

August 5, 1954

Internal Memorandum

Interview with Mr. William McChesney Martin, Sr.

Federal Reserve Bank of St. Louis

Mr. Clarence M. Stewart, who was assigned to shepherd me around the St. Louis Bank, was for many years assistant to Mr. William Martin, Sr. When I remarked that I was eager to see his former chief, he telephoned to invite him to lunch at the bank and then went in person to fetch him.

Early photographs of Mr. Martin, Sr. show him looking a good deal as his son does today. He is now a slim old gentleman, (80 years old July 2nd) quick in his movements, but walking with a cane. He was hit by an automobile in 1947 and his friends say that not only was his leg broken and internal injuries inflicted, but that the shock caused the beginning of a decline in mental vigor. He now shows some of the childish traits that go with senility, (a high bright childish cackle and sudden forgetting) but his mind is still quick and interesting.

The luncheon included President Johns and Vice President Wotawa, as well as Mr. Martin, Mr. Stewart and myself. The conversation tended to be general, although there was a tacit understanding that Mr. Martin was the one to do most of the talking.

Mr. Martin graduated from Washington and Lee. He must have been an active student. He says he got interested in old books on Salem witchcraft which were in the Washington and Lee library. He wrote a novel about it which was published though he was not able to remember the name of the publisher. (An old bibliographic index, or the card catalogue of the New York Public Library, might reveal this.) MacMillan gave the book three readings, then told him as he was a new writer they would have to sell his book for more than \$1.50 a copy and 75,000 words was not enough to charge that much for it. Mr. Martin had just

cut his novel down from 150,000 words and he would not put the other 75,000 back. Apparently he has done more or less general writing on his life. His "Ballad of the Bank", of which we were given a copy, testifies to his skill with quick verse.

Mr. Martin was editor of the college paper at Washington and Lee. Among his schoolmates and contemporaries were John W. Davis and Newton Baker. In his work as editor he says that he turned down manuscripts from both these eminent gentlemen. He and Mr. Davis are both trustees of Washington and Lee. Both have tried repeatedly to resign and by this time both are now "honorary trustees".

Mr. Martin said that if the Aldrich plan had gone through and a central bank been established, the New York banks had decided that Benjamin Strong should be its head. When the Glass Bill set up a system instead of a single central bank (Martin gives full credit to Carter Glass) Mr. Strong, spurred by this arrangement and his own ambition, tried to make the New York Federal Reserve Bank the dominating force in the system. For a while he succeeded. He worked hand in glove with Paul Warburg while the latter was on the Board.

Mr. Martin had no high opinion of Mr. Charles Hamlin. The latter had been Deputy Comptroller under McAdoo when the latter was Secretary of the Treasury and he "jumped the fence to the other side when McAdoo told him to".

W. P. G. Harding, who following Hamlin as governor, was much more skilled in banking, but political conditions were such that "he had a terrible time of it" in the post.

Asked about Crissinger, Mr. Martin said that the best that could be said about him, in fact the only good thing, was that "he was a good natured man".