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THE WHITE HOUSE  
Washington

At Warm Springs, Ga.,  
December 2, 1935.

MEMORANDUM FOR

GOVERNOR ECCLES

This sounds like a  
pretty good man.

F. D. R.

KEY PITTMAN, SEV., CHAIRMAN  
JOSEPH T. ROBINSON, ARK. WILLIAM E. BORAH, IDAHO  
PAT HARRISON, MISS. HIRAM W. JOHNSON, CALIF.  
WALTER F. GEORGE, GA. ARTHUR CAPPER, KANS.  
HUGO L. BLACK, ALA. ROBERT M. LA FOLLETTE, JR., WIS.  
ROBERT F. WAGNER, N. Y. ARTHUR H. VANDENBERG, MICH.  
TOM CONNALLY, TEX. WALLACE H. WHITE, JR., MARI  
J. HAMILTON LEWIS, ILL.  
NATHAN L. BACHMAN, TENN.  
ELBERT D. THOMAS, UTAH  
FREDERICK VAN NUYS, IND.  
F. RYAN DUFFY, WIS.  
JAMES P. POPE, IDAHO  
ROBERT J. BULKLEY, OHIO  
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DENNIS CHAVEZ, N. MEX.  
HENRIK SHIPSTEAD, MINN.

EDWARD J. TRENWITH, CLERK

## United States Senate

COMMITTEE ON FOREIGN RELATIONS

November 29, 1935

Hon. Franklin D. Roosevelt,  
Warm Springs, Georgia.

In re: Federal Reserve Board.

My dear Mr. President:

It is my belief that the powers given to the Federal Reserve Board make it one of the most important of all the organizations of your administration. You need men on this Board who are progressive in their instincts and out of sympathy with the unfair and critical attitude assumed by most of the bankers in the recent convention in New Orleans.

You will likely desire to appoint one man from the South. Unfortunately, there are many bankers in the South who do not have that vision essential to carry out your progressive policy.

I am writing to suggest for your consideration the name of General John C. Persons, President of the First National Bank of Birmingham. General Persons is not an applicant for this position. It is my frank opinion that he would not accept it at all unless he could be persuaded that he could render service to you and the country. My sole interest is to suggest a man from the South who is not a slave to old banking ideas and reactionary policies.

General Persons is one banker in the South who is a real, genuine friend to your administration and your policies. He is looking forward -- not backwards. He is president of the largest bank in the South. He is a comparatively young man, having served in the World War. In that service he was awarded the Distinguished Service Cross for ability displayed in actual combat.

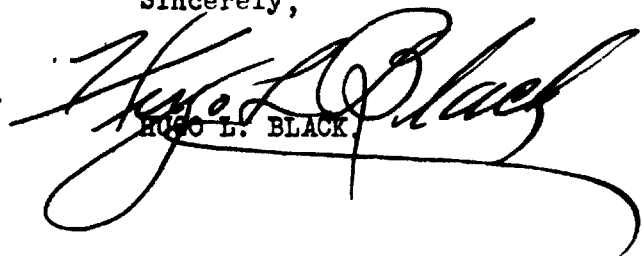
Hon. Franklin D. Roosevelt,  
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While president of the largest bank in Alabama, he is also in command of the Alabama National Guard. During the coal strike last year, he was in command of troops in the strike area and so far as I know, this is the only instance in all of the history of the United States where the Commandant of the National Guard has received the public praise and thanks of the officials of the United Mine Workers of America.

The bankers and industrial leaders could not complain if you selected the president of one of the large banks to serve on the Reserve Board. At the same time, I can assure you that you would have another member who could work sympathetically with Mr. Eccles.

Enclosed I am sending you an exact copy of a letter from Mr. Mervyn Sterne who is one of the really able business men in Alabama. If you desire to give consideration to General Persons at all, this letter will throw much light on his qualifications.

Sincerely,

  
HUGO L. BLACK

encl.

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WARD, STERNE & CO.

Investment Securities  
Birmingham, Ala.

November 26, 1935

Hon. Hugo L. Black,  
Senate Office Building,  
Washington, D. C.

Dear Hugo:

You may wish to recommend to the President that General Persons be appointed as a member of the Federal Reserve Board. I am sure that you feel that he would make a most valuable member of the board and that your only hesitancy in making the recommendation would be on account of not knowing whether the appointment would be accepted if tendered.

As I told you when you were considering recommending General Persons for appointment on the Reconstruction Finance Corporation board, he feels that the financial sacrifice involved would be more than he could afford to take. Some of his friends, however, have a feeling that he could render distinguished service and that he ought to accept such an appointment if tendered to him. Under the circumstances, I am sure that he would give very serious consideration to acceptance if tendered the appointment.

Of course, he is not an applicant for the place and will not be an applicant, but on the contrary will have to be persuaded to accept if appointed. If I may say so, we have suffered a great deal from having to carry out policies that were highly desirable in themselves with people who have been applicants for jobs to the great detriment of the common interest. The reluctance of people of demonstrated capacity and character to accept political appointments or to apply for positions in political life is in my opinion due in a considerable measure to the scramble for such places. While not true in every case, I think as a general rule it probably is true that a man who is an applicant for a position of considerable importance is probably not qualified for the job or else he would not be an applicant.

I should think it would be a natural thing, when other factors are equal, for you to want to recommend a man whose appointment would be a political advantage to the Democratic Party. I do not know what political strength, if any, General Persons might have. I am sure he has never made any attempt to be a factor in

politics. I do not think there is another man in the State of Alabama who commands the confidence and respect of both industry and labor to anything like the extent that he does. You probably know of his service in the settlement of the recent coal strike. His handling of the previous strike when the National Guard was called out showed real genius. You know that in Alabama we have on several occasions had serious trouble between striking coal miners and members of the National Guard. General Persons, as commanding officer of the Alabama National Guard, handled the matter in such fashion that there were no disturbances and no clashes during the strike. The striking miners felt that he was unyielding in handling the situation, but treated both sides fairly. The operators felt that he should have responded to certain calls made on him by them, but nevertheless agreed that the situation had been handled ably and with fairness to both sides. I do not know of a previous case in which the militia was called out that one side or the other did not become very bitter.

General Persons displayed fine courage and judgment in the difficult days of March 1933. There are plenty of able bankers who use good judgment and arrive at sound decisions when things are rosy, but the number of those who did not get swept off their feet either by the boom days or the dark days is very limited. General Persons is an outstanding example of a man who kept sane all the time.

I presume that you will want to give the President some outline of General Persons' experience if you should wish to make the recommendation. The following may be of value to you in that event:

Worked his way through the University of Alabama by serving as Bursar, Registrar and Treasurer of the University; elected to honorary membership in Phi Beta Kappa; practiced law; engaged in the lumber business, both as manufacturer and as sales agent; served in the war about two years, being promoted from Captain to Major on account of demonstrated superior ability under combat conditions; awarded Distinguished Service Cross; appointed Lieutenant Colonel in Alabama National Guard; appointed Brigadier General in command of Alabama National Guard in three successive administrations including present; served as Vice President of First National Bank of Tuscaloosa; was elected President of Traders National Bank of Birmingham when we bought stock of that bank from Mr. Frye; (at that time Horace Hammond, for whom he worked as an accountant when quite young, and our firm independently arrived at the conclusion that he was the most capable younger bank officer in Alabama and sought him for the position on that account); became President of American-Traders National Bank on merger of American

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Trust & Savings Bank and Traders National Bank (merger was influenced to a large degree by the desire of American Trust & Savings Bank to secure the service of General Persons); became President of First National Bank of Birmingham on merger of American-Traders National Bank with First National Bank.

Perhaps I have presumed too much in writing you this letter. It may be that you will not want to make such a recommendation and it may be that General Persons would definitely decide not to consider such an appointment. I am taking the risk of being considered officious by one or both of you because of my feeling that we must have in public life many more experienced men of demonstrated capacity who are able and willing to recognize changed economic conditions and to deal with them realistically, capably and sympathetically, or else some of our efforts are doomed to failure.

Very truly yours,

(Signed) MERVYN STERNE.