

FEDERAL RESERVE BANK  
OF DALLAS

April 23, 1942.

Miss VaLois Egbert,  
Care Board of Governors of the  
Federal Reserve System,  
Washington, D.C.

Dear Miss Egbert:

The last day I saw the Chairman he and I had some conversation about the office, and he suggested that if I got around to it I write him a letter some time while I was here. As these things generally turn out, the letter is much longer than I hoped I could make it, and he may be too busy to bother with it now. Also, I have heard that he is in Ogden, and I don't know when he is returning. Accordingly, I am enclosing the letter with this note to you, and you can give it to him on his return.

I am feeling better than I have felt in a couple of years, and am anxious to get back. I think I shall probably leave here some time in the middle of the week commencing the 3d, and look forward to seeing you in Washington.

With best regards,

Sincerely yours,

*Park Trubee*

JPD:b



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April 23, 1942.

Mr. Marriner S. Eccles,  
Board of Governors of the  
Federal Reserve System,  
Washington, D.C.

Dear Mr. Chairman:

I have had a note from Fred Solomon telling me of his commission in the Marines. This means one less lawyer, and prompts me to pass on my thoughts to date on the subject of your last conversation with me.

As you know, I think Fred Solomon is one of the brightest boys in our office, and such shortcomings as he may have do not lie in this field. Nevertheless, unless there has been substantial change in the volume of work since I left Washington, I certainly would not recommend replacing him. His loss will be felt chiefly by Dr. Parry. In this regard, I think Howland Chase is on top of Regulation W, and it is my impression that the securities and exchange work is, temporarily, a dead issue.

In my opinion, getting another lawyer now would, more likely than not, mean acquiring some old hack who would be with us as long as time (unless his heart gave out), or at least a selection from a narrowing field of eligible young men. I cannot see that we would be overworked if we merely reallocated the work, and that would be my recommendation.

With Fred gone, we will still have, besides the general and assistant general counsel, assistant counsel Williams, Chase, Cherry, Baumann and Hackley. I know that unless conditions have changed, some of these men have difficulty in keeping busy at times, and I would say at most times. In addition, we have two law clerks, Jerome Shay and Wilson Huff. Jerry is a bright young lawyer, and my observation is that he is as well informed in law as most anyone in the office. He is, of course, short in experience, but I am sure that he could assume additional responsibility. In fact, I think that, in fairness, he should be allowed to do so. This would leave us short a law clerk. We might be able to replace a law clerk from this year's graduates and thus acquire a low-priced man, but I doubt this. In fact, my recommendation would be to do without additional law clerks, at least for the present. I think it might be



good for some of us to get a little more work in the books rather than have someone do it for us.

Accordingly, I do not see any difficulty, so far as personnel is concerned, in reallocating the work so as to eliminate the necessity of any replacements. Furthermore, I miss my guess if the boys in the office would not be happier with more to do; not that they are not busy at times, but, on the whole, I know that they simply do not have enough to do on the average.

This goes for the whole office. For instance, in the anteroom which I share with Walter there are normally three stenographers or secretaries: Miss Dyer, another stenographer for Walter, and my secretary. Miss Dyer's title, as I recall, is chief stenographer or chief clerk, but her wards are across the hall in the pool. Of course, we both need secretaries, but there is not enough work to justify three. Then, there is Mrs. Croghan, who was a stenographer, I guess for twenty years, but who does nothing now, as I recall, except note and record the incoming and outgoing communications. This is no criticism of her, because she is not responsible for her assignment, but it would seem to me that she could at least be employed in some of our copying projects. We maintain a file room which practically duplicates the general files, so far as the legal division is concerned. We, of course, need a file of precedents, the same as we need a law library, but the point is that our filing work could be substantially reduced. We make four copies (I think it is) of everything we write, even interoffice communications. I do not know how much time, paper and carbons are wasted, but it is too much. I mention these facts because I think they are a part of the entire picture - at least, it is as I see it.

On the more fundamental matter of reallocation, frankly, I do not think that reorganizing the work on paper will ever bring about any noticeable change under the present set-up. The fact is that the present division of labor is one on paper only, and I honestly do not believe that Walter, with his temperament, can change this condition. The difference is between managing or directing an office, and in trying to do all of the work one's self. The distinction is hard to picture in few words, but anyone who has ever observed our office would know what I am talking about.

On another aspect there is also, in my opinion, room for improvement in our relations with the public, and other agencies of government. I am sure you are aware generally of this situation. I mention it, therefore, only in order that you will not think that I think a mere reassignment of work intra-office will do a complete job. Regarding outside relations, it is only natural that initial inquiries (telephone and letter inquiries from the banks, government agencies and Congress) should

come to the general counsel. Of course they will continue to do so, and it is the desire to keep it so, rather than to direct such matters to the lawyer handling the same that creates one of the bottlenecks in our office. Some of the incidents which irritate outsiders also occur in the same way, and I can think of no way to keep them from happening without some sort of change in titles which would indicate a change to the public and bring about that result. I really believe that most of the times when some action of Walter's seems unnecessarily offensive to some one else he is misunderstood, but the other fellow does not know it, and the effect is just as bad as if his conduct had been intentional.

I have been thinking about the set-up along the lines you suggested when you were thinking out loud with me. The general tenor of the idea, as I understood it, was that I should be made responsible for the direction of the office administratively, and that Walter would be a general advisor to the lawyers as well as to the Board - work of the lawyers clearing through his office. In this way he would lend his counsel and dissent in case of disagreement. In thinking it over in the light of my experience in the office, I would not want to say that such a set-up would be without problems. At the same time I am optimistic enough to believe that it could be handled in so far as intra-Board relations are concerned.

I have taken the liberty of talking the situation over generally with E. B. Stroud, who, as you know, was my law partner and with whom I have been very close for years. He is familiar with the situation from his long years of contact, and I was sure that I could talk with him without the discussion going any further. His reaction was that a change, without some change of titles, would prove to be inadequate, and he suggested following the pattern sometimes set by railroads and other large corporations; to wit, creating a new office for Walter of "General Solicitor." The Board would then have a general counsel and a general solicitor who could each be assigned appropriate duties. This, he thinks, would tend to fix definite responsibilities and avoid friction. On the other hand, he could not be entirely familiar with problems on the other side of the fence, and could not keep from being motivated to some extent by my interests in the matter. Furthermore, as I told you, while I could not honestly say that some change ought not to be made, I certainly would prefer that whatever change is made be without humiliation to anyone, if possible. Also, as I have said to you, so far as I personally am concerned, I probably have had less trouble in the last couple of years than anyone else in the office. This does not mean that there hasn't been trouble enough, but, comparably, I am sure I have had less.

This has been much too long, but I cannot say anything and say it shorter. I am feeling better than I have felt for a couple of years, and am getting stronger by the day, all of which

makes the regimen I am on a little trying and the continued inactivity considerable of a burden.

I saw the reports of your White House visit and read Ernest Lindley's column with interest. I am looking forward to the President's message and fireside chat to see the results.

With best regards,

Sincerely,

*Pa M. Freiburger*

JPD:b