

TO _____

FROM _____

REMARKS: 1/18/41

This is the letter prepared for delivery to President Roosevelt, but was not used for that purpose. A one-page letter was finally drafted, signed and delivered, copy of which is in the White House 1941 file.

CHAIRMAN'S OFFICE

January 17, 1941.

My dear Mr. President:

Since the special report of the Reserve System was issued, you have been so burdened with urgent claims on your time that I have deferred taking up with you the erroneous impression created in some quarters giving the appearance of a cleavage between the Board and the Administration.

This interpretation appeared to be confirmed by press conference statements made by Henry and Jesse. It is wholly at variance with the purpose and program the Board has in mind. Not only does the report represent important concessions by the bankers to our viewpoint but a majority, if not all, of the Board propose to go much further in legislative recommendations that would end every vestige of banker ownership and control in the Reserve System and would put into the hands of the President more direct and effective powers than the scattered ones now on the statute books. I think it extremely important to acquaint you with the background both of the report and the additional legislation contemplated and that meanwhile judgment on the report by itself should be suspended.

The situation is such on the whole banking and monetary front that unless some planning is done and direction given by the Administration, it will result in still greater confusion and unnecessary friction. The problems and issues cannot be put off, not only because of the urgency of the times and the changed economic outlook, but because the so-called Wagner questionnaire and contemplated hearings by the Senate Committee on Banking and Currency require that we, as well as all other Federal agencies having banking and monetary powers, express our views in great detail and take definite positions on the whole range of problems involved. All of this inevitably points up to the necessity for some common purpose in approach and in developing a realistic program.

Until I have the benefit of guidance that only you can give to us here, the confused situation makes for complete frustration and discouragement. After seven years of battling for New Deal objectives, I do not propose to give in to the banker viewpoint, and I feel a deep sense of injustice at any such false imputation. It has taken the utmost restraint to refrain from publicly repudiating such intimations from certain hostile quarters.

I earnestly hope that you can give me an opportunity at the earliest possible date to discuss the situation with you, with a view to suggesting and having your guidance on the broad outlines of a program that will get results and be in the interest of your Administration.

Respectfully yours,

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