

2/15/55

Internal Memorandum

Atlanta Bank - No. 2

This is not one of the easier banks to get early days straightened out. Where Richmond had two Presidents (or Governors), this Bank has had eight. It has also had six chairmen. One's guess is that the early days were very easy-going and that they suffered from the point of view of efficiency and even perhaps of honesty all those difficulties which seem to be endemic in southern banking, where failures have been many and where the old feudal system which has made its way into politics, whereby a man's first duty is to provide a job for his kin and his friends, has played a large part here. This is not a thing which people say on short acquaintance, but certainly it has been implicit in a good many of the things said.

On the other hand, it must be remembered that the present regime dates in fact only from 1938 when Mr. Neely came in as Chairman. It was he who brought down Mr. Bryan from the Board, and it was under his tutelage that Mr. Bryan became First Vice President and then President. Under those circumstances, one could perhaps make a case for the statement that the interests of the present team lie in these later days and that, in rather disparaging the older ones, they are merely exerting the prerogative of the younger generation.

In any event, when the Bank was first set up, the first Governor was Mr. Joseph McCord, and the first Chairman, Mr. Wellborn. Five years later Mr. Wellborn, much the stronger of the two, insisted that the two men swap jobs. Mr. Wellborn continued as President from 1919 to 1928. He was followed by Mr. Eugene Black, who held office from 1928 to 1932. Mr. W. S. Johns followed apparently as acting President from 1932 to 1935. Mr. Newton held the office from 1935 to 1938, Mr. Parker from 1938 to 1941, Mr. McLaren from 1941 until Mr. Malcolm Bryan became President.

On the Chairmen's side, the progression was Wellborn, 1914 to 1919, McCord, 1919 to 1925, Newton, 1925 to 1935, H. W. Martin, 1935 to 1936, Mr. Kettig in 1937, Mr. Neely from 1938 to 1954. The new Chairman has been in office so short a time as to make very little impression. His name is Rufus Harris.

Files

Somebody described Mr. Black, with all his excellences, as "a careless housekeeper," and the file situation indicates that there was careless housekeeping in more regimes than his. The intent was that everything should go into General Files from 1914 to 1948. Between 1948 and 1951, which would have been during at least part of Mr. McLaren's regime, the files were kept in the separate departments, and no centralization was practiced. In 1951 General Administrative Files were set up, and the sub-basement, where dead files go, was completely overhauled. Miss ^{Pepper}~~Pepper~~ came down from Washington and made a survey of the files. A ground plan of the basement was prepared with places indicated where files of various categories were supposed to go. In the main, the system she installed has been preserved, but there have been changes made in the location of files. Within the file drawers, there is in certain instances at least considerable chaos. Drawers were brought out labeled Wellborn, McCord and Newton, and in them was material which belonged to other officers. Things were jammed in together, and many of the papers bore the stains of long dust. The old system was that they were wrapped in packages when put down in the sub-basement, and it was when those packages were undone and the files thrust into drawers that some of the confusion was created.

Miss Lemming was transferred from another department in 1951 to establish the General Administrative Files. Before her, the succession of people included Miss Trotter, who started the files, Mr. Johnson, then Mr. Roper. The

present caretaker in the sub-basement is an intelligent Negro, Charles Anderson.

We tried to make a count of the drawers assigned to the older officers. We found 1 drawer for Mr. Black, 1 for Mr. Parker, 4 for Mr. Newton, 1 for Mr. Wellborn. It is not, however, safe to assume that this is the total count.

Having asked about the whereabouts of certain of the valuable Minutes, I was given the following information. The Minutes of the Governor's Conference, that is before 1930, are in the sub-basement. The Minutes of the President's Conference, from 1930 to date, are -- query, where are they? My notes seem not to say. The Minutes of the Board of Directors of the Bank are in the Legal Department under the care of Miss Molly Warnock, an early employee who was trained under Mr. Parker. They are cross-indexed, and Miss Warnock can put her hand on any material which occurs in them with exemplary speed. The Minutes of the Executive Committee of the Atlanta Board are also in the care of Miss Warnock. The fifth set of valuable Minutes, those of the Open Market Committee, are in this Bank as in every Bank.

The librarian here is Miss Linda Johnston, a rather young person who has been given much more scope under Mr. Bryan than she had earlier. She has a good working library, but she has had no particular historical interest and has not tried to keep things dating from older periods merely for their own sake. She found, through another employee, some booklets issued by the Twenty-Year Club of the Bank, and I told her that they would be valuable material from the personnel standpoint.

Early Days

Going back to the early days of this Bank, it is said that Senator Hoke Smith was the one who got the Bank for Atlanta, when by the arguments of most people in the south, it should have gone to New Orleans, a larger city and

more used to being a capital city. Mr. Moncreif, a round, elderly gentleman who is now Deputy Fiscal Agent, was assistant to Hoke Smith in Washington from 1912 to perhaps 1917. He remembers the Senator as a big, burly man, very able, and so good an orator that he commanded audiences even in the somewhat jaded Senate. In the mind of Mr. Moncreif, the getting of the Bank to Atlanta was a triumph of logic, as Atlanta was a far better distributing point for service to member banks than was New Orleans, flanked on one side by the Mississippi River in which there were no member banks. It might be possible to go back to newspapers of the period or to the Congressional Record of the period and find out some of the different arguments used. The relative influence of Hoke Smith and the then-Louisiana Senator also might have something to do with it. These political currents and counter-currents could probably be traced even now.

He says, however, the first place in which a line of succession is traceable - Hoke Smith's daughter married Ronald Ransom, who became a member of the Federal Reserve Board. Ronald Ransom was the man who got Frank Neely to take the Chairmanship of the Atlanta Bank. Frank Neely, in turn, was the man who took Malcolm Bryan from his position on the Board's staff and brought him down as Economist for the Atlanta Bank. Mr. Bryan at one time left the Atlanta Bank and went to a private bank at a better salary, but when Neely needed him to take the Presidency of this Bank, he came back out of loyalty to Neely. Thus the line of the present President traces back to Hoke Smith who got the Bank here in Atlanta. Whether this is pure coincidence or the way things work in the south is hard to tell.

The Atlanta Bank now employs about 500 people. It is, with the possible exception of Richmond, and these differences can easily be traced, the smallest Bank I have yet visited. It has, on the other hand, the largest and most important branches, namely Nashville, Jacksonville, Birmingham and New Orleans. Mr. Lewis

Clark, Vice President in charge of the branches, shed no very illuminating light on the relationship between the central bank and the branches. I asked him what was the system here, whether a good deal of autonomy was given to the branches or not, as I had heard that different attitudes towards autonomy prevailed in different parts of the System. He said, in a rather surprised voice, that not much autonomy was possible for the branches, but this may indicate either that I did not make myself clear or that Mr. Clark had not been in San Francisco which is supposed to be the most authoritarian of the Banks, as far as branches are concerned.

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