

Office Correspondence

FEDERAL RESERVE
BOARDDate October 16, 1935.To Chairman Eccles

Subject: _____

From Mr. Clayton

*** 10-643

file

The attached memorandum from Dr. Currie regarding the white collar project advises:

1. The project, if approved, will be handled by WPA with Reserve Board supervision and in any event will be limited to closed institutions. He is still not sure whether it is approved or rejected.
2. The ABA and the Reserve Cities Bankers' Association evidently look with disfavor on the proposition of white collar workers entering going institutions and doubted that a questionnaire directed to all member banks would be answered with any degree of cooperation. He and Dr. Goldenweiser will therefore not recommend such a questionnaire.
3. In spite of the above he is considering the feasibility of asking a small group of the largest member banks to fill out a schedule showing their deposits on four dates a year for the past six years respecting fifty or one hundred of their largest depositors, not by name but classified.

- No action by you is asked for.
LC

Office Correspondence

Date October 14, 1935.

Chairman Eccles.

Subject: Present status and scope ofFrom Lauchlin Currie
*L. C. Currie*W.P.A. project.

16-852

1. Status. Shortly after the application for funds was submitted word was received that it had been decided to approve no further projects sponsored by Federal agencies. We thereupon decided to explore the possibility of having the Works Progress Administration itself conduct the study. On October 1st I received instructions from Mr. Charles Beach of the Coordinating Committee to have a letter sent to the WPA requesting that it conduct the study with the Board undertaking to provide supervision. I drafted such a letter and Governor Thomas signed it. At a subsequent meeting of the Central Statistical Board Mr. Goldenweiser was told that the WPA had selected our project as one it would be prepared to undertake if certain administrative problems could be ironed out. On October 10th Governor Thomas received a letter from Mr. Hopkins' office stating that no funds were available for projects sponsored by Federal agencies. I have reason to believe that this refers to the form of our first application and not to the second. I expect to receive definite word regarding the allocation of funds in a few days.

2. Scope. On September 12th the Executive Committee of the Board directed that, in the event funds were allocated, the Division should proceed with the closed bank aspect of the study, the advisability of proceeding with the active bank aspect to be considered at a later meeting. We thereupon asked the Reserve Agents to select tentatively regional supervisors from among the employees of the reserve banks. We have now a complete list of men who have been selected for this purpose. We also asked the agents in eight of the reserve banks to ascertain the disposition of eleven state banking commissioners to cooperate in the project, provided it was initiated, to the extent of permitting access to records of certain suspended banks formerly members.

Mr. Fouts, Supervising Receiver in the Comptroller's Office, and I have agreed on a list of some 140 suspended national banks to be entered, and on the number of workers to be assigned to each bank. We have also drafted a letter to be sent by him to the receivers if the project is approved, and copies are being prepared.

With regard to the active bank aspect of the study, I wrote to Messrs. Hecht, Fleming, Colt, Emerson and Spencer, asking for their personal opinion as to the general aim and scope of the project. I received no replies from Mr. Fleming or Mr. Emerson. Mr. Hecht's Secretary wrote me that Mr. Hecht was out of town. Mr. Colt talked with me on the telephone. Mr. Spencer spent a morning with Mr. Goldenweiser and me. Both Mr. Colt and Mr. Spencer felt that it was inadvisable to propose the use of white-collar workers in active banks. With regard to the questionnaire to all member banks, they were dubious as to the degree of cooperation that would be forthcoming. In these

(circumstances, Mr. Goldenwieser and I have decided not to recommend to the Board that questionnaires of the type originally contemplated be sent to all member banks.

We should still, however, like to explore the feasibility of asking a small group of the very largest member banks to fill out a schedule showing the deposits, on four dates a year for the past six years, of their fifty or one hundred largest depositors, classified not by name but by broad classifications such as finance, manufacturing, trade, and personal, so that identification of individual accounts would be impossible. Such information would, we think, prove illuminating and involve little trouble. We shall present the proposal to the Board at a later date if it appears feasible.