

FEDERAL RESERVE BANK
OF
ST. LOUIS

November 14, 1938

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

Dear Marriner:

Walter Smith has been a member of the Advisory Council, as you know, for a long time. There are people out in this section who think that he has been a member for too long a time--not that they have anything against Walter or lack respect for him, but that they think the thing ought to be passed around. It is betraying no confidence to say that our mutual friend, Tom Smith, feels quite strongly about this, for I think that he has talked to Walter himself about it.

I met Walter today at the Noonday Club and he told me that he had intended not to permit himself to be chosen for another year until recently when he met Mr. McKee of your Board, who had strongly intimated to him that the Board would like to see his services continue. This has quite obviously changed Walter's attitude in the matter. I am sure he feels that he would be justified in continuing if the Board feels that he should do so. He not only is appreciative of the compliment of the Board's desiring him to continue, but he feels that if the Board thought his services were essential he would want to render the service.

I am writing you because I am in some doubt as to what I should say to our board of directors. I don't want to tell them that the Board wants Walter to continue on the Advisory Council unless you are willing to have me do so. All of the members of the board have the very highest regard for him and I am sure would be inclined to continue him in that position. It's quite probable, however, that they have had from some bankers in the district the same expression that I have had, so that left entirely on their own judgment they might feel it advisable to make a change. If you have a strong feeling that Walter should be continued on the committee, and you feel at liberty to tell me so, I shall be guided by your wishes as to whether I should try to put it over without saying anything to the members of our board about the Board's attitude, or whether I should tell them that the Board would like very much to see Walter continue on the Advisory Council.

Please don't understand that in writing to you I am expressing or implying any doubt about the accuracy of Mr. McKee's statement about the Board's wishes. I am writing only because I am in some doubt as to how I should proceed. I am prompted to make that expression because if it came to Mr. McKee's attention that I had written you about it, he might feel that I was questioning the correctness of his report to Mr. Smith. That is not in any sense the case.

Please tell me what you'd like to have me do and I'll be guided accordingly.

I should perhaps tell you in this connection that Mr. Maestre has been nominated and will no doubt be elected to succeed Mr. Lonsdale. The suggestion has been made to me that Mr. Hemingway, of the Mercantile Commerce Bank and Trust Company, should be elected to the Advisory Council in Mr. Smith's place. Mr. Maestre was at one time with the Mercantile Commerce, but I don't think the relations are very cordial between him and the Mercantile Commerce officials. Mr. Hemingway is a very high type of man and next to Walter Smith I think would be the most satisfactory member of the Council from this city. It would not be advisable, I think, to elect Tom Smith inasmuch as he has been so outspoken in his thought that there should be a change and in that connection has declared that he should not be considered for the position.

Awaiting your advice in the matter, I am

Very truly yours,

N. J. Nardin

WTN:AS

*answered by
O'Connell
m/s*