

105 West Monroe Street
Chicago, Illinois
January 6, 1941

Honorable Marriner S. Eccles
Chairman, Federal Reserve Board
Washington, D. C.

My dear Mr. Eccles:

I have read with a great deal of interest of the so-called "war" going on between you as head of the Fed and Treasury Secretary Morgenthau. Paul Mallons column of last Saturday was largely devoted to the Battle between the Hatfields and the McCoys.

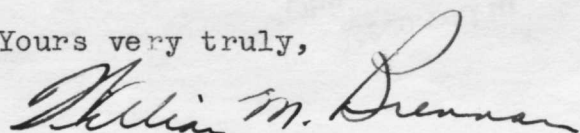
Whether or not there is any truth to this so-called "war" I am one who firmly believes the control and regulation of ALL banks throughout the country should be placed in the hands of the most experienced group. And, along this line, there can be no doubt unless it be in the minds of political job-holders that the Fed can do the best job.

The magic that goes along with the letters "FDIC" is a good thing. It keeps the confidence of the nation's depositors. But that is as far as it should go. There are entirely too many people in the FDIC, from Leo Crowley on down, who hold their examining and supervising jobs because of their political connections. Any one who knows Leo Crowley is well aware that his bank was among the first, if not the VERY FIRST, of the Wisconsin banks to fold up - long before the Bank Moratorium. I am about to make public a "story" about Leo Crowley, his cohorts in Madison, and how he has run things to suit himself throughout the banking system in Wisconsin.

Among other things, Mr. Eccles, I shall name at least two of Wisconsin's banking officials who are "on the cuff" from going Wisconsin banks - and these banking officials don't even pay interest on the "loans" they have obtained. Of course, each and every one of these banks are "borderline" situations. They would have been closed up long ago, or their managements changed, if honest officials were in charge in Madison.

I hope you will win out in this fight with the FDIC and, then, clean house. No, I am not a disgruntled loser. On the contrary, I am (or have been) one of President Roosevelt's strongest supporters in Chicago. I voted for the President three times. My pet peeve is against crookedness AND any people who occupy two or more paying jobs (one on the Government payroll) while so many thousands of our own people are, without success, seeking employment.

Yours very truly,



William M. Brennan

January 17, 1941

Mr. William M. Brennan
105 West Monroe Street
Chicago, Illinois

Dear Mr. Brennan:

I have read with interest your letter of January 6 in which you comment upon statements made in the press bearing upon the recent Federal Reserve proposals for revamping our monetary controls. Your complimentary remarks are appreciated.

I note your suggestion that "the control and regulation of all banks throughout the country should be placed in the hands of the most experienced group." Regardless of which group might be entrusted with the responsibility, there can be little question but that it is sound and logical that the Federal supervision over banks should be in one, rather than in several, agencies. Obviously, however, there are serious political difficulties in the way of its accomplishment. In fact it may take a more critical situation than the present, as respects the banking situation, to impel Congress to brush aside the political considerations against such a program.

I note also your comments regarding certain matters relating to the Wisconsin banking situation and that you expect to publish a "story". Whether this is published or not, I would be interested to see a copy of it if you feel like sending me one.

Yours sincerely,

M. S. Eccles
Chairman

26-10471
FILE COPY

WILLIAM M. BRENNAN

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CHICAGO, ILLINOIS

TELEPHONE CENTRAL 8739

January 20, 1941

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

Dear Mr. Eccles:

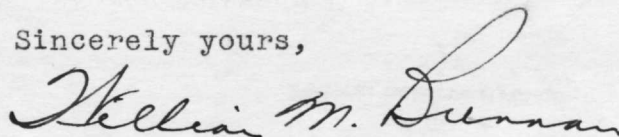
Thank you very much for your kind letter of January 17
in response to one of mine dated January 6.

I am very glad to have your views directly relative to
supervision over the banks. We all know of the political
difficulties you must be encountering, especially insofar as
Mr. Leo T. Crowley of the FDIC is concerned. You say it may
take a more critical situation than the present to impel
Congress to brush aside the political considerations against
such a program.

Why don't you try this, Mr. Eccles? I have in my
possession certain facts relative to Mr. Crowley and some
officials in the banking departments of Wisconsin. If these
facts became known, were made public by someone not connected
with the Federal Reserve System (me, for example) it might
very well be just what is needed to deflate Mr. Crowley and
get him out of the Government service.

Can you arrange with one of the Chicago members of the
Federal Reserve System with whom I could visit and show him
what I have in mind?

Sincerely yours,



William M. Brennan

WMB:ra