

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

September 12, 1935

Governor Marriner S. Eccles,
c/o Eccles Investment Company,
Ogden, Utah

Dear Governor Eccles:

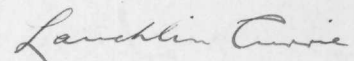
The Board took favorable action on the project today, and a formal application was entered. I am assured that there will be no publicity on it until an allotment of funds is actually made and that we may withdraw the application at any time.

In accordance with your suggestion to Mr. Clayton, I have written Messrs. Hecht, Fleming, Colt, Emerson, and Wakefield (President of Reserve City Bankers' Association), asking their personal opinion on the revised project. I am enclosing a copy of my letter to Mr. Hecht. The others were in a similar vein. I am hopeful that replies will be favorable as I adopted suggestions offered by Hecht and Colt.

I have talked with Mr. Thurston about the publicity, and he has agreed to go over any further letters sent out. We think that, if approved, the project can be handled in such a way as to play up the liquidity-earnings and autopsy-of-failed-banks angles. The fact that no names would be asked on the questionnaire should scotch the "share-the-wealth" interpretation. We expect that very few banks would admit white collar workers and that the great bulk of such workers would be used in closed banks and in tabulating the data.

I am also enclosing a copy of a favorable letter from a Hartford banker which may interest you and which I have acknowledged.

Sincerely yours,



Lauchlin B. Currie
Assistant Director of
Research and Statistics

Enclosures - two

P.S. The actual motion was that the application be submitted and that negotiations should be carried forward on the closed bank aspect of the study, while the open bank aspect shall be brought up for action at a later meeting.

September 12, 1935

Mr. Rudolf S. Hecht, President
American Bankers Association
Hibernia National Bank
New Orleans, Louisiana

Dear Mr. Hecht:

There is enclosed a brief description of the revised proposed WPA project we discussed on August 22. You will note that your suggestion that an option be offered banks to supply a limited amount of information themselves or to permit its transcription by relief workers has been adopted. Probably most bankers would elect to supply the information themselves and the relief workers would be used mainly in closed banks and in tabulating the data.

You will note on page 5 of the description, which, by the way, is confidential, that hope is expressed that various bankers' associations would endorse the study. We should be very grateful if you would give consideration to this possibility. We appreciate that such an endorsement would require a good deal of time to negotiate. In the meantime, Governor Eccles, in a telephone conversation last night, suggested that an expression of your personal opinion about the project in general be asked at this time. While he does not desire to burden you with details, he is anxious to learn if you approve the general aim and scope of the revised project. Any reply you may care to make would not, of course, be quoted.

I regret sincerely the publicity which attended the premature disclosure of an early stage of our preliminary investigation. I am sure, however, that if the project is approved the publicity can be handled in such a way as to indicate unmistakably the real purposes of the study. The fact that no names will be requested in the questionnaire to banks would, I think, be reassuring. Particular emphasis could also be laid on the relation of the study to the urgent problems confronting bankers today in striking a proper balance between liquidity and earnings.

Because of the time limit imposed by an Executive Order, it is necessary to file the formal application today in order to have it

Mr. Rudolf S. Hecht, #2

considered. We still, however, have considerable latitude in changing the mode of procedure and would welcome any suggestions you may care to offer.

I should appreciate an early reply so that I may communicate your views to Governor Eccles. I am writing a letter of similar nature to Mr. Fleming.

Yours very sincerely,

Lauchlin Currie
Assistant Director of
Research and Statistics

LC/rj