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Federal Reserve Bank  
District No. 2  
Correspondence Files Division

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STRONG PAPERS

**SUBJECT**

HAYS, WILL H., POSTMASTER GEN'L  
1921 - 1922

[From B Slingsby Jr]

May 23, 1921.

My dear Will:

I have been thinking of what you said about the new Post Office in New York, and make the following suggestions:

(1) Mr. Darwin, P. Kingsley. He is president of the New York Life Insurance Company, and at the present time happens also to be the president of the Chamber of Commerce of the State of New York. He is one of our foremost business men, and a man of rare ability, courage and good sense. He enjoys the confidence of every one, and if you could get him on such a Committee, as you mentioned, you could not find a better man. I do not know what his politics may be.

(2) Mr. Alexander Gilbert. Mr. Gilbert was formerly president of the Market & Fulton National Bank, a very fine institution, and while he is an elderly man, he is a man of splendid attainments and very well thought of in the banking community. His home is in Plainfield, N. J., and I am not sure whether he maintains a New York residence. He retired sometime ago from active business, and I assume might be able to devote considerable time to such a job as you have in mind. I think he is a Republican.

(3) Alfred E. Marling. Mr. Marling was recently president of the Chamber of Commerce. He is a partner in the firm of Horace <sup>S.</sup> Ely & Company, one of the leading real estate firms in this city, and in every way a splendid man. He also, I believe, is a Republican.

(4) John W. Davis, recently Ambassador to Great Britain, now a partner in the law firm of Stetson, Jennings & Russell. He is a good old line Democrat, and enjoys everybody's confidence in this city.

May 23, 1921

(5) Frank L. Polk. He also is a partner in the same law firm, and I do not need to mention his record in the last Administration. He is a splendid fellow and enjoys everybody's confidence.

I would like to name some one if possible who has a special familiarity with the mail order business, with the problem of newspaper and periodical transportation, and with municipal problems, generally; but here we approach dangerous ground, because of special interests. If you desire a man of first-rate experience in newspaper transportation and municipal problems, generally, as well as a man who has had good newspaper experience, I would suggest Mr. George McNaney, former president of the Board of Aldermen of New York City, an eminent reformer, and a man of very high character, who is now, I believe, connected with the New York Times. I would hesitate to suggest any one directly connected with the transportation systems.

These names are suggested offhand, and if you wish me to pursue the subject further, give me a little more definite idea of the type of man that you wish, and I will look into it more fully with regard to special qualifications.

Yours very truly,

Honorable Will H. Hays,  
Postmaster General,  
Washington, D. C.

BS:MM

[From B. Stearns p.]

June 30, 1921.

PERSONAL

Dear Will:

Thank you for your nice letter of yesterday's date, just received. I knew you would be impressed with Mr. Oakey, and, of course, regret it very much, because you were certain to be tempted to steal him from me. I have just had a long talk with him, and he has told me of what transpired in Washington yesterday.

Before discussing specific suggestions, let me make this the opportunity for a few reflections, strictly my own, in regard to the budget situation.

Mr. Dawes will enter his office with enthusiasm, and energy, and ambition to make a great record. The key to success, however, does not lie in mass meetings or forensic effort. If he succeeds in gaining the friendship and cooperation of the members of the Cabinet, and in enlisting their hearty support in putting through a sound program, he will succeed. If he fails to establish exactly the right relationships with the members of the Cabinet, his effort will be a dismal failure. One wink by a Cabinet officer to his subordinates can defeat the director of the budget in any plan, so far as it relates to that department.

I would divide the members of the Cabinet into two classes, one class being such men as Mr. Hughes, Mr. Mellon, Mr. Weeks, and possibly some others, all very busy, who will have every desire to cooperate, but unless they have a real sympathy with Mr. Dawes and with his plans, they will ignore him and will not make the required effort which will accomplish results. The other class of the Cabinet, consisting possibly of yourself, Mr. Hoover, Mr. Denby, and some others, will tolerate a certain amount of interference, insistence and annoyance, but unless the spirit with which the work is undertaken is just right, there will come a time when you will tell the director of the budget to leave you alone. I am sure I am right about this as well as in suggesting that some one tell Mr. Dawes that his first big job is to gain the support of the members of the Cabinet.

The next step will be to have a plan. No budget plan will be created by having some one wave his arms and make gestures and a lot of noises. Some one with a mind trained to such matters must sit down quietly, without interruption, with pencil and paper and work out a concrete plan of procedure, both as to organization and as to the work the organization is to perform. I do not know whether Mr. Dawes is qualified to do that or not. My surmise is that most of his work heretofore has been accomplished by getting men to do that sort of thing. Shouting for economy will not make economy, and some one must point the way to economy; which brings me to the point of suggesting that the man whom you need can be either a help to Mr. Dawes or a hindrance, according to the way in which the relationship is established.

June 30, 1921.

If Mr. Farrell proposes to send Mr. Filbert to tackle this job, it is not impossible that "the tail will wag the dog." I have no doubt that Mr. Filbert, from what I know of his work for the steel corporation, has done the biggest job along this line that ever was undertaken. As I recall, he set up the whole scheme of accounting for the steel corporation when it was first organized twenty years ago; and not only that, but he devised the plan of inter-company cost accounting, which I have been told is a very marvelous and important affair. Probably you could not get a better man than Mr. Filbert, if he is the man suggested, or next to him his associate, who would likely be as familiar with it as Mr. Filbert himself.

As to Mr. Oakey; I have no selfish thought in mind as to his being released for this job, but merely wish to be sure that the best thing is done. To take him away from the bank just now would be a serious matter. I should explain that we are in the midst of a thorough-going and fundamental reorganization of the whole plant, taking advantage of the present quiet time to apply our experience with the experimental organization which was set up at the conclusion of the war. He is right in the midst of this work with a staff of men, and to take him off it just now would really be a serious blow. Furthermore, it will be possible for us to find a man who is correspondingly capable for the work which you wish, and I am proposing to send you a list in a day or two, with something of their qualifications.

It is not at all to Mr. Oakey's discredit that he might not work with Mr. Dawes as well as some others who could be suggested. He has strong and definite opinions of his own. That is the reason why he is a good man, and in order that his work may be at its best, I find that it is desirable to let him run his job and not to try to run it for him.

You know that I will do anything and everything that is asked to promote this budget movement, in which I have been keenly interested since the start, and in a measure feel responsible for its being on the statute books today. If the success of the plan depended upon your having Mr. Oakey, I would feel differently about it, but it really does not depend upon that; so if you will let me select some one, I believe you can get all the results desired, without seriously cramping the work of this bank, in which the Treasury Department is now so much interested.

Please pardon the frank statements in this letter. They are inspired by my deep concern for the success of what is being done.

Yours very truly,

Honorable Will H. Hays,  
c/o Post Office Department,  
Washington, D. C.

BS:MM

[From B. Slattery to]

July 1, 1921.

PERSONAL

Dear Will:

This letter is not written to add to your difficulties and anxieties, but rather to let off steam. You are simply the victim, and if you please may tear my letter up without answering it.

The Republican Party has just introduced the long expected Tariff bill. I am not aware whether it may be considered what is called an Administration measure, or not. It is reported to levy duties upon imports at a supposed rate of about 20% ad valorem. It contains a provision for establishing so-called American valuations, whatever they may be.

This bill proceeds upon the essentially unsound and vicious doctrine, that a nation can grow rich out of its export trade. Nothing could be more fallacious, especially in the case of a nation which has a wealth of raw materials for export. Nations grow rich out of trade, out of the exchange of commodities which it produces by reason of special resources or special talents to better advantage than other nations, and they are paid for those goods by importing goods produced under like advantages by other nations. These gentlemen at the Capitol seem to think that we can continue to export, without importing. The fact is, that we will export in just about the same volume as we import. No more and no less. And if we expect to get the debts owing us by Europe paid, we must import more than we export. If we put a prohibitive tariff upon imports, we by so much restrict our exports, and further, make it impossible for those who owe us money to pay it. Not only does this tariff operate as a barrier to our trade, both in and out, but it will have the effect of increasing production costs so that in due time we will be out of the running because we cannot compete. This is an age and era of people of inconsistencies. We say to the nations of Europe - Pay us the \$11 billions that you owe us, - and then we make it impossible for them to pay it by prohibitive tariff. We say to the nations of Europe; We wish to be the world's banker, and establish banking institutions at your capitals; and then our states pass laws prohibiting them from establishing banks in our country. We undertake a vast program of national economy with one hand, and with the other hand engage ourselves in framing legislation to make the most extravagant and unnecessary gift to the men in our recent army, ever known in history.

It all looks very bad to me, and unless I am mistaken, this tariff bill, if it passes, will come back some day and work the destruction of the political party that adopts it.

You may be interested to know that I have not heard one man, Republican or Democrat, importer or exporter, in any line of trade or profession, who has a good word to say for it. It strikes me as being economically unsound, politically unwise, and likely to be suicidal in its effect. Why is it necessary to do such a foolish thing?

I will be in Washington sometime next week, and hope you can take dinner with me the night that I will be there. With my best regards, as always,

Yours sincerely,

Honorable Will H. Hays,  
Post Office Department,  
Washington, D. C.

[From B. Slattery]

PERSONAL:

Washington, D. C.,  
August 6, 1921.

My dear Will:

*- penciled note  
sent by*

Thank you for your note of the first.

Hoover is quite right. We have all been living in a situation which can only be described by the phrase "Be damned if you do, and be damned if you don't." What helps one hurts another. Enclosed is a news slip which appears to touch on that same matter.

I suppose you saw that we have locked arms with John Skelton Williams. For your own private information, I want you to know that in the interest of the Reserve System and of the Reserve Bank and of the country generally, (not to mention other and more personal considerations) I am going to stick to the job of dealing with his criticisms until a final and definite conclusion is reached, if it takes all summer and until next January, when the Commission makes its final report to congress. That he doesn't know yet, but he has started something and some day he will be trying to stop it.

Faithfully yours,

Honorable Will H. Hays,  
Postmaster General,  
Washington, D. C.

BS.MSB

[From B. Hays Jr.]  
Hays

January 30, 1922.

Dear Will:

A great many thanks for your note of January 14. I have no copy of that letter which I wrote in pencil longhand. If you still have it, would you send it back to me and let me have a copy made, and I will return the original to you, if you wish it.

I never was so restless, impatient, dissatisfied, and distressed at being laid up, as during the past two months. Some way I felt as though the ground had been knocked out from under my feet at a time when a firm footing was needed, if ever it would be; so accept my thanks for the help I know you have given me.

I am sending you with this every possible good wish for success in your new venture. It gives me some real joy to know that you are going to be with us in New York, as I believe is to be the case, and now, my dear Will, you will be friend and neighbor, as would not otherwise be possible, because I hope to see a lot of you. Please also take care of yourself.

I reciprocate that word of affection.

Sincerely yours,

Honorable Will H. Hays,  
c/o Postmaster,  
Miami, Florida.

BS.MM



[From B. S. ...]  
Adams

February 27, 1922.

Dear Will:

The note you wrote me on November 21 reached me last week. It looked as though the mail service was rather ragged, but the fact is that the letter was one of recommendation presented by Mr. John Fuller; hence the delay. I am having him looked up very carefully. Just now there is not a blessed job in the bank. There is no demand and we are letting people go. On the other hand, opportunities for positions are frequently arising here, and I have asked Mr. Fuller to send me a statement of his experience, which he has done, and I am having him investigated very carefully, as we always do, and the minute something turns up which might interest him, I will see that he is advised.

Now a word about yourself. When we last met you intimated that you would be in New York some time in March. Of course you will have an office here, and a home here. Please consider the following serious proposal, which is not simply polite but selfish in purpose. Some time in June, Katherine and Miss Orlich move to Woods Hole, where they stay until the latter part of September. I am going to keep my apartment open, and if I am alone there will simply keep my man servant and get my meals at the club. If I could get some congenial companion to live with me, I would pick out a good cook, and try and live like a respectable citizen at home. If you have no other plans which are more important, why don't you come and live with me this summer, and give yourself a chance to look about for a permanent place to live, and then you will be sure that you will be making no mistakes, and furthermore, will have time to fix yourself up comfortably.

My man will brush your shoes and clothes and keep them pressed, and generally look after your welfare, otherwise he will not have enough to do. If it relieves your conscience, I will let you pay half the bills, but they will be so small that it won't be worth talking about; but I would infinitely prefer to have you just come and visit me. Don't turn this down without sincere reflection, for it will give me a great deal of pleasure, and have the additional advantage of keeping me home now and then. Further than that, if you want to entertain your friends there, you can do it at any time and as often as you wish, just as though you were there alone, and I will arrange to make myself scarce, because I would not hesitate to ask you to do the same in case I were giving a party.

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February 27, 1923.

I hope your trip set you up splendidly, and I am looking forward to having you for a real neighbor, and if possible, companion this summer.

My best to you,

As always,

Honorable Will H. Hays,  
c/o Post Office Department,  
Washington, D. C.

ES.MM

