



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON

LAWRENCE CLAYTON  
MEMBER OF THE BOARD

December 23, 1948.

AIR MAIL

Dear Marriner:

I thought I would drop you a line to give you my slant on a few items of Board business since you left.

The suggestions for the State of the Union Message and the Economic Report are still waiting on the doorstep of the Nourse Committee (the Over-All Committee). The Chairman was asked yesterday on the spur of the moment to go over for a discussion of the legislative program. The meeting was chiefly concerned with the fiscal part of the program, namely, taxes and the budget. Later on he was asked to discuss the credit and banking situation from the Board's point of view. He reported that he submitted the suggestions and there was considerable discussion. There was a preponderance of view that the State of the Union Message should draw a very broad picture and that a direct reference to additional reserve requirements should not be made but that the President would undoubtedly make a reference to the bond support program. As to the inclusion of the "all insured banks" provision in the material for the Economic Report, there was a divided opinion which was resolved for the moment by the suggestion that Nourse, Snyder and McCabe have further discussions about the matter. The meeting referred to was held yesterday, and I do not know when any further discussions will take place. Following the Board meeting this morning, however, it was decided to request of Nourse that our staff be excused from submitting to his staff the draft of the reserve requirement bill so that this legislation would not be contained in an omnibus bill. We all felt that our chances would be better if our major measures were introduced separately and that we should meanwhile do spade work with the two committee chairmen on the Hill. The consumer credit bill can, of course, go into any omnibus bill so far as we are concerned.

Regarding Chicago, Mr. Lunding, President of Jewel Tea Company, came in here last Tuesday, escorted by Hap Young. Lunding had luncheon with us and later on the Board authorized the tender to him of a Class C directorship and the designation

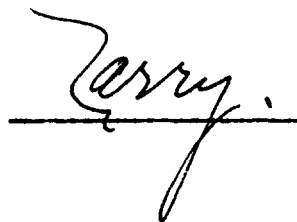
of Deputy Chairman. He was also told by our Chairman that we were holding the chairmanship open but that if he liked the job and he showed the necessary qualifications, etc., we would want to consider him later for the job of chairman. Tom reported that Lunding seemed greatly relieved that we were not intending to appoint him chairman at this time, stating that he felt, of course, that he did not have the necessary experience and qualifications.

At St. Louis we have authorized the tender of the appointment as a Class C director to Charlie Thomas, President of Mosanto Chemical. I raised the question as to his economic philosophy, and Tom, who knows him well, said that he is a progressive, adding that the best way he could point this up is to say that Thomas is poles apart from Queeny, his immediate boss (Chairman of Mosanto Chemical). Incidentally, Tom advised that Thomas is slated to become President of Mosanto.

I don't know of anything else at this time but thought I should give you the foregoing, particularly the matter of the reserve legislation since you likely will not get back here until this matter jells considerably. I cannot help the feeling that Nourse is not strong enough or sufficiently informed to help our program along in the direction that you and I think it should go. I feel it is another case where a valiant fight would bring victory but where conciliation and compromise will bring us not even half a loaf but a mere crust.

Please remember me to your family and to all our mutual friends, especially the boys who will be foregathering at Spence's office.

Sincerely,

A handwritten signature in cursive script, appearing to read "Harry", written over a horizontal line.

Governor Marriner S. Eccles,  
Hotel Ben Lomond,  
Ogden, Utah.

Mr. Marriner S. Eccles

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P. S. -- Enclosed herewith are two ditties composed for the Reserve Board party this afternoon, at which, believe it or not, the Board Members present, assisted by the Staff Members who attend Board meetings, are going to sing the said ditties. The one will be to the tune of "I've Been Working on the Railroad," while the other is to the tune of "I Want a Girl Just Like the Girl etc." You might get Elders Farr and Anderson to lead your own group in an inebriated chorus.

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Enclosures 2.