

THE WHITE HOUSE
WASHINGTON

January 27, 1948

Dear Mr. Eccles:

Shortly after I became President you offered to resign as Chairman of the Board of Governors of the Federal Reserve System and said it was your feeling that the Chairman, who is designated by the President, should serve at his pleasure. I told you then and on other occasions that there was no one I desired to appoint in your place.

You will have completed your present term as Chairman on February 1, your appointment as a member of the Board continuing until 1958. As I explained to you last week, it is now my preference to appoint a new member of the Board to fill the vacancy created by the death of Vice Chairman Ransom and, when confirmed by the Senate, to designate him as Chairman.

This decision, as I assured you, reflects no lack of complete confidence in you, or dissatisfaction in any respect with your public service, or disagreement on monetary or debt-management policies, or with official actions taken by the Board under your chairmanship. All who are familiar with your record recognize your devotion to the public welfare and the constructiveness that has characterized your leadership in the Federal Reserve System.

Therefore, I urged you to remain as a member of the Board and to accept the Vice Chairmanship so that the benefit of your long experience and judgment will continue to be available and so that you may carry forward legislative proposals now pending in Congress dealing with the important problems of bank credit as outlined in the President's Economic Report to Congress, as well as with other matters in the interest of a sound banking system and a sound economy.

Sincerely yours,

(Signed) Harry S. Truman.

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

January 27, 1948.

My dear Mr. President:

You have stated in your complimentary letter the substance of our conversation of last week. As I advised you then, I desired to have time to consider fully your decision and request. I have not altered my conviction that the Chairman of this Board should serve at the pleasure of the President, and I sought to have such a provision included in the Banking Act of 1935.

I have carefully considered your request. After consultation with close friends and associates on the Board and because of the reasons mentioned in your letter, I have decided to remain with the Board in the capacity you suggest.

Respectfully yours,

(Signed) M. S. Eccles.

M. S. Eccles,
Chairman.

The President,
The White House.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Statement for the Press

For immediate release

January 28, 1948

In view of persistent press and radio comments, I feel that it is incumbent upon me to say that I have no reason to believe that Mr. Snyder or others in the Treasury had anything to do with my replacement as Chairman of the Board of Governors of the Federal Reserve System. My relationship with the Treasury has never been on a more satisfactory basis. This is attested by the following letter sent to me on December 22, 1947:

"Dear Marriner:

The fine understanding between the Federal Reserve System and the Treasury Department which has made possible such a splendid record of cooperation during the past year, is a source of much gratification to me. I am indebted to you for setting the tempo.

You have my best wishes for a happy and prosperous holiday season and New Year..

Sincerely,

John."

April 18, 1948

My dear Mr. President:

In your letter of January 27, four days prior to the expiration of my term as Chairman of the Board of Governors, you requested me to remain as a member of the Board and to accept the Vice Chairmanship. In my reply of the same day, I stated that after careful consideration of your request I had decided to remain with the Board in the capacity which you suggested.

Two and one-half months have elapsed since that time. The formal order designating the Chairman of the Board has been issued, but none designating a Vice Chairman. In view of the circumstances, I shall continue to serve as a member of the Board of Governors, but I wish to withdraw my name in case you are still considering designating me as Vice Chairman.

Respectfully yours,

M. S. Eccles.

The President
The White House

For the Press

For immediate release

Governor Eccles made public today the following letter:

"May 26, 1948.

"My dear Mr. President:

On April 16, immediately following the Board Members' call on you at the White House, I tendered to you the following letter, which you read and then stated you did not wish to accept it as you still desired and intended to designate me as Vice Chairman:

'In your letter of January 27, four days prior to the expiration of my term as Chairman of the Board of Governors, you requested me to remain as a member of the Board and to accept the Vice Chairmanship. In my reply of the same day, I stated that after careful consideration of your request I had decided to remain with the Board in the capacity which you suggested.

'Two and one-half months have elapsed since that time. The formal order designating the Chairman of the Board has been issued, but none designating a Vice Chairman. In view of the circumstances, I shall continue to serve as a member of the Board of Governors, but I wish to withdraw my name in case you are still considering designating me as Vice Chairman.'

Four months have now elapsed since you first requested me to accept the Vice Chairmanship and nearly a month and a half since you reiterated that request.

Under these circumstances and in view of other developments, I wish to withdraw my name from any further consideration for designation as Vice Chairman. I shall continue to serve as a member of the Board.

Respectfully yours,

M. S. Eccles.

The President,
The White House."