

FEDERAL RESERVE BOARD

WASHINGTON

Chairman
OFFICE OF GOVERNOR

September 19, 1935.

Chairman M. S. Eccles,
Ogden, Utah.

Dear Governor:

If you are accepting congratulations, please include me among those tendering the same. This ought to dry up the particular brand of poison that has been spread abroad lately and relieve you from any feeling of ambiguity in the interregnum.

Mr. Daiger talked to me yesterday about plans for meetings in California on housing. He said that he and Mr. McDonald, after considering it thoroughly, were of the opinion that it would be better if you and Mr. McDonald stayed out of the picture at this juncture, when supposedly the country is being given a rest from Washington. Mr. Daiger and Mr. McDonald are of the opinion that the job to be done is largely one of explanation; that it can be done effectively by staff men, rather than by top officials who, like yourself, would not be able to avoid the front pages.

Mr. Daiger also mentioned to me, but not to Mr. McDonald, the danger that you might appear to be departing from your own knitting and venturing into extraneous fields if your first public appearance, now that you have been redesignated, is in connection with housing rather than the reserve system itself.

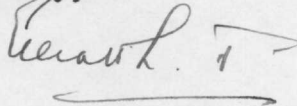
I feel that I would be less than candid if I did not acquaint you with my own view, which coincides with Mr. Daiger's. I do think it advisable to avoid giving anybody the opportunity to say that your mind is primarily upon New Deal activities only indirectly related to the functioning of this system. At least if you feel that it is important for you to appear personally in connection with the housing meetings, it seems to me that criticism of the sort I mentioned might, perhaps, be allayed by strongly emphasizing the reasons why the subject is tied in with the reserve system.

I have no doubt that all this and more has occurred to you, but I take the liberty of alluding to it, particularly at this juncture. Of the desirability of full cooperation of this system and the Housing Administration, there can be no question. It is, to my mind, a question of the best approach to it, and I

do think that if it were approached as a matter coming up from the system itself, that is, from the Board, or the Board and the reserve banks, rather than from yourself as an individual, it would obviate any opportunity for the criticism which some groups, as you know, are all too prone to spread about on the slightest provocation.

I told Mr. Daiger that I would take it upon myself to write you along this line and I have shown this to him before mailing it.

Faithfully,

A handwritten signature in cursive script, appearing to read "C. V. Starr", with a horizontal line underneath it.