

April 30, 1954

Federal Reserve Bank of Richmond

(This is an attempt to reconstruct an interview and a visit which took place April 30, 1954. The record on which the visit was dictated was overlaid with another dictation; the notes have in some mysterious fashion disappeared. It is therefore necessary to present a somewhat sketchy account of what was a very interesting visit)

The Federal Reserve Bank of Richmond is suitably handsome in the classic style, and the more so because it faces the grounds of the state capitol which are green and beautiful, rolling away across the street. The lobby into which one enters was like lobbies of some of the other banks, designed at a time when commercial banks were the only models which architects had in mind. In the old days Governor Seay used to hang the lobby with canary cages, as he and his wife were raising canaries, and the bank lobby seemed a useful place to hang them. President Leach had a rather wry story of this which will appear later in this memorandum.

The Federal Reserve Bank of Richmond has had only two governors (or presidents) in its entire existence: Governor Seay whose term expired March 1, 1936 and who, in spite of being a Democrat, was not reappointed by Mr. Roosevelt to another term (it is my impression that he is one of three governors who were not reappointed at that time - these older men included Governor Morris of Philadelphia and Governor Calkins of San Francisco); and President Leach.

Mr. Hugh Leach, the present president of the bank, is a husky beguiling person who grew up in the Federal Reserve service. He started as assistant auditor of the Federal Reserve Bank of Richmond in 1921, went to the Charlotte, North Carolina branch and then to the Baltimore branch. He was with the Baltimore branch when Governor Seay was not reappointed (the dates on his card do not quite jibe - this says 1931 to 1935 in Baltimore, and Governor Seay's term ended March 1, 1936; however that is the story as I remember it). As manager of the two branches of Federal Reserve Bank, he had of course been, so to speak, Governor Seay's little boy, and this made trouble when he came back to Richmond as the President of the Bank.

Apparently, there was a great deal of southern paternal feeling about this bank on the part of Governor Seay. He had, as I said earlier, left his canaries there hung around the bank, and he and his wife went abroad the first year after he ceased to be Governor and considered as part of their arrangements for the trip the right to leave the canaries in the bank. President Leach saw no more reason why they should leave their canaries there than that he should leave his dogs there. The argument must have got quite hot, and apparently it produced a state of tension between Mr. Leach and Governor Seay which lasted for a good while. The implication was that Governor Seay regarded the bank as, to a certain extent, his personal property, and the fact that any such activity as leaving the canaries there meant that the bank's staff would have to take care of them was something that either did not enter his head or seemed to him unimportant.

Mr. Leach said that there were older stories about Governor Seay which were equally picturesque. He repeated the story told by an older man that he never would forget the picture of Governor Seay in the first days of the bank when the bank, like all the other Federal Reserve Banks, had inadequate quarters and no vault within its own walls. At that time the Governor used to stroll down the street behind a mule-drawn cart driven by a Negro on which was the gold deposit for that night. The Governor, with a gun in each hand, acted as personal body-guard of the cart and the gold.

The bank's first vice president in charge of research is Thomas Storrs, a young economist who was a student under Kincaid at the University of Virginia. He is supposedly writing his thesis under John Williams at Harvard, but this has been much delayed because of the amount of work which the bank demands of him.

Storrs took me in hand at the request of Leach, and it was he who arranged that I should see the library and the files, and also he who got in a retired member of the staff who had been on the committee who worked so hard to get the bank for Richmond. Baltimore was the larger city and to many people seemed a logical place,

although it was actually too close to Washington and Philadelphia. This elderly gentleman, whose name was something like Mr. Seez, told of riding the trains around what was to be the district, which means Virginia, North Carolina and Maryland, meeting bankers and public citizens in the daytime, then taking a night jaunt on a train to another town and preparing to do the same thing all over again. Unfortunately I organized this meeting so that Miss Loughbridge, a very bright assistant of Storrs, should take notes while I egged Mr. Seez on to talk. She became so interested in the conversation that she forgot to take notes, and it ended up with neither of us having taken down a word of what the elderly gentleman said. We urged him to write his memoirs, and there is a remote possibility that a secretary will be assigned to him and that he will talk. I do not, however, have much hope of this, but I will write Mr. Storrs and ask whether anything has been done.

Apparently, for a considerable length of time the library and the file division were under the same person. The library in Richmond is a good one, and it has certain material which really belongs in the bank's archives. Also they have a sense of history which is rare among Federal Reserve Banks, and they will try to hold onto this material.

The file department is another one of those which was organized according to the Dewey Decimal System and under the influence of Miss Mary Parker of New York. It has this great advantage over any of the other file systems I have met, that the woman in charge has instituted a card index system by which she can find things that individuals wrote in it. This is on her own initiative, and it would be wonderful if such a thing existed in the New York and San Francisco banks for instance. Her card system is somewhat like that obtaining in Washington and produced there under Mr. Jemison. It contains names and key numbers to important things which were written by people whose names are on the cards. It is a key into the complicated system.

It was Mr. Storrs whom I asked about Dr. Kincaid and who told me, with visible emotion, that Dr. Kincaid had made it possible for him to get an education. Young

Storrs was a bank messenger or something of that kind, who had not been to college. He told Dr. Kincaid that he needed more education than he had, and Kincaid told him that the bank would make it possible for him to go to college in the college term and work in the bank in the summers. Storrs' phrase was very indicative, "How," he asked, "under those circumstances can I possibly be critical of Dr. Kincaid or give you any fair estimate of whether or not age has weakened his powers?"

There is said to have been a good deal of correspondence between Governor Seay and Mr. Strong, and in Richmond at least the first governor of the bank still ranks as a great man and one who had a good deal of influence in the Governors' Councils of that time. It would take further investigation to find out whether this is true or merely an evidence of southern pride. Richmond was very hospitable and would welcome another visit from people engaged in this project.

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