

9/10/46

Mr. Eccles:

Mr. Kennedy thinks that Governor Vardaman is the source for the attached, and Governor Ransom agrees. Mr. Kennedy says that it checks with what Mr. Vardaman told him last week. At that time, Mr. Kennedy checked with Messrs. Ransom, Draper and Vardaman, and also Dr. Parry, to make sure that what he was telling the press was o.k. They all agreed that he was handling it properly. Mr. Vardaman, however, is against 100% margins and has had it in mind all along to bring up the subject of a reduction; he is apparently adverse to much control by government. Mr. Kennedy disagreed with him that there should be a change at this time in the margin requirements.

Mr. Vardaman asked Mr. Kennedy how press matters were handled at the Board [which surprised me, as I thought he knew by this time]. When Mr. K. explained that Mr. Thurston handled such matters and that he was pinch-hitting in his absence, Mr. Vardaman said he thought the members of the Board should be free to express their own opinions at all times. Mr. Kennedy told him he agreed that this was their right within the Board, but he did not think they should do so publicly on current matters; that the annual reports showed the dissensions in retrospect.

We, of course, have received several calls this morning from other members of the press regarding this story.

Mr. Kennedy thought you should be informed as to the background of this story and that it did not emanate from this office.

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The citations for the original articles are:

Lam, M. F. "Reserve to Review Renewal of Margin Trading in Stocks." *New York Journal of Commerce*, September 10, 1946.

*Dow Jones News Ticker*, [Untitled], September 10, 1946.