

W Eccles

(letterhead of)

THE FIRST NATIONAL BANK AND TRUST COMPANY
of
NEW HAVEN
Connecticut

June 22, 1940.

Mr. Chester Morrill, Sec'y.,
Board of Governors,
Federal Reserve System,
Washington, D. C.

My dear Mr. Morrill:

I appreciate having the copy of the letter of June 14th, 1940 from Mr. Jesse H. Jones to Senator Wagner and a copy of the letter of June 19th from Mr. Eccles to Senator Wagner. I have read them both with much interest and am greatly impressed with the completeness and effectiveness of Mr. Eccles' reply. The word "devastating" is not too strong a one.

I am filled with amazement that a man of the reputed astuteness of Jesse Jones should have been at one and the same time so naïve and so disingenuous. It is almost beyond comprehension that he could have supposed that there was anything adroit in his fatally vulnerable presentation and it is shocking that a man in his position should so obviously attempt to mislead.

I am especially interested in the correspondence because whenever the subject has come up I have expressed the view that both business and banking are safer to have this particular type of loaning power rest with the Reserve Banks than with the R.F.C. but without realizing, until I read this correspondence, how strong is the statistical evidence in favor of that position.

Sincerely yours,

(signed) THOMAS M. STEELE

Thomas M. Steele.