

J. Kennedy  
May 17, 1943

Chairman Eccles:

I have given further thought about your going to the President and would like to add this as a supplement to the memorandum I gave you this morning.

If at your meeting today the Secretary is willing to clear the record and tell the Reserve Bank Presidents about it, perhaps at that point you should ask the Secretary to go to President Roosevelt with you.

You could say that the President has heard of the difficulty from the Secretary in advance and that you think the President should be told that the differences have been settled and that the System's record should be cleared to the President.

The Secretary could say to the President without losing face about as follows:

"There have been differences between the Reserve Bank Presidents and some of the war savings staff men. These differences came to me as being very important. We have talked this thing out together. There have been some harsh words between us, but the thing has been patched up satisfactorily to all of us. I have asked the Reserve Bank Presidents to act as chairmen of the new war finance organizations and they have accepted. They have my full confidence. I thought we ought to tell you this in order that you might know we have worked this thing out. Chairman Eccles is going to act as liaison for us in this."

You could say somewhat as follows:

"Since Henry brought his grievance to you in advance, I wanted the two of us to let you know that our differences have been cleared up. Also, I wanted the Federal Reserve System absolved of any blame in the matter, as far as you are concerned, Mr. President."

Of course, if the Secretary today does not expunge his record you will have to take full details to the President.