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THE WHITE HOUSE  
WASHINGTON

January 6, 1936.

MEMORANDUM FOR

GOVERNOR ECCLES

I wish you would make  
another check on this. Mr.  
Foote seems to have some  
excellent recommendations.

F. D. R.

(initialed)

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O  
P  
Y

THE WHITE HOUSE

WASHINGTON

September 26, 1935.

MEMO FOR CHAIRMAN ECCLES

You might look into the qualifications of  
this man.

F. D. R.

Enclosures

PRESENTATION  
By the Officers and Members of the Executive Committee of  
THE MISSISSIPPI BANKERS ASSOCIATION  
of the name of  
FRANK W. FOOTE OF HATTIESBURG, MISSISSIPPI  
for appointment as a member of  
THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

September 23, 1935

*Copy  
for President*

Honorable Franklin D. Roosevelt  
President of the United States  
Washington, D. C.

Dear Mr. President:

Of the many constructive measures enacted by the last congress, none is of more vital importance to the country than the Banking Act of 1935, and probably no action you have heretofore been called upon to take, calls for more serious consideration than does the choosing by you of the individuals who will constitute the new Board of Governors of the Federal Reserve System.

For the administration of the new Act, we know you will choose men who possess the outstanding qualities and qualifications requisite for such responsible service, and whose combined judgments may be depended upon to conserve the interests of every section of the country. Since the new Act provides that in selecting the members of the Board of Governors the President will give thought to fair representation of the financial, agricultural, industrial, and commercial interests, and of the geographical divisions of the country, we assume that the South will receive its merited consideration.

On this assumption we most respectfully present for your consideration Mr. F. W. Foote, President, First National Bank, Hattiesburg, Mississippi, for appointment to this board. We urge your consideration of Mr. Foote primarily as a representative of the country banks and rural industry as a whole.

The country banks have never had a representative on the Federal Reserve Board. These banks constitute the well-springs of the nation's rural life. They must provide and manage the working capital necessary to the well-being of their every environment. They are the pioneers and outposts of the national commerce. They assume, in the very nature of things, the extraordinary credit risks and physical hazards inherent in financing and fostering at the source the production of basic products, raw materials, and foodstuffs. Moreover, these banks are always exposed to the consequences of the immediate losses which business recessions and market fluctuations invariably inflict at sources of production. The larger banks, and particularly the large city banks which support processing and marketing, find their responsibilities and hazards much reduced as production and selling proceed. The loans then involved may be extended to established borrowers, and, therefore, in the higher reaches of credit.

Until the Federal Reserve System was established, the country banks were almost entirely dependent on the reserve city banks for support in emergencies. While this situation has been very much relieved by the Federal Reserve System, the System has wrought changes which have seriously affected the country banks. Much of this was unavoidable, in order that the larger benefits of the System might be obtained for the whole country. It may be scarcely doubted, however, that if the country banks, as such, had had in the beginning a sympathetic and understanding country banker on the Federal Reserve Board, some of the unfortunate consequences of the original Federal Reserve Act to the country banks would have been at least mitigated.

Until the present administration made it an issue, the importance to the national economy of rural life, in which the country banks play so great a part, was tragically neglected.

Mr. Foote is peculiarly well fitted to represent the country banks on the Board of Governors. He has been associated with country banks since he was thirteen years old, has officered a country bank since he was twenty, and knows the problems of the country banks. He has a profound knowledge of the economy and culture of the South. His early life was spent on a Southern farm. He has been a constant student of agriculture, and his knowledge of the rural branch of the national life has extended itself to the various agricultural areas of the country. He has also had much contact with industry, as well as with agriculture. When he was twenty years old, in 1895, he removed from Macon, in North Mississippi, to Hattiesburg, which was then the center of the great virgin pine belt in the South. This section soon became the largest lumber producing area in the nation, and continued so for years. Mr. Foote was very active in this development, and received from his association with it large appreciation of industry and its relation to the business of the country, both export and domestic.

Born at Macon, Mississippi, April 10, 1875, Mr. Foote entered the service of the Merchants and Farmers Bank at Macon in 1888, as a runner. His grandfather, Judge H. W. Foote, was president of this bank. This institution is still in business.

In 1895 he resigned his connection with the Merchants and Farmers Bank of Macon, to become assistant cashier of the Bank of Commerce at Hattiesburg, Mississippi, which was being organized with a capital of \$25,000.00, and in 1897 became its cashier. In 1899 this bank was nationalized, receiving its present charter number 5176. In 1906 he was elected active vice president of this bank, and in 1924 was made its president. In the meantime, the resources of the bank have exceeded six million dollars.

Mr. Foote for many years has been a regular attendant upon convention activities of bankers, both national and state, having been

accorded every honor within the gift of his fellow bankers in Mississippi, including the Presidency of the Mississippi Bankers Association, and having served two terms as a member of the Executive Committee of the American Bankers Association and on many of its important commissions. He was one of the leading spirits that called the meeting of the 1700 country bankers in Boston in 1913, for the purpose of taking steps to safeguard the interests of country banks in the Federal Reserve Act then in process of enactment. He was appointed by this meeting a member of the country bank committee to give these matters attention in Washington. This committee did faithful work through a long period.

He was elected to the first board of directors of the Federal Reserve Bank of the Atlanta district, and was reelected to this board upon the expiration of his first term. After five years of service on the board of the Atlanta bank, on account of heavy duties at home, he was constrained to terminate this relation; whereupon the directors of the Atlanta bank appointed him to the board of directors of the New Orleans branch of the Federal Reserve Bank of Atlanta, where he has served continuously since. There are few citizens who so intimately know the history and acts of the Federal Reserve System.

Mr. Foote is a man of scholarly attainments. Few men who have yielded themselves to the pursuits removed from the large centers have lived more amply or possessed broader perspective than he. He has an unusual appreciation for the value of facts and the meaning of events which has been highly developed by a wide range of information and experience.

He is a profound thinker on the fundamentals which underlie the national life. His grasp of matters pertaining to the social order is instinctive. Although a banker by training and experience, he has been a constant student of the politico-economic and social trends which are responsible for the movements now present in the nation to restore and preserve the natural order of society.

He is widely traveled and the contacts that have marked his many years of activity have resulted in an extensive personal acquaintance with bankers and business men, both city and country, throughout the nation.

Mr. Foote is a man of refinement and has an unusually pleasing personality. He has an analytical mind, is active and energetic, statesmanlike in his administrations, and practical in his judgments. He is a man of outstanding influence and recognized leadership in his community and state. While politically a liberal, he is deeply grounded in all the fundamentals of the national life. His training and experience could not have been better designed to prepare him for a place on the Board of Governors of the Federal Reserve System.

The people of Mississippi and the South are proud of this distinguished citizen and we, the Executive Committee of the Mississippi Bankers Association, representing all the banks of Mississippi, respectfully submit this petition, with the sincere conviction that the appointment of F. W. Foote to the Board of Governors of the Federal Reserve System will add to the homogeneous character of that great body.

Respectfully,


OFFICERS AND MEMBERS OF THE EXECUTIVE COMMITTEE  
MISSISSIPPI BANKERS ASSOCIATION

THE WHITE HOUSE  
WASHINGTON

October 2, 1935.

MEMORANDUM FOR GOVERNOR ECCLES:

The attached, particularly the President's pencilled notation on Senator Harrison's letter, is self-explanatory.

  
M. H. McIntyre  
Assistant Secretary  
to the President.

no.

San Diego, California,  
October 2, 1935.

Dear Senator:

The President, just before boarding The Houston, asked me to thank you for your letter of September 25th with regard to Frank W. Foote, and to assure you that your recommendation will have earnest consideration.

Sincerely yours,

M. H. McIntyre  
Assistant Secretary  
to the President.

Honorable Pat Harrison,  
United States Senator,  
Washington, D. C.



PAT HARRISON, MISSISSIPPI  
CHAIRMAN

## United States Senate

COMMITTEE ON FINANCE

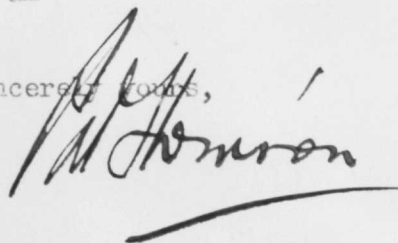
September 25, 1935

Dear Mr. President:

The attached presentation of  
the name of Frank W. Foote of Hattiesburg,  
Mississippi will be handed you personally by  
my secretary.

With every assurance of my  
earnest desire to see Mr. Foote appointed as  
a member of the Board of Governors of the  
Federal Reserve System, I am

Sincerely yours,



Honorable Franklin D. Roosevelt  
President of the United States

*M. C. Hack & Co. 29th St.*  
*Gov. G. C. C. C.*  
*Ed. Bremer*  
*Board*

Hotel Seville  
Madison Ave. & 29th St.  
New York City  
August 19, 1935

My dear Colonel,

I will appreciate it very much if you will see  
to it that the enclosed reaches the President without  
delay.

With very best wishes,

Cordially,

*R. H. Hemphill*  
Robert H. Hemphill

Col. Marvin T. McIntyre  
The White House  
Washington, D.C.

RHH/B

RESPECTFULLY REFERRED  
FOR ACKNOWLEDGEMENT  
AND CONSIDERATION

*Louis McHenry Howe*

Recy. to President.

Hotel Seville  
Madison Ave. & 29th St.  
New York City  
August 19, 1935

My Dear Mr. President,

Actuated solely by a desire to help you and to advance the welfare of the nation, I want to suggest the appointment of Mr. Frank W. Foote, President of the First National Bank, of Hattiesburg, Mississippi, as a member of the proposed Board of Governors of the Federal Reserve System under the new banking law.

I have known Mr. Foote intimately all my adult life, and he is one of the few men I know who, from every angle, is qualified for this place, and one of the very few socially minded bankers of the nation.

He has been one of the leading liberal financial figures of the Southeast for many years and was prominent in the prior discussions and in the formation of the Federal Reserve System, and was the outstanding Director of the Federal Reserve Bank of Atlanta during its initial period.

Mr. Foote believes heartily in public control of the volume of money and credit, and what is equally important, he is a real student of economics and his philosophies are in accord with your major aims.

He is a staunch Democrat of principle and has supported this Administration with unquestioning fidelity.

He is a great admirer of Mr. Eccles and thoroughly in accord with his plans. He will, if appointed, be a commanding figure on the board and you may count with confidence on his continued loyalty.

I know of few men whom I could recommend without reservation and Mr. Frank W. Foote heads the list.

I am taking the liberty of enclosing a copy of a portion of a private letter from Mr. Foote, written in the early days of the discussion of the banking bill, which clearly expresses his point of view.

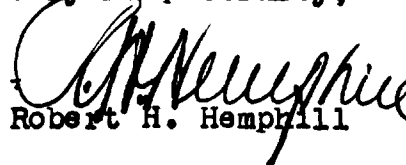
I am sorry that I haven't the confidence in the potency

of the new law to effect the results expected by some of my informed friends, but I do believe the constitution of the Board of Governors quite the most important matter which you have had or will have to decide.

My own feeling is that as long as the 16,000 jealously and selfishly independent bankers of the nation are permitted to individually and secretly expand and contract our circulating medium of exchange at their pleasure, they will continue either to control or circumvent the government and to exploit the nation, and the President and Congress will continue to be helpless to control our welfare.

I would be very happy to come to Washington and discuss this matter with you at your pleasure.

Very respectfully,

  
Robert H. Hemphill

Hon. Franklin D. Roosevelt,  
President,  
White House,  
Washington, D.C.

RHH/B

Excerpts from a letter from Frank W. Foote to Robert H. Hemphill  
April 9, 1935

"I am with you on the idea that bankers should not be permitted to control the Federal Reserve System and our currency. I think you ought to call attention, through the press, to the fact that banking is say ten-elevenths DEPOSITS, that even the invested capital of banks is largely stock investments of people who are not professional bankers, that the quantity of stock owned in banks by the professional element is but a small part of the capital invested, and that it is puerile to think that the nation should deliver the control of all its tools, implements, and accessories for social conduct solely to the professionals who, as I see it, mainly think of banking in terms of personal profits and do not look to the horizon and to every interest, giving consideration to the others in full proportion to the capital interests of the various groups of society as represented by the banks. Don't imagine that I am AGAINST our bankers. The idea is that such independent management would produce the best results for all, and the bankers also would be best served.....

"Begin to give us some of your well-thought-out observations along this line of thought. Support the Administration. Stand by Mr. Eccles. He is good; one of the large-calibered and presumably wealthy men who can take it on the chin. He is like Abraham Lincoln in that he can be a human pincushion. He is a compassionate man. Remember that none of us can be one hundred per cent until society begins to produce godlike men. The nearest one can approach one hundred per cent at such a time as this is to stand by the government for better or for worse, for bitter or for sweet, as it is the only hope and refuge. The war is not over; we are fighting the other side of the war, and the country will continue to be in danger until the war is over. This is a time for all to be soldiers, particularly the gray-haired man of experience and thorough equipment. This is the part of the war they ought to fight and they ought to be just as free to go over the top and into no man's land without concern for their return, just as they admired the younger soldiers who did so in the period of action which is the first part of war."