

November 10, 1955 ✓

Internal Memorandum

Interview with Mr. J. H. Riddle

Mr. Riddle is one of those ex-bankers who is retired and glad of it. He was statistician of the Federal Reserve Bank of New York from 1919 to 1921, having come to the Bank after a year's teaching economics at Dartmouth College. Here he worked under Shepard Morgan to whose memory he referred most questions. He also knew Carl Snyder and had great admiration for Benjamin Strong. He said that the New York Bank was housed in the Equitable Building in those days. The staff was very much smaller than it is now, and it was entirely in order that a clerk in the Statistical Division should have met the President of the Bank several times. His work was under Pierre Jay rather than under Mr. Strong. Asked to describe Mr. Jay, he said that he was "an aristocratic gentleman," who probably never had taken anyone seriously to task for anything. He did not have much memory of what he had done here at the Bank excepting that he had written a news sheet of some kind containing statistical material. This may have been the beginning of the Monthly Review on which Mr. Morgan was working.

He went from the Bank to the Treasury Department where he was for four years Chief of the Division of Research and Statistics working under Parker Gilbert. When Parker Gilbert went to Berlin to be the Agent General for Reparations, he persuaded Mr. Riddle to go with him, and the latter worked in Berlin for two years. Here too he was working not directly under Mr. Gilbert but again under Shepard Morgan.

In his capacity as assistant to the Agent General for Reparations he was asked to go to the Owen Young conference on reparations and allied debts in Paris in 1929 as technical expert. In Mr. Riddle's own modest account, this meant sitting behind the scenes and digging out the information which the top level conferees needed at the moment. It meant hard work behind the scenes, frequently late at night, and none of the fun of hearing discussion on high levels.

He contributed one detail which I had not got from Mr. Young, namely that J. P. Morgan at one stage in the proceedings "shot off his face;" and Mr. Francqui took offense at what was said and walked out of the room. At that point Mr. Young and Mr. Morgan "put on their hats, walked to the hotel, made their apologies and brought Francqui back with them."

After Mr. Riddle's return from Paris, he served as executive secretary and director of research for the System Committee on Branch, Group and Chain Banking which was operative from 1930 to 1933. This is the Committee for which Oliver Powell wrote a study on closed banks. I asked Mr. Riddle if he had a copy of the original study which Mr. Powell had made, as Mr. Powell had indicated that this contained information which had been edited from the published material. This was apparently a long-standing disagreement, as Mr. Riddle smiled and said that he kept hearing about Mr. Powell's disappointment and that perhaps he had "edited Mr. Powell too hard." This was apparently one of those disagreements impossible to avert in a bureaucratic organization. Mr. Riddle felt, and probably with justice, that he had troubles enough without embarking on a criticism ^Aon bank presidents whose banks went under. Mr. Powell, on the other hand, felt and still feels that the criticisms were valuable in trying to find out what was wrong and to correct it. My point was a third one, namely that the criticisms would be valuable now, 25 years later, if we could have them. The upshot of it was that Mr. Riddle said he had no copy of the original and was afraid we would have to lean either on the mimeographed copy or on some copy of the original which Mr. Powell might be able to turn up.

Mr. Riddle said that he had almost had a nervous breakdown before he finally finished his work at the Bankers Trust Company. Apparently he is feeling much better now and is spending some time in New York keeping track of what is happening in the market and investments. However, he does not want to take any job or to accept any assignment from this Committee or any other. He said that Mr.

Woodward had asked him whether he would be interested in working with this Committee, but his last words were, "Well, lady, I'm glad it's you that's doing this and not me." There is apparently enough left of the psychological feeling of pressure of a job so that he does not even want to contemplate it.

He did, however, ask if we have the Florida address of Ed Smead, and when given it, said that he was going to look Mr. Smead up in Florida this winter. He left after I told him that, should he change his mind and do memos on various subjects, we would be delighted to have them.

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