeman addressed there, and shall forward it to you when it is received.

Please let me know if there is anything else you feel that I might do to be helpful in this connection.

Sincerely yours,



H. G. Leedy
President

OKLAHOMA CITY BRANCH
FEDERAL RESERVE BANK
OF KANSAS CITY

OKLAHOMA CITY, OKLA.

March 11, 1947

Dear Mr. Leedy -

In early October 1946, Mr. J. K. Sardamian visited us here at the branch and expressed a desire to meet with local bankers and business men. It being Saturday morning late and further due to an appointment with Louisa Ke in connection with a reunion of his old regiment he had little to spend with me, and it was not possible to arrange a luncheon or other entertainment for him.

We did however, in company with Mr. Lyle Hague, a head office due call on the presidents of the downtown member banks - spending only a few minutes in each bank.

Mr. Sardamian talked freely and frankly to them about his earnest desire to release all war time restrictions and controls as early as possible and 'as he put it' return the country to the people thru their

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OKLAHOMA CITY, OKLA.

were well received by persons who for several years had been subject to war time Controls:

One of our member presidents referred to the president of the United States and knowing that Mr. Vardaman had recently been appointed by President Drumann commented upon the appointment and inquired as to how Mr. Drumann was progressing, having been catapulted overnight into such a responsible position. Mr. Vardaman gave it as his opinion "that while Mr. Drumann was a fine man and a very affable person. He was not qualified by training or experience to be President and was in over his head"

At another member bank, the president remarked that he felt Mr. Drumann had "blundered" in the handling of the then famous Wallace speech. Mr. Vardaman stated that he had not only blundered but that he was "just plain stupid", this rather shocked all of us and the subject was dropped - it was our feeling that one

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of the President and one whose appointment was the source of much embarrassment to him showed a definite lack of gratitude and a complete absence of loyalty.

Mr. Vardaman rather forcibly indicated his disagreement with the policies of Gov. Eccles and other members of the Board -

I have written at length and the statements made are true facts and I am sure can be corroborated by Director Hoyle -

I hope it will not be necessary to use this letter but I am prepared to stand on it -

Please let me know if there is anything further I may do -

Yours truly
J. M. Randall

LYLE L. HAGUE

R. F. D. 3

CHEROKEE, OKLAHOMA

March 27-1947

Mr. H. G. Leedy, President,
Federal Reserve Bank
Kansas City Mo,

Dear Mr Leedy:— at our last Board
meeting in Kansas City on Mar. 13, I reviewed ^{to you} some
statements that had been made by Mr. J. F.
Vardeman, one of the Federal Reserve Governors,
in Okla City about last Oct.

Governor Vardeman, Oliver Cordill and myself
visited some five large Banks in Okla City
one morning spending around ten to fifteen
minutes in each Bank.

Immediately we would arrive in a Bank Gov.
Vardeman would take over in a vigorous manner
pointing out early that he was visiting all
Reserve and Branch Banks as often as possible
that it would definitely be his policy while
Governor to travel at least six months of

Banks Officers and addressing interested groups
That 'The Gov't must be returned to the people'
He usually went into some of the things wrong with
Federal Reserve policies admitting that he was a
two-fisted Chap who would battle to the last
ditch for right - even tho alone.

To me it was at first amazing how he
so quickly had found the answer to so many
ills - why the Gov't. had been so long in discovering
him then - He began to talk about the fact
that the president (who had just appointed him) was
a fine fellow but stupid in Gov't. affairs. That
he wasn't experienced. He also made some pointed
remarks about the way Truman blundered on hand
the "Wallace" affair.

His whole attitude was one of Bravo and Condemn
which of course was received with welcome of times.
We would sweep into a Bank ^{he would} raise hell and open
Condemn from Pres. Truman down - Various personalities
hit the high points of a new cure-all plan for running
the Gov't. - admit it might mean his resignation
and said "By God it might mean ~~my~~ Resignation"

3. and then abruptly and in haste hurry to the next Bank, leaving the impression that things were in a mess and needed correction quickly and that he could go down in history as a matter if need be.

To me, Mr Leedy, his visits did not give time to discuss and reflect and analyze his statements. On the face of them they sounded good oftentimes.

I would feel that certainly fear and suspicion would be left in many Bankers minds, that the Federal Reserve System was in a mess floundering with bad policies, Washington centralized dictatorship.

Granted he may have some good ideas and worthwhile suggestions for reforms. These should be used in Board meetings and not in the country first in the manner in which he gave them which certainly would cause alarm and fear.

I feel that this information should be given you as a matter of record, and feel free to use at your discretion. Sincerely

Gyle D. Hagans