

Monday, July 26, 1954

Internal Memorandum

Visit to the Chicago Federal Reserve Bank.

By previous arrangement and in accordance with correspondence, I went directly to Mr. Neil Dawes, a vice-president. (The train from Denver arrived at 10 a.m. daylight saving time. I, therefore, telephoned direct from the station and arrived at the bank at about quarter to 11 having first checked in at the hotel.) Mr. Dawes said that an assistant secretary of the Treasury was arriving that morning and that he and the other officers were unfortunately occupied. However, he introduced me to the President, Mr. Young, a white-haired jovial person. I was then taken to see Miss Jo Ann Aufdenkamp, the librarian, a young woman of some twenty-eight years who is head of the Special Librarians Association. Miss Aufdenkamp has good working quarters and apparently has much more room in relation to the size of the Bank than is devoted to the bank library in New York. She is an eager active person very much interested in what little she knew about this project. To all intents and purposes she will take me in charge for the three days of my visit in Chicago.

No effort has been made to set up any archives collection in the Chicago bank and indeed the term archives is as strange there as it seems in other places. There is certain old material in the Chicago bank. (I came off with only one list of the suggested draft of archives material and that was left in St. Louis. I will immediately send Miss Aufdenkamp a copy of that list so that she may check her own material with that which is in the New York Bank.)

She has one file drawer of old material under various headings, that is one file drawer for the System and one file drawer for the Chicago bank. The file drawer for the System contains a great many of the old

pamphlets, more than I had seen in other collections. There is also a sector devoted to criticism of the System. This takes the form of cartoons, speeches, pamphlets, and so forth. There is material from Henry Ford's Dearborn Independent and there are both speeches from Father Coughlin and replies to those speeches. This material has much of it dating from the 1920's.

I talked with Miss Aufdenkamp about the way in which bank files were set up, but she seemed to know very little about it. A Miss Joyce is in charge of bank files and I will make certain that I talk with her later.

The Bank's director of research is out on vacation. I will be put in touch with a Mr. Laurence Jones, a vice-president, who was at one time working at the Board of Governors and who is said to have a more thorough idea of what the history might include and what an archives collection might comprise.

(The first day's impression of this bank is very different from that of the St. Louis bank. The visit was less well planned by officers and the welcome was in accord with the Chicago tradition of hearty casualness. The bank is on the verge of a transition from older officers to younger ones. The President, Mr. Young, goes into retirement in a year or two. Three vice-presidents become of retirement age next year. There are still eight men in the bank who went to work here in 1914 when it opened, there are nine left from 1916, ten from 1917, and twenty-four from 1918. In all there are 225 employees who have given twenty-five years of service to the bank.

This ought to furnish an excellent source of information for anyone seeking the history of the bank. It means, however, that each one of these people must be seen individually, that the interview must be tuned to their office and to their particular type of mind, that everything must be explained

individually, and that the sum total of an hour's interview with each of them is very little. The situation illustrates the difficulty of this particular technique. A more selective approach would probably be better, but, thus far it seems impossible to judge the quality of a man's recollection by his title or his length of service.)

The bank building in which the Federal Reserve Bank of Chicago is now located was built in 1922 which seems to have been the big bank building year. At that time the bank was much too large for the operations of the Federal Reserve and a great deal of space was leased. Now, however, the situation has reversed itself. There are still certain government leases, for instance, the F.D.I.C., the Chicago Clearing House Association and some others are in the building. Nevertheless it has been necessary to transfer the government bond department or part of it into outside quarters. There is also a warehouse for records which is outside the building. The officers are said to have planned four more stories to be added to the building, but, were frightened off by the activities of the Patman Commission.

My first subject for interview was Mr. Meyer, a fat man on the verge of retirement who is in charge of personnel. Mr. Meyer was employed by the bank November 9, 1914. He gave me personal data which is on his card. He also was kind enough to help fill in the personal data for a great many of the officers for whom I had no information. He does not keep in his office material concerning the directors.

Mr. Meyer's memories were mostly of the people rather than of events. He remembered clearly coming to work and the confusion that was caused by the fact that the bank in the beginning had inadequate quarters and had to take on quarters in other buildings. He seemed to have no special memories of either the 1920's or of the bank failure in 1933. He said that they worked

long hours and frequently had to stay in downtown hotels to get through, but, he showed none of the vividness of recollection which I have found in other places.

It should have been stated earlier that I asked Miss Aufdenkamp who was the economic consultant to the bank. She said that Dr. Roland Robertson was mostly used as bank economist. She also said that Dr. Simeon Leland of Northwestern University had been a director of this bank for some time and that probably he would be able to contribute a good deal of information concerning the 1940's when he was here. Dr. Robertson is unfortunately on vacation.

The second man to whom I was taken for interview was Mr. F. G. Lindsten, an assistant vice-president in the Disbursing Department who is on the verge of retirement. I had been told that Mr. Lindsten would know all about the Liberty Loan operation and I asked at once concerning it. The reply was an interesting example of the difficulty of bringing together men's records and their memories. Mr. Lindsten at once rose and found his first ledger. He was in charge of the paying of expenses for the Liberty Loan Committees. He gathered together two or three old books which apparently he has been keeping in his own office. (This is an interesting comment on the idea of centralized files which, I suspect, is not completely followed in the Chicago bank.) Before the interview was over Mr. Lindsten had gathered in Mr. Minor Smith who worked with him on the Liberty Loan and Mr. Zimmerman who also dated from those early days. The problem they attacked was the source of organization of the Liberty Loans. They remembered that this was a Treasury operation and that a great many committees both of volunteers and of paid workers were created overnight. Nobody seemed to know who was the chief of organization in Chicago. The paying of these committees, the getting of quarters and the paying of rent

for quarters was the work in which all three men were engaged. They remembered that \$5 a day was the rate paid for subsistence regardless of what had actually been paid out by the person working. They also made the point that the enormous amount of publicity which was lavished on the Liberty Loans in World War I was necessary because the public was not accustomed to buying government bonds. They did not know what government bonds were. Many of them thought that they were contributing the \$100 to the government and they had no idea that it would be repaid. One of them stated that a great many of the original Liberty Loan Bonds had never been turned in for payment and attributed the reason not so much to carelessness as to lack of knowledge on the part of the purchasers.

Mr. Zimmerman was inclined to doubt Mr. Lindsten's statement that the great growth of the bank from under 100 employees to 1800 employees in a year (this figure should be checked) was due to the work of the Liberty Loans. He thought, on the contrary, that the growth of the bank started with par point collections.

All three men stressed the length of time that bank employees worked on Liberty Loans. It was quite customary to work until 2 o'clock in the morning and then to arrive again at 8 o'clock in the morning for the regular job.

The last night of the loan, money was thrown in over the trans^{port} after the offices were closed.

The publicity included a flying circus which showered leaflets over Chicago. Mr. Lindsten himself was one of the flyers in an open cockpit plane held in by a strap. He says that he has never flown since. Mary Pickford was among the stars who came to Chicago in the effort to sell bonds.

I asked whether the German population had made any difficulty in Chicago and was sharply reproved by Mr. Zimmerman who comes from German parents and said that there were three members of his family who were in that war, whereas

he had three cousins in Germany who were on the other side. He felt that any German protest was stopped when the war itself actually began.

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