

December 27, 1938

Dear Mac:

Please bring the attached memorandum to the President's attention as soon as possible, as it is in reply to the letter sent me with your memorandum of the 23rd, received this morning, and later information on the same subject which Kannee gave me over the telephone.

Sincerely,

W. S. Eccles
Chairman.

Honorable Marvin H. McIntyre
Secretary to the President
Washington, D. C.

FILE COPY

Dear Mr. McIntyre:

Please hurry this letter to
The President.

I.A.

December 27, 1938

MEMORANDUM FOR THE PRESIDENT

SUBJECT: LETTER FROM IVAN ALLEN, ATLANTA, RE APPOINTMENT OF CLASS "C" DIRECTOR OF FEDERAL RESERVE BANK OF ATLANTA

Our Board acted on this and similar matters on December 20, the date of Mr. Ivan Allen's letter. Mr. Neely was reappointed at that time. Mr. Ivan Allen attacks Mr. Neely's reappointment, and advocates the appointment of Mr. J. P. Allen. The facts briefly are these:

1. Mr. J. P. Allen had served about three years when his appointment expired in 1936. The present Board was not responsible for his original appointment and was not willing to reappoint him. We had reason to feel that he was not the right man for the place. Neither ability, business standing, nor influence in the community justified reappointment.
2. We wanted a strong man on the board of the Atlanta bank, around whom we could rebuild that board. Careful investigation led us to ask Mr. Frank H. Neely to accept the appointment. Mr. Neely and Mr. J. P. Allen are officials of two Atlanta department stores. Mr. Neely's is outstandingly successful, but this has not been the case with Mr. J. P. Allen. Mr. Neely reluctantly accepted the appointment, doing so because he was convinced it was an opportunity for public service. I know him to be intelligent, liberal, and public spirited. Every member of our Board has had ample opportunity to judge the value of his services. It is our unanimous opinion that he is one of the most valuable chairmen of the Federal Reserve banks.
3. Information from reliable sources satisfies me that Mr. Neely took no part in the recent Georgia election. He has never been active in political matters. Upon inquiry, I find that he only knows of Bennett Clark as a man in public life, did not know that he was to be in Atlanta, was sponsoring no dinner for him, and knew of no dinner being given for him.
4. Mr. Neely has cooperated with your Administration in many important fields of activity. Both Mr. Harry Hopkins and Miss Gay B. Shepperson know him intimately and are familiar with his views.
5. Mr. Ivan Allen implies that Mr. J. P. Allen's political support is valuable. From information I have, I would not regard him as a political asset to any one or any cause; in fact quite the contrary. I think the same applies to Mr. Ivan Allen.
6. Mr. Ivan Allen refers to the recent appointment of Mr. Marion Smith as attorney for the Housing Administration, and says that he is a deserter from the New Deal. As stated in Mr. Allen's letter, Mr. Smith is Mr. Ronald Ransom's brother-in-law. I do not know what this has to do with the subject matter of his letter, but have called it to Mr. Ransom's attention. He states that by no stretch of the imagination could Mr. Smith ever have been classed as a New Dealer. In the recent race in Georgia he actively supported Senator George. He is a member of a large law firm with a number of partners, having an extensive practice and receiving employment from many classes of clients. It might be interesting to you to know that Mr. Smith was a strong advocate of Mr. J. P. Allen for reappointment to the board of the Atlanta bank in 1936. His daughter married Mr. J. P. Allen's son.

If we can furnish you any further information on any of these matters, please let me know.

FILE COPY

Reminder to President:

Mr. Frank Neely comes up for reappointment in December as Class C Director and Chairman of the Board of the Federal Reserve Bank. Liberals in this State are very anxious to see Mr. J. P. Allen succeed him. We will have Mr. Allen helping our liberal movement in Georgia whether he succeeds Neely or not, but we feel he should displace him for the reasons enumerated in my last memorandum.

Mr. Neely not only openly fought me in the Senate race but he, together with Clarke Howell, are sponsoring a dinner for Bennett Clark of Missouri in Atlanta during month of December.


Mr. Allen is more capable, more popular and more deserving in every respect than Frank Neely. Mr. Allen can be indispensable to our paper, Georgia Homestead, since he has been President of the Georgia Retail Merchants Association for the past fifteen years.

THE WHITE HOUSE
WASHINGTON

December 23, 1938

MEMORANDUM FOR CHAIRMAN ECCLES

The attached is self-explanatory.

A handwritten signature in dark ink, appearing to read 'M H M', is positioned above the typed name.

M. H. McINTYRE
Secretary to the President

Enclosure

IVAN ALLEN-MARSHALL CO.
Atlanta, Ga.

December 20, 1938.

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

Dear President Roosevelt:-

I am taking the liberty of writing you with reference to Mr. James P. Allen, Atlanta (no relation of mine) who was a Class "C" Director of the Federal Reserve Bank under dear old Gene Black's Administration and largely through the influence of Mr. Ronald Ransom, who is now on the Federal Reserve Board, Mr. Frank Neely, a Department Store Manager, was appointed at the end of Mr. J. P. Allen's first term.

I understand that Mr. Neely's term expires December 31st, and I am asking the appointment of Mr. J. P. Allen, because he is the most influential and leading merchant of the State; he is an outspoken New Dealer; he is an able businessman and he helped Cam Dorsey and me in both the Democratic Campaigns for funds. He resigned from Senator George's Committee to help Mr. Lawrence Camp and is now Chairman of the Atlanta Jefferson Day Dinner.

I do not dislike Mr. Frank Neely, but I do not consider him a friend of the Administration or a New Dealer, or that he ever will be one. Now is the time to purge the Heads of Departments who are disloyal and through them go down the line, starting off with Mr. Neely and Mr. Scott Candler first.

Please do not think I am presumptuous, Mr. President, but we the New Dealers who hold no pay jobs ourselves feel quite helpless when deserters of the Administration continue to hold high office and continue to get appointments. Just the other day my friend, Mr. Marion Smith, son of Senator Hoke Smith and brother-in-law of Mr. Ronald Ransom was given a \$5000.00 appointment as attorney for the Housing Administration, etc.

I did not intend to write such an extended letter.

Sincerely,

(Signed) Ivan Allen.

IA/h