

SEARS, ROEBUCK AND CO.
Chicago
December 30, 1940

Mr. W. J. Cummings, Chairman,
Continental Illinois National Bank & Trust Company,
231 South LaSalle Street,
Chicago, Illinois.

Dear Mr. Cummings:

In view of the fact that I am resigning as a director and am not going to accept the appointment as chairman, I feel it would not be proper for me to sit in with the Committee which will make recommendations for the president.

I am, however, willing to give my personal views for the benefit of the Committee and benefit of the Board of Governors for what they may be worth.

Three possible choices are open:

1. To make a selection from the present bank personnel.
2. To make a selection from among the bankers in the district, preferably a country banker.
3. To make a selection of some outstanding man, preferably one who is a resident of the district.

With reference to the first suggestion, if choice is to be made from the bank personnel, there are only two possible candidates, Mr. Howard Preston and Mr. C. S. Young. I have had an opportunity to see a good deal of both of these men during my service as a member of the Board of Directors.

Mr. Preston has a good mind and is a man of great ability and, I believe, has a great deal of courage. He comes from a banking family, two of his brothers being presidents of banks in Tennessee. His service with the R.F.C. gave him a pretty broad outlook and, in my opinion, he is a man capable of coping with difficult situations that may come up in the future. In other words, I consider him to be courageous.

As for his disadvantages, he does not possess a warm personality nor make friends readily and he has been accused, rightly or wrongly, of intriguing for preferment.

Mr. Young is a man who is thoroughly conversant with the details of tax operations and is a man with a lovable personality and a gift for making friends. He has not had the broad experience that Mr. Preston has had nor has he had an opportunity to show what he could do under stress of emergency.

Second - Mr. Schaller has shown during his term as chairman and president of a bank of what a small town banker is capable. He has done a splendid job. In my opinion, if it is a choice of selecting a banker in the District, a banker from a small town would be preferred to one from a big city bank.

There is a member of the Board of Directors who, in my opinion, would be a suitable candidate, and that man is Frank D. Williams of Iowa City. He has been a prominent member of the Board, has a fine personality and splendid common sense. I believe he would meet the requirements.

Third - If it is desired to go outside of the District, there are two possible candidates in Chicago. One candidate is Mr. James M. Barker, who was formerly vice president and treasurer and director of Sears, Roebuck and Co. He retired from Sears last year. Before coming to this company, Mr. Barker was an associate professor at the Massachusetts Institute of Technology, General Manager of the Buenos Aires branch of the Bank of Boston. While this was a branch, it had \$50,000,000 worth of deposits. Mr. Barker is a man of the widest culture and an extremely profound student; a man who has a thorough knowledge of economics and financial operations. In fact, I consider him to have greater knowledge than any president in any bank in the System.

The other possible candidate is Mr. James Douglas, who once served in the Treasury Department and who is a very prominent and able lawyer in the city of Chicago. I only know Mr. Douglas socially and consider him a fine citizen and a fine man.

If I were to make a choice, I think I would make it from among the bank personnel and would make the choice under heading No. 1. If we are to develop Federal Reserve System as a career service, attracting able men who know that if they show ability they will be rewarded, the best way to do that is to make the promotions from within the System. I believe that either Mr. Preston or Mr. Young would make a satisfactory president and of the two I would select Mr. Preston and would make Mr. Young, executive vice president, with the thought that in the case of Mr. Preston's eventual retirement, he would become president.

Sincerely yours,

Original Signed by R. E. Wood

cc: Mr. Marriner S. Eccles