

CONFIDENTIAL

July 29, 1947.

TO - Chairman Eccles
FROM - Mr. Thurston

It occurs to me that possibly I should write down and then pass on to you for your information a number of statements made to me recently by Jake Vardaman, because I assume that in relating these things to me he either wished to have me pass them on to you or assumed that I would do so, though he did not specifically make this suggestion.

In substance, he tells me that on his tours of the Federal Reserve districts and in criticisms of Board policy he was acting with the full knowledge and approval of Secretary Snyder, and gave me to understand that the President also had concurred. He said that he had a letter or memorandum of some sort in a safe or safety deposit box which indicated this prior approval.

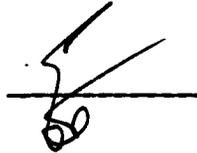
He stated that Secretary Snyder was very much afraid of you, feared that you would get his job, and was himself in great anxiety about his own future and eagerly trying to find a position in private life. Jake was pretty violent in denouncing the Secretary as a double-crosser and remarked at least twice to me that he, Jake, felt like kicking him in the teeth if he ever saw him again. He warned me that the Secretary was a double-crosser and strongly implied that the failure of Congress to pass the Bank Holding Company Bill was due to the Secretary's machinations at the behest of Sam Husbands, representing the Gianninis. Jake said that Snyder hoped to ingratiate himself sufficiently with the Gianninis to get a job with them. He elaborated on this general theme by references to the Secretary's behavior in the social life of Washington, painting a very unflattering picture, and also giving me to understand that the President was pretty much concerned about it.

As you know, Jake's method of conveying his ideas is often one of innuendo rather than direct statement. The foregoing, however, is the picture that he drew, namely, that of an untrustworthy, incompetent Secretary of the Treasury, jealous and fearful of you, warning that you must always be on your guard about him, etc.

I should add that Jake's criticisms of the White House staff have been even more intense of late. He refers to the "screwballs" around the President, and while he says that Clark Clifford is a very fine chap, he states that he is an amateur, has had very limited experience, and knows nothing of politics; that unless Truman gets wiser advisers he doesn't stand a chance of election; that there is no one in the Democratic National Committee that can write a speech or run a campaign. He tells me also, incidentally, that the price of the Wallace people for avoiding a third party calls for the President's moving further to the left and getting rid of Secretary Snyder.

Much of the foregoing he told me after calling me on the phone and asking me to come down to his office the day following the questioning of the President about whether he had made a commitment to abolish Regulation W. Jake made some very uncomplimentary comments about the President in this connection. However, he has been at pains to emphasize to me that he proposes

always to do what the President wishes and is guided by "the Boss", as he invariably refers to him. He also indicated that as long as the President looked to you as Chairman of the Board and backed you he, Jake, proposed to support and follow your leadership. What he had said in speeches criticising you and the Board as well as others did, however, represent his honest convictions.

A handwritten signature in black ink, consisting of a stylized, cursive script that is difficult to decipher. The signature is written over a horizontal line.