

**THE WHITE HOUSE
WASHINGTON**

March 11, 1942.

**MEMORANDUM FOR CHAIRMAN ECCLES:
FEDERAL RESERVE BOARD**

This idea comes from a friend of mine. Aside from the individual suggested, what do you think of the idea of having one of the Governors represent the whole field of consumer credit?

F.D.R.

March 7, 1942.

MEMORANDUM FOR THE PRESIDENT

FEDERAL RESERVE SYSTEM

Consumer Credit

I would like to take the liberty of calling your attention to the advisability of having one of the governors of the Federal Reserve System represent the whole field of consumer credit.

I need not tell you that the question of consumer credit is one of importance before the Federal Reserve System at this time.

There are six governors now; four bankers, one representing foodstuffs and one representing agriculture. The seventh governor could be picked from the consumer credit field, and the fact that he came directly from the consumer credit field should be no more of an objection than the fact that a banker on the board comes from the banking field.

If McKee is counted as coming from Cleveland, there is no one on the Board of Governors of the Federal Reserve System now from this district.

I present for your consideration as a member of the Board of Governors of the Federal Reserve System to represent the field of consumer credit, David H. Finck who is the Personnel Director of Beneficial Management Corporation, one of the two large small loan companies of the country, and he has been with Beneficial Management Corporation for eighteen years.

I have known Finck personally for twenty years, and I vouch for him despite the fact that he is a graduate of Harvard College and of Harvard Graduate School of Business Administration. He is a keen, refined, intelligent individual.

Finck is a Jew. Whether or not it makes any difference, the present six governors equal one Mormon, one Catholic, two Episcopalians and two Presbyterians.

Finck is only forty-four years old and would bring to the Federal Reserve System a keen, forward-looking mind.

DAVID H. FINCK

Born in Boston, Massachusetts, March 2, 1898. Present home:
68 Crest Drive, South Orange, New Jersey.

Married Helene Reinhard, of New York, July, 1927. Two children,
Phoebe and Enid.

Educated in Boston English High School. Graduated Harvard College,
1918, A.B., Harvard Graduate School of Business Administration,
1920, M.B.A.

United States Navy, World War I - 1918-19. Instructor of
Business and Industrial Management 1922-24, Harvard Graduate
School of Business Administration. At present, Personnel Director,
Beneficial Management Corporation since 1924; Educational Director,
Industrial Lenders Technical Institute; President, Northeastern
Real Estate Securities Corporation.

Democrat. Jewish.

3/11 - R

March 18, 1942.

My dear Mr. President:

This is to acknowledge your note of March 11 and the accompanying memorandum about Mr. David H. Finck. Irrespective of Mr. Finck's experience and qualifications which you outlined, he would not be eligible for appointment to the Board because he is from the Second Federal Reserve District which is already represented by Ernest Draper and, as you will recall, the law provides that not more than one representative may be appointed to the Board from any Federal Reserve district.

With regard to your question as to the advisability of having one of the governors represent the whole field of consumer credit, you will agree, I think, that it would be impractical to attempt to have representation on the Board from all the diverse branches embraced within the credit field. Consumer credit is only one segment and if it is to be represented, then logically there should be representation on the Board for other types of credit, including, for example, mortgages, investment banking and industrial lending. The Board members are representative of national rather than of special or local interests, and this is true even in the case of the requirement that agriculture shall be represented on the Board, for that representative must reflect the broad national interests of the entire agricultural industry rather than of any one branch. Your informer is mistaken in saying that of the present Board members four are bankers, since I am the only one who, along with a wide range of business interests, actually has been engaged in commercial banking.

Permit me to add that I think the remaining vacancy on the Board should not be filled except as part of a program, which is more urgent now than ever before because of this war situation, to streamline and consolidate the Federal banking setup along the lines of what was so admirably accomplished with respect to the housing agencies.

Respectfully yours,

(Signed) M. S. Eccles

The Honorable
The President of the United States,
The White House.