



WEBSTER AND ATLAS NATIONAL BANK OF BOSTON

ESTABLISHED 1833

199 WASHINGTON STREET, BOSTON, MASSACHUSETTS
AT STATE STREET

RAYMOND B. COX, PRESIDENT

April 21, 1941

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

My dear Mr. Eccles:

Attached hereto is the letter which we have sent to Massachusetts bankers, accompanied by the material which you kindly furnished to me.

This is but a feeble effort to arouse the bankers to the importance of their attention to the banking system. If enough of us keep at it, probably something can be accomplished.

With best wishes, I am,

Very truly yours,

President

Enclosures
RBC/B



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BANKERS, PREPARE!

To the Bank and Trust Company Officers of Massachusetts:

The few remaining democracies of the world, of which this country is the outstanding unit, are being subjected to what may prove to be the supreme test of all time. It is not only a physical test of naval, army, and aerial strength; it is a test of strength far more serious, though subtle. We may be able to keep the enemy's soldiers from our shores, but will we be able to control the enemies within our borders -- those most destructive enemies, ignorance, prejudice, selfishness, and fanaticism? These are the real opponents of those institutions which have made this democracy the blessed land in which we dwell.

The backbone of every social and economic order is its financial system. Therein lies the power for good or bad, for order or chaos, for prosperity or poverty. It is of the utmost vital importance that our financial system be girded to meet its supreme test. If we are to preserve the fundamental principles of our structure we must preserve its financial strength. This can be done by the individual bankers themselves through studying the conditions and asserting their opinions.

We are prone to criticise politicians and legislative bodies for the enactment of foolish laws. However, the legislators always will listen to their constituents if the latter express themselves in sufficient number, clarity, and emphasis. Bankers first should study the situation and determine what it needs. They must adjust the differences of opinion among themselves, compromise the conflicts between city banks and country banks, between big banks and little banks. Having learned what they need, uniting on a definite policy, and actively declaring themselves, each one to his legislators, the system can be saved.

Realizing these facts, the President of the Massachusetts Bankers Association appointed the undersigned committee to arouse bankers to their responsibilities, and to the dangers which confront them. Few have studied the conditions more carefully, or from a better perspective, than has the Honorable Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System. In his address of November 28, 1940 he points out many of the dangers which lie ahead of us. We commend this to the careful study of each banker in Massachusetts.

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On January 1, 1941 there was a special report made to Congress by the Board of Governors of the Federal Reserve System, the Presidents of the Federal Reserve Banks, and the Federal Advisory Council. This report is a model of brevity and clarity, and is an unusual exhibition of unity and harmony. Our committee does not take a position on any of the recommendations which it makes, but we do urge each banker to study them carefully, to appreciate their significance, and, at the proper time, to assert himself to his legislators.

While Governor Eccles' address and copies of this report have been previously circulated, we are sending herewith an additional copy, in the hope that it will be read or re-read, and, in any event, given further study and thought.

Fantastic bills already are being introduced in Congress affecting the banking structure. Hearings will be shortly resumed in Washington before the sub-committees which are studying the situation. Unless each banker intelligently forms his own conclusions and expresses them, anything may come out of these investigations, and the silent or uninformed banker will have no one to criticize but himself. Bankers, prepare!

Very truly yours,

Raymond B. Cox, President, Webster and Atlas National Bank, Boston, Chairman
William S. Cook, President, Safe Deposit National Bank, New Bedford
F. Winchester Denio, Vice President, The First National Bank of Boston
A. B. Hathaway, President, Cambridge Trust Company
W. J. Martin, President, Granite Trust Company, Quincy
George E. Pierce, First Vice President, The National Shawmut Bank of Boston
F. L. Richardson, Executive Vice President, Newton Trust Company

April 16, 1941