

MEMORANDUM FOR THE PRESIDENT

Herewith I have noted down privately my own views as to  
Dr. Miller's reappointment:

1-Age: He is 70; to reappoint him would be to do away with the only impersonal reason upon which the four members of the Board who are 67 or more could be denied reappointment. I believe all four (Miller, Hamlin, James and Thomas) would not feel discriminated against, and would understand the logic of your position, in the face of an Act of Congress calling for a new Board (this provision not having been sought by the Administration), if age were made the basis for non-reappointment. I am sure that Mr. Hamlin in particular as well as the others would feel personally aggrieved and affronted if they were left off and Dr. Miller were reappointed. It would then appear to the country that they were the weak members whom Congress, by providing for reorganization of the Board, desired to have removed.

2-Attitude: I have found it very difficult to work with Dr. Miller. That I am not alone in this is indicated by documents now coming to light in the Senate munitions inquiry, i.e., the letter which Mr. McAdoo, while Secretary of the Treasury, wrote to President Wilson stating, "Miller is even stronger pro-German than Warburg. He is a far less reasonable and intelligent man, and more difficult to deal with," and the remark attributed by Col. House to the tolerant Mr. Hamlin, when Governor of the Board, that as to the then members of the Board "Miller he thought least of..."

Dr. Miller is very unpopular with members of the Board's staff whose duties bring them into contact with him; they regard him as unsympathetic and unreasonable, autocratic and frequently discourteous. Similarly, I have reason to believe that officials of the Reserve banks dislike him and resent his attitude of lording it over them and depreciating their views when meetings of the open market committee and other conference are held with them.

3-Work on Board: as a general rule Dr. Miller devotes less time to the work of the Board than any other member, coming to his office only for a few hours in the forenoon and not returning after luncheon. In my judgment the most valuable statistical and economic work done for the System has been contributed in the past by Walter Stewart and in recent years by Dr. Goldenweiser, and not by Dr. Miller although he is sometimes given credit by those unfamiliar with the facts. For example, an article put out under Dr. Miller's name last Spring, and the only one he has published in the past year or more, owed such merit and recognition as were accorded it to Dr. Goldenweiser rather than to his own brain.

4-Co-operation is now essential: Even to give Dr. Miller a short new term would impose a serious obstacle since his obstructionist attitude would make it extremely difficult, if not impossible, to accomplish the important and necessary reorganization changes, some of which are required by law effective March 1 and others relating to the Board and its procedure, as well as to the reserve banks, must be brought about during the next year or two. Moreover, with five representatives of the Reserve banks on the Open Market Committee as of March 1 it is of the greatest importance that you should have a Board which is co-operative and responsive

to the economic and monetary policies of your Administration. As Dr. Miller's record and notably his hostile testimony on the Banking Act of 1935 indicate, he is entirely out of sympathy with those policies. It would be most discouraging to me if I were required to assume the responsibility incumbent upon the Chairman of the Board in meeting the difficult problems ahead if I must at the same time go through a further period of obstruction from this source.