

February 15, 1955

Internal Memorandum

Federal Reserve Bank of Atlanta, Georgia - I

The Federal Reserve Bank of Atlanta is a white-pillared Graecian temple of a building in the tradition of the Old South. The front lobby is full of space and marble, white marble. It is obvious that the building which is bursting at its seams and probably very inefficient so far as operation goes should be discarded in favor of a modern and more efficient type. Such an operation seems to have been under discussion, but the powers that be decided against it. Instead, they have leased a building in the same block, which has been turned into office space for the research department among others. Between that and the white marble palace, the ground is being torn up for a garage. There is also to be a new building at the back of the white marble palace. This collection of space is reminiscent of the early days of some of the other branches. Its existence in Atlanta at the present time is an indication of the extraordinary growth which has come to this city in the last twenty years.

Apparently Atlanta is the place where all the studies of the recrudescing south have come to reality. First evidence was the fact that when the long train pulled in almost two hours late, only two porters came to carry baggage instead of the flood of Negroes who would have come in earlier days. Now, in a period of high employment, they have other jobs which they like better and which pay them better. Also, the present arrangement with the railroads is that the 25¢ per bag which is the minimum paid goes to the terminal, and the porter gets only his salary, unless the traveler is unduly generous. This is apparently unpopular with porters, but it is clearly only a secondary reason for the change.

There is very little in the business district of Atlanta to indicate what part of the country it belongs to. Not only was the city thoroughly burned by Northern troops in the Civil War, but the recent growth of the city has come

within the span of years that includes modern, high office buildings. If there is very little of the Civil War to be seen, there is also very little of the 1890's. On the first quick survey, one would say that Atlanta was a 20th Century city and indeed that most of it had been built since 1930.

The President of the Atlanta Bank, Mr. Malcolm Bryan, is a knowledgeable and informal economist. A slender, gray-haired man, given to sudden starts when a new thought strikes him, he is pre-eminently a man who thinks his own thoughts and makes his own judgements. He asked close questions about the beginning of this project, the way it was started, the intent of the Committee as to what kind of a history could be written. He expressed serious doubts that anyone in the System or closely connected with it could write a dispassionate history. Speaking in turn of Win Riefler and Woodlief Thomas, he said that they, like himself, had in the course of years with the System established intellectual positions on various questions which they would be bound at all times to defend. He thought that the same thing applied to others of the Committee.

At one time in the discussion, he wondered whether it might be better to do a book to be called, "Statement of Problems of the System, with Historical Illustrations." Such illustrations would be the discussion of Open Market versus Discount Rate, do we need twelve banks, and various other problems which have beset the System from its earliest days. He said, for instance, that if the matter of the twelve regions were opened up, there would be a political outcry which would make the first political discussion which surrounded the opening banks sound very mild. He said it would not be possible to discuss whether a region should remain in its present shape or whether some other division of the country might be more natural and more efficient for banking purposes without creating a furor in Congress.

At luncheon with Mr. Bryan and Mr. Clark discussion concerned itself with the economics of this region. According to these two, the period of industrial

exploitation, when textile mills left New England in numbers to come to the south for the purpose of finding a district where cheap wages prevailed, was now over. They believe that southern industry is by and large in a healthy state and on a healthy basis. They cited many instances of small, well managed factories in small towns which have acted as a magnet for the families of subsistence farmers, had drawn them into town, improved their wages, improved their living standards, and reflected again on the conditions and income of people who had stayed on farms. ^{Bryan} He said, for instance, that a town of 3,000 with a small factory which ~~had~~ supported ^{ed} half a dozen dairy companies would not have been able to support one in the old days before the factory came, when everyone was scratching a scanty living from the soil.

He attributed better conditions in the south to more intelligent management on the one hand and to twenty years of acquiring industrial discipline on the other hand. He said that mountain people who had come down from the hills to work in the factories developed skills with unexpected speed, and by the same token, developed a pride in their work and in the kind of life which that work made possible. On the other hand, while there had been bitter strikes in the south, he felt that a certain sterling simplicity still prevailed among them.

They also discussed the crowded traffic conditions of Atlanta. As in other parts of the country, the first thing which a family wants, when it can afford to purchase outside of its accustomed ways, is an automobile. The automobile has made possible the development of small towns and a certain decentralization of Atlanta. At the same time, it has greatly overcrowded the existing roads, and the pressure of automobiles into the center of the city is heavy and difficult. A Mr. Lochner (possibly of Yale) came down to make a traffic survey of Atlanta. He made certain recommendations which he thought would be serviceable for the next five years. The facilities which he recommended are now overtaxed, although no

such time as five years has passed.

Organization of Visit

Thus far, it does not look as though the organization of this visit is as efficient as that in Cleveland, for example. Few are. Nevertheless, it is perfectly clear that the project has aroused a great deal of interest and some dismay. Apparently, the situation here, where several presidents and fiscal agents seem to follow each other in rapid succession, echoed a very difficult political situation. As seems to be the rule, the frequent change of headship had repercussions down through the organization. In the files, for instance, I am now told that since Mr. Bryan became President, a certain consistent order has been imposed. Previous files, however, are down in a sub-basement where a certain amount of confusion still reigns.

The library, which is under Mr. Rauber (the librarian is Linda Johnston), is a working library of current material with very little interest in the past. There is one file of odds and ends of past materials, but even there they go little further back than 1935. One reason for this is that the library itself was not established until 1938. Since that time it has had four librarians, Miss Adelaide Porter, Miss Betty Jean O'Brien, Miss Wilma Sowell, and Linda Johnston who came in 1948.

The library has a complete set of the Monthly Business Review which began January 2, 1919 under Mr. M. B. Wellborn, Federal Reserve Agent. They also have a full set of Annual Reports.

A recent news sheet for employees titled 6-F has had one issue. There is said to have been an earlier employees' news sheet, but nobody yet has managed to turn up a file. There is also said to have been a news sheet of the twenty-year club.

The chaos obtaining in this kind of material is symptomatic.

The librarian suggested that the Atlanta Journal, Miss Vivian Harris, has had the early papers photostated, and this is a source for material concerning the early days of this bank.

Mr. Rauber appointed Mr. Atkinson, a younger economist, to look into the history situation and get the material on old presidents and fiscal agents which they sent to us. He had a history minor at college and claims to have a certain feel for history. He hopes to be appointed to act as liaison person with this Committee, and I shall recommend it to Mr. Bryan.

Mr. Atkinson got together a mass of material which had a pathetic history. One Joseph McCord, an early officer in the Bank, fell on evil days, and at the age of 33 wrote a letter asking if there were not some job which he could perform. He was assigned to getting together a history and paid \$50 a month. He was a man of very little education, and in many instances he did little more than copy from Annual Reports and from studies of the A. D. A. He seems to have turned in his material a week at a time when he got his paycheck. Whether there is any value in this remains to be seen.

Mr. Atkinson, like Mr. Bryan, questioned me closely as to the presumable content of this history. He wanted to know whether Directors' Minutes would be made available, whether policy would be considered, and so on. He had been thrown off by a question we asked earlier as to whether any history of this Bank had been written. He had examined the various doctoral theses which constitute histories on some of the other banks and had thought them very unilluminating. If this was the kind of thing we wanted, he was not going to be particularly interested.

It might be well to find out how well Mr. Atkinson himself writes.

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