

# PET MILK COMPANY

GENERAL OFFICES ARCADE BUILDING

SAINT LOUIS MISSOURI

December 2, 1936

Honorable Marriner S. Eccles  
Board of Governors of the Federal Reserve System  
Washington, D. C.

Dear Mr. Chairman:

I am taking the liberty of writing you about Mr. J. K. Vardeman who, I understand, is being considered for appointment to your Board.

I have known Mr. Vardeman for a number of years and have a very high regard for him. I have learned of his activity as a practicing lawyer in Jackson, Mississippi, through my contacts there in connection with our properties in Jackson, of which you know. I knew of his activity here when he was in the investment business and, of course, knew him during the time of his connection with the First National Bank.

I have, however, been more closely familiar with Mr. Vardeman's work since he became connected with the Federal Reserve Bank and Reconstruction Finance Corporation here. In connection with his work in organizing the Direct Loan Division, I had rather close contact with him through the St. Louis Finance Company, the organization of which he was largely responsible for. I served on the board of directors of that company, which, I presume you know, was designed to further the effort then being made to give aid to crippled industries through the Reconstruction Finance Corporation. I was very much impressed at that time by Mr. Vardeman's aggressiveness in trying to further this difficult and much needed activity for the promotion of industrial recovery. It was through his urging of the need and possible accomplishment of good results that I secured financial aid for the project from the Industrial Club of which I was then president.

Neither the early direct loan plan of the Federal Reserve Bank nor the plan for loans through St. Louis Finance and R.F.C. accomplished much except in a preparatory way. But the manner in which the effort was handled gave striking evidence of Mr. Vardeman's comprehensive understanding of the problems of industry. You know, of course, that my point of view of industry's financial problems is that of a business man rather than of a banker. I was impressed by the business-man tendency of Mr. Vardeman's attitude.

I do not pretend to be expert in judgment as to the qualifications of members of your Board. It is my impression, however, that it is considered desirable to maintain some degree of balance between the banker and business-man point of view of members. Something can, of course, be accomplished in that direction by having on the Board some bankers and some business men. It is my conviction, however, that a sounder balance can be accomplished by having on the Board men who, like yourself, have the combined experience, and consequently balanced point of view, of both the banker and the business man. I believe that Mr. Vardeman very distinctly has that balanced point of view.

Mr. Marriner S. Eccles

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December 2, 1936

It follows, of course, that such point of view is provocative of a liberal tendency as against the conservative or reactionary attitude which characterizes so many men whose experience has been wholly or chiefly in banking. That comment is not a criticism of bankers. It is only recognition of the attitude which their experience tends naturally--we may say necessarily--to develop. I am quite sure you would find in Mr. Vardeman a liberal tendency not unlike your own and springing from similar causes. While writing you thus I want, at the same time, to assure you that I do not at all ask favorable consideration of Mr. Vardeman as a personal matter. It has been my fixed policy not to ask personal favor of my friends who are in official position. I do sometimes indulge the assumption that they might find useful my frankly expressed opinion about men or measures of which I have been in position to gain reliable information or judgment. It is on that basis that I am writing you on this occasion.

I hoped that you might pass through St. Louis on your trip west last summer and that I might see you. I regret that it did not so happen.

Hoping that you are enjoying your usual good health, and with very best wishes,  
I am

Most sincerely yours,

*W. J. Vardman*

WTN:AS

RECEIVED HENRIETTA ELLIOTT  
OF THE  
BANK OF CALIFORNIA

DEC - 7 1936

OPERATIONS OFFICE  
FEDERAL RESERVE BANK

December 7, 1936.

Mr. William T. Nardin,  
Pet Milk Company,  
Arcade Building,  
Saint Louis, Missouri.

Dear Mr. Nardin:

I have your letter of December 2d with reference to Mr. Vardeman and I appreciate your interest and the trouble you have taken to advise me so thoroughly in regard to him. I do not know of anyone in whose judgment I would have greater confidence than in your own and what you say about Mr. Vardeman's qualifications would certainly weigh very strongly with me in the event that I should be consulted.

Confidentially, I think I should point out that Mr. Vardeman, in view of his background and experience, probably would be considered to be a banker or at least a representative of the financial field, and on that account the President might have some hesitancy, irrespective of Mr. Vardeman's excellent qualifications, in considering him for the Board. As you will recall, the law requires that in selecting members of the Board "the President shall have due regard to a fair representation of the financial, agricultural, industrial and commercial interests." At present there are four of us on the Board who are considered to be bankers or representatives of the financial community. This is a larger proportionate representation than ever existed before on this Board. Accordingly, it might be that the President would prefer to draw upon some other field entirely outside of banking and finance in making an appointment to the remaining vacancy here. Otherwise, of course, the Board might be open to some criticism as being too heavily weighted in one direction and on that account might not have the public support which a more diversified Board, representing more broadly the various elements in our picture, would be expected to have. I do not, of course, know whether these considerations would govern in this instance, but I felt I should mention the matter to you for your own information.

I recognize that the balanced point of view is a very desirable thing and needless to say, I agree with you thoroughly about liberal versus reactionary viewpoints, assuming as I do that you are



Mr. William T. Nardin - (2)

not using the adjective "liberal" as an epithet. Also, I appreciate the spirit in which you write and respect your feeling about making recommendations.

I was sorry that I did not have the opportunity of stopping off to see you during my trip west last summer. I will likely be going west sometime in the spring and will plan definitely to stop over a day in St. Louis either on my way going out or coming back. In the meantime, I hope some occasion may make it necessary for you to come to Washington. I have not given up the idea of your taking the Chairmanship of the reserve bank at St. Louis, and I hope to have a visit with you regarding that as well as about the affairs of the milk companies and matters generally.

With best wishes,

Sincerely yours,

M. S. Eccles,  
Chairman.

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