

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date February 9, 1938.

To Chairman Eccles

Subject: The Ezekiel group meeting

From Lauchlin Currie

February 8th.

Additional members present included Mr. Tolley and Mr. Niles of W. P. A. There was general regret that you could not be present.

New points that were developed that might be of interest to you were as follows:

1. Jerome Frank expressed himself strongly on the need for making provision for the handling of an emergency credit situation should things get worse. The R. F. C. could probably handle this but they would have to have authorization. He spoke warningly of the danger of some big crack-ups. (He asked me privately to pass along the name of James Touhey to you as somebody who would be just the man to deal with the situation on the west coast if it should develop).
2. Bob La Follette expressed very vigorous opposition to the toll road idea on the grounds that it would be slow in getting started and would lead to an awful lot of graft and political racketeering before we got through with it.
3. I suggested moving the provision of capital funds for small businesses from the category of recovery measures to longer-term measures, and this was concurred in.
4. In connection with longer-range proposals there was general condemnation of Richberg's N. R. A. ideas. There appeared to be general agreement on the need for a fact-finding agency in developing information that would aid business in planning programs for expansion, etc.
5. There was some disagreement as to next steps. All felt that a program should be worked up immediately, but while some felt that it should be got to the President in some way very soon others, including Mr. Tolley, felt that it should be held back until business got much worse and the prospects for a rise were much less good. No decision was taken on this, but Ezekiel undertook to work up a program immediately with other members of the Industrial Committee of the National Resources Committee.

I didn't mention the railway proposals. In this connection I would remind you that you mentioned to me the other day as our luncheon meeting was breaking up that you had some further suggestions on the subject before I sent any memorandum to Mr. Eastman.

Dr. Burns is now working up a list of possible suggestions in connection with the Social Security Act, which I expect to receive tomorrow.