

January 24, 1939

Honorable Josiah W. Bailey
United States Senate
Washington, D. C.

My dear Senator:

I am advised by Mr. J. M. Daiger, Financial Adviser to the Federal Housing Administrator, that the following appeared in a recent letter from you to Mr. Stewart McDonald.

"There are some reasons why I should keep out of the matter, but the main reason is that I know so little about it. I agreed to support Mr. Suiter without knowing him because he was so strongly supported by Mr. Eccles and I had good reason to believe that he would keep the institution out of politics and that he was an honest man. I considered him a candidate of Mr. Eccles rather than of myself and I think it would be well to advise with Mr. Eccles in the premises."

Since I do not know Mr. Suiter and have never recommended him for any position, nor do I ever recommend people for positions in the government, I think most likely you have someone else in mind rather than myself.

I might add that the files of the Board of Governors show that Mr. Suiter was at one time an examiner for the Federal Reserve Bank of Richmond and that he resigned in September, 1935, to accept a position with the Federal Housing Administration in North Carolina. The files do not show, however, that he was recommended for such position by anyone connected with the Board of Governors.

Yours sincerely,

M. S. Eccles
Chairman

LC/fgr



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United States Senate

COMMITTEE ON COMMERCE

January 26, 1939

Hon. M. C. Eccles, Chairman,
Board of Governors,
Federal Reserve System,
Washington, D. C.

Dear Mr. Eccles:

Thank you for your letter of
January 24th.

The paragraph which you quoted
had no reference to you. I was speaking of
Mr. Eccles of Richmond, who is in some way con-
nected with the Federal Housing Corporation, at
least he was at the time when Mr. Suiter was
appointed.

I am sending copy of this letter
to Mr. Daiger, in order that he may be advised
of the facts.

With every good wish,

Very truly yours,

JWB/s



FEDERAL HOUSING ADMINISTRATION
WASHINGTON, D. C.

OFFICE OF THE
FINANCIAL ADVISER

January 30, 1939

Dear Marriner:

The enclosed copy of a letter that I have written today to Senator Bailey may clear up the matter that puzzled us as it did you.

There is no Mr. Eccles in our Richmond office, but Mr. Ellett may be the person with whom Senator Bailey discussed the matter in question.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "Walter D. Bailey", with a long horizontal flourish extending to the right.

Enclosure

COPY

January 30, 1939

Dear Senator Bailey:

I wish to acknowledge, with thanks, your letter of January 26 enclosing a copy of your letter of the same date to Mr. Eccles.

That part of your letter of January 21 to Mr. McDonald, in which you suggested the advisability of talking to Mr. Eccles, was referred to me because I was formerly an assistant to Mr. Eccles on the staff of the Reserve Board.

From inquiries I have made here in the light of your letter to Mr. Eccles, I think it probable that the person you have in mind is Mr. Thomas E. Ellett, of Richmond, Va., who was formerly with the Federal Housing Administration, first as a regional director and later as an assistant deputy administrator.

Yours sincerely,

John M. Daiger,

Financial Adviser

Honorable Josiah W. Bailey
United States Senate
Washington, D. C.

FEDERAL HOUSING ADMINISTRATION
WASHINGTON, D. C.

OFFICE OF THE
FINANCIAL ADVISER

February 1, 1939

Dear Marriner:

I am enclosing a copy of a letter that I received today from Senator Bailey, and that he has asked me to bring to your attention.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "Edward Douglas", with a long horizontal flourish underneath.

COPY

January 31, 1939

Mr. John M. Daiger,
Financial Adviser,
Federal Housing Administration,
Washington, D. C.

Dear Mr. Daiger:

Thank you for your letter.

You are right and I regret that I made the mistake. I should not have made it. While I have never seen Mr. Thomas E. Ellett, I did know his father and I should have remembered his name. I hope I have not caused any trouble for Mr. Eccles, and I will be glad if you will send the attached copies of letters to Mr. Eccles.

With all good wishes,

Very truly yours,

JWB/s