

Tuesday
March 23, 1954

Internal Memorandum

Washington, D. C.

Conversation with Mr. Robert Fleming at the Riggs National Bank

Mr. Fleming is President and Chairman of the Board and has been working in that capacity since 1935. He has been a banker all his life in Washington. He began with the Riggs Bank in 1907 when he was seventeen years old. His entire life has been in Washington in the banking world. Mr. Fleming is a member of the Federal Advisory Council to the Board of Governors of the Federal Reserve and has acted in that capacity since 1942 (check his present connection, make sure this is right). His record in "Who's Who" shows him sitting on a great number of Boards and acting in many capacities within the Washington community.

Mr. Fleming is a florid, rather handsome man, who was not inclined to talk until he was assured of exactly the terms of this inquiry. I tried to get reminiscences from him about the early 1920's but had no luck. It was only when I mentioned the bank holiday that he began to speak and then very freely. He had warned me that he had an engagement at five minutes to one, but as he became interested in what he was saying he became impatient with the idea of having to meet that engagement and continued to talk.

Mr. Fleming's interest in the banking holiday was, in this particular conversation, centered around the effort to put the banks back on their feet again. The Riggs Bank was in no difficulties whatsoever at the time. He said that there was set up under the R.F.C. a Deposit Liquidation Board with a member in each Federal Reserve District. For the Washington District, he mentioned Mr. Carroll Merriman, Mr. Mortimer Buckner, Mr. Gloyd Awalt, Mr. Fleming and Mr. Earle B. Schwulst. Mr. Schwulst is President and Chairman of the Board of the Bowery Savings Bank at 110 East 42nd Street, New York. Mr. Fleming suggested that we see Mr. Schwulst for further memoirs of this matter.

Having spent his life in commercial banking Mr. Fleming is more interested in that than he is in the Federal Reserve System. He says, however, that the latter is doing very well at the present time. He thinks that Mr. Martin and his staff are an improvement over Mr. Eccles (this was implied, not specifically stated). Mr. Fleming was very much surprised that the whole matter of the Deposit Liquidation Board was not mentioned in the memoirs of Mr. Jesse Jones. He felt that the work that Board did was one of most important tasks performed by any subsidiary of the R.F.C.

Mr. Fleming's analysis of the reasons which lay behind the crisis that led to the bank holiday were very interesting. To a certain extent, they coincided with the statement made earlier by Mr. Riefler that the trouble with the twenties was that the financial structure was too slender (as this develops it may seem contradictory, but there is nevertheless a similarity here). Mr. Awalt said the trouble was that there were too many banks in the country in the early 1920's and too few of them that were really solid. The result was that both credit and cash were stretched thin through the banking community.

I asked him whether he would agree with a statement made by someone else that it might have been possible to get through the banking crisis without the rather spectacular holiday. He apparently did not think so.

Mr. Fleming seems to think that the present banking community throughout the country is far stronger than it was before the banking holiday and that the diminution in the number of banks was not a calamity but rather a blessing.

Mr. Fleming will be glad to talk another time. He talks with such fluency that I think perhaps he might be willing to talk with a tape recorder if we decide to go ahead into that technique. His experience in Washington is so wide that he would have useful commentary on many aspects of the situation and his long experience in banking makes it possible for him to reach back into a memory that covers a great many years. He should be seen a second time.