

5. Jack-in-the-Box

THE MONTHS that followed the passage of the banking bill were no less trying than those of the legislative struggle. Nor were they made any easier by the action of sources friendly to me. As I've said before, it had seemed prudent to let Glass appear in the public view as the unquestioned victor in the legislative fight. But in post-mortem columns devoted to the meaning of the new bill, some writers seemed to note that this was not entirely so. One of them put the matter this way:

"Senator Glass Wins Victory," sang newspaper headlines. "The Banking Act of 1935 is on the whole an acceptable piece of legislation," said the American Bankers Association. Governor Eccles carefully said nothing, but smiled broadly. And were those bits of fluff in the corners of his mouth canary feathers?

At this same time Raymond Clapper, writing in the *Review of Reviews* about the new Banking Act, had occasion to trace the steps that had brought me from Utah to Washington. He recalled how a snowstorm had delayed the scheduled appearance of Stuart Chase in Salt Lake City; how I had been called on to give an impromptu speech until Chase arrived; how Chase had heard part of that speech; how subsequently we had talked about economic problems; and how this had led to a meeting with Tugwell and, from that point of contact, to other leaders of the Administration, until finally the chain led to the Banking Act of 1935.

Clapper concluded: "There are a lot of important people in the East who wish that the weather had not been so bad out in Utah the day when Marriner Eccles made that impromptu speech."

As these "press notices" were brought to Glass's attention, they ruffled his pride and aroused his anger once again. And so, from time to time, his tongue of fire lashed out in my direction. Some of the sparks he shot off landed in tinderboxes of resentment that were still smoldering from the fight over the banking bill. With Glass in the attack once again, it seemed to many of his banker friends that there was still a chance that I could be retired from public life before the new law went into effect. This prospect arose from the fact that when the law became operative, all existing appointments would end. Roosevelt would have to appoint a new Chairman of the Board of Governors, along with other members of the Board. Even if he appointed me to succeed myself under the new arrangement, Glass could be counted on to fight confirmation of that appointment with new vigor.

For all practical purposes I was once again placed in the uncertain position of a recess appointee, and this complicated the work that had to be done soon after the Banking Act was signed. I had left Washington for the double purpose of explaining the new banking measure to groups across the land, and also of searching for men who would fill various critical posts once the new Federal Reserve machinery was switched on at the turn of the year. But neither job could be done effectively so long as rumors mounted that Roosevelt was about to pull the rug from under my feet in deference to Glass's wishes; that in the course of fighting for the new legislation I had irritated too many people; that now the legislation had been approved, Roosevelt would place its administration in the hands of a less controversial figure.

Toward the second week in September, or shortly before Roosevelt began a Western trip to dedicate Boulder Dam, I called Presidential Secretary Marvin McIntyre and told him of the currents that were abroad. This brought a quick summons to me in Ogden to come to Hyde Park to see the President. We were to discuss the form of an announcement that would end

the rumors that were being pumped out from many quarters. I flew east to keep that appointment with the President, which yielded this statement, released by McIntyre:

In conference today with Governor Eccles plans for the operation of the new banking law as it affects the Federal Reserve System were discussed. The President further stated he will nominate Eccles for membership on the new Board of Governors to be appointed for a term commencing February 1, 1936, and will designate him as Chairman.

Though the rumors were stirred up again at a later date, the announcement made at Hyde Park served its purpose for the time being. I was able to continue the work of explaining the Banking Act, and with the added authority of Chairman-designate could better search for personnel. I needed every ounce of that authority when I faced the American Bankers Association convention held in New Orleans on November 14. Rudolph Hecht, the outgoing president, had asked that I address that meeting, and I had accepted on condition that I be the last speaker. The condition was not born of vanity; it was dictated by the fact that Glass, too, was scheduled to be on that program.

From the character of his addresses after the Banking Act had been signed, I knew he would use the forum of the convention to launch a vitriolic attack on the Roosevelt Administration. I knew he would pose as the man who saved the bankers of America from being communized by the New Deal, and that he would also pose as the man who, in his capacity as chairman of the Senate Appropriations Committee, labored to save America by his fight against the Work Relief bill. Anticipating this, I wanted a chance to reply to him.

Hecht at first gave me his word that I would be the last speaker, but then, for some reason or other, he changed the arrangement so that Glass was scheduled to speak last. I therefore informed him that I would not come to the convention. This, in retrospect, may seem childish, but it must be remembered that

the Liberty League had already been launched on its career and that the lines for the 1936 Presidential campaign were already being drawn. All signs pointed to Landon as the Republican choice, and the New Deal spending program as the campaign issue. Since I had been one of the most vocal advocates of that program, I wanted to defend it in the face of the people who had attacked it most bitterly, and who, moreover, had attacked me with equal vigor in the course of the fight over the banking measure. On being informed of my refusal to come, Hecht made a second switch, and I spoke last. It was Senator Glass who finally decided not to appear at the convention.

The mood of the convention was an angry one. Old-timers present recalled none other like it except the one held in 1912 just before the Federal Reserve System was established. The peak of fury was reached when it came time to elect the second vice president of the association, who, by the prevailing system of rotation, would head the group in two years. When the nominating committee put forward the name of E. G. Bennett, my business associate, all the bitterness and hatred that had run through subterranean channels while the banking bill was before Congress broke out into the open. Ironically, it was the Main Street banker, or the unit banker, who rose up in arms against Bennett's candidacy.

The choice of the Main Street bankers was Orval W. Adams of Salt Lake City. It will be remembered that he and I had once been associated in the banking business. Though the concealed fight was between the unit bankers and the branch bankers, the outer face given to it was one of resistance to the Banking Act of 1935. Thus, there descended on Bennett's head a torrent of abuse that was really meant for me. It was said that he was my "stooge," though I had no advance notice whatsoever that he was being considered for an office in the association. It was said that through him I meant to socialize the banks that had eluded my fingers in the framing of the Banking Act. And while this was being said, it was convenient to ignore the truth of the mat-

ter. The truth was that Bennett, thanks to his work in setting up the FDIC, knew more about banking than most men present at the convention; that if there was any man qualified to speak for the little banker as well as the big banker, it was he. But a whipping-boy had to be found, and thus he was cast in that role to take what was meant for me. The attack finally became so virulent that he withdrew his candidacy altogether.

Adams, for his part, admirably suited the temper of the convention. His address on that occasion was an extraordinary one.

Since the Federal Government [he said] cannot spend without using the bankable funds of the nation, it is up to us to declare an embargo. We must decline to make further purchases. We must declare that we will not finance further spending by the government until a genuine, honest, sincere effort is made by the Federal Government to restore a balanced budget. The Bankers of America should resume negotiations with the Federal Government only under a rigid economy, a balanced budget, and a sane tax program.

It was in an atmosphere of defiance of the Roosevelt Administration, best expressed in this passage, that I addressed the convention. The substance of my reply can more appropriately be presented in a subsequent section of this book. I mean in this place to continue the narrative of how the new Board of Governors was chosen.

Here the forbidding figure of Carter Glass again cast its shadow across the Presidential power of appointment. Was there any way of "consulting" Carter Glass before the appointments were made and at the same time get a Board of Governors that would make the new machinery work? Was there any way of satisfying his pride and his proprietary interests in the Reserve System without locking the gears of the new machinery before it had a chance to prove itself?

For several months after the bill was signed, these questions were uppermost in my mind. Many times during the fight I asked myself what position Glass would have taken on the pro-

posed changes in the Reserve System if someone he liked had advocated them. Had he not repeatedly stated that the directing authority for the Reserve System should be a public body centered in Washington, not a private body centered in New York? Then why not take the full steps that would make that shift possible? Was it because he felt I would be the one to sit at the helm of that public body?

As in quiet moments I reviewed what had happened, one fact stood out sharply: what was salvaged from the original version of Title II—and a great deal was salvaged—could be attributed to Goldsborough's adroitness. With the breadth of vision that has marked his subsequent career as a federal judge, Goldsborough's attention was centered on getting a workable law. It mattered very little to him who got the credit for it. He was willing to remain outside the range of the spotlight so long as Glass, who held the spotlight, committed himself to proposals that he thought were his own but that Goldsborough had planted in him.

Reflection on this experience suggested a course of action by which Glass could be "consulted" and nothing would be lost in the appointment of a new Board of Governors. The action, admittedly, was Machiavellian in character, and I take no pride in reporting it. On the contrary, I regret that Glass's own pride forced me into a deception by which his authority could be honored in form if not in fact.

It should first be explained that throughout 1935 Roosevelt became progressively more irritated by the decisions of the Supreme Court, the character of which he attributed to the fact that so many of the justices were in their seventies. His general mood of annoyance with the "Nine Old Men" communicated itself to other quarters of the government, and for similar reasons. The new currents in the land created by the depression seemed not to have touched many of the aged men who held key posts in various administrative bodies where long tenure was the rule.

This was as true of the Federal Reserve Board as of other administrative agencies. Four out of the six active members of the Board were approaching seventy or were in their seventies. The Vice Governor, John Jacob Thomas, was sixty-six; George Roosa James, who had been appointed by Harding, was seventy; Adolph C. Miller, who had been appointed by Wilson, was seventy; and Charles S. Hamlin, another Wilson appointee, was seventy-four.

In the course of the House hearings on Title II, my own desire to give a "new look" to the Board expressed itself in the proposal that there should be compulsory retirement—with a pension—of Board members when they reached seventy. It seemed to me that the proposal had merit in terms of itself; but it would also have merit in terms of the men most immediately affected by it. The Board had been subjected to public criticism because of its weakness. Yet if one or two of these men were reappointed and the others were not, then those replaced would stand before the public as the ones who fell down on their jobs. But if a rule for retirement was uniformly applied, they would leave the Board together for reasons of age alone and would thereby be spared any public humiliation. Moreover, two of these men were Roosevelt's close friends. The application of the rule would spare him the painful necessity of telling them that they would not be appointed to the reorganized Board of Governors. The way would be cleared to fill their posts on a nonpolitical basis with the ablest men that could be found.

But the retirement proposal was not adopted, and so more roundabout paths in personal relations had to be used to get a desired public effect.

As has already been said, in September 1935 Roosevelt went west to dedicate Boulder Dam. Since I was at that time in near-by Utah, I was invited to join the Presidential party. At one point during this visit I suggested to Roosevelt a possible way by which Glass could be "consulted" in advance of the appointment of the new seven-man Board of Governors without

in any way prejudicing the ultimate composition of the Board. Referring to Glass's continued hostility, I said to Roosevelt:

"I believe, Mr. President, that every effort should be made to avoid the kind of situation that developed in connection with my appointment. It will simplify the confirmation of the new Board if Glass is consulted on its composition beforehand. We can do this without risk—"

The hint of a "maneuver"—of any kind and for any purpose—always brought a bright gleam of interest into Roosevelt's eyes. "What's your idea?" he said.

"I would suggest, Mr. President, that at an appropriate time you call Senator Glass in and say to him: 'Here is a list of prospective appointees as Governors of the new Reserve Board compiled from suggestions sent me from many quarters. Now, I'll pick the first four men I want to appoint from this list, and you can pick three men from the balance. Our combined choices—four for me and three for you—will make the nominations I'll send down to the Senate for confirmation.'"

"You are giving Glass a free choice?" the President asked.

"Only *seemingly* so," I said. "I'll bet you a dollar he will pick the three men we want him to pick from that list."

Roosevelt's interest quickened.

"Now, here is Ronald Ransom," I continued. "He was the head of the legislative committee of the American Bankers Association. We didn't agree on a lot of things before the bill was passed, but he has intelligence, independence, and courage. I know he will have the strong support of the A.B.A. to be the new member from the Atlanta Federal Reserve District. Then again, from that same district, there is John Persons, president of the First National Bank of Birmingham. He is an extremely able man and would make an excellent addition to the Board. Either of these two would be first-rate choices for the Atlanta district. But they should not be among the four men *you* pick. Let Glass pick either one. And I feel sure that is what he will do."

"What's the trick?" Roosevelt asked.

"I can see to it that between now and the day you call Glass in," I said, "delegations of people I know Glass likes will go to him and urge him to see to it that either Ransom or Persons is made a Governor of the Federal Reserve Board from the Atlanta district. The same thing will be done in the case of the other two men he will 'pick.' Glass will feel that he's taught you not to trifle with him, and that you are at last recognizing his great authority."

To this, Roosevelt replied: "What a perfectly charming idea!"

Subsequently I went to work on this project. After some effort the organized ground-swell ultimately produced the desired results, though not until Glass was persuaded that he did not have a right to pick *all* the Governors of the new Board.

My own appointment represented one of the four choices Roosevelt was to make. In filling the three remaining posts, he was reluctant to do anything that might hurt old friends. He could seethe at the thought of old men blocking New Deal policies; he could talk a great deal about setting sixty years as the maximum age at which a federal judge could be appointed; but when old men were his friends and held governmental posts, the act of dislodging them was an ordeal he delayed facing as long as possible.

Sometime toward the early part of January 1936 he said to me: "Marriner, what am I going to do about my old friends on the Board like Charles Hamlin and Adolph Miller? Then there is J. J. Thomas. Only last year I reappointed him for a twelve-year term. If I don't reappoint him to the Board when the new setup goes into effect, won't people have a right to ask: 'If Thomas is wrong for the new setup, wasn't he also wrong for the old one?'"

"You don't have to throw these men to the wolves," I replied. "They can still be used in valuable capacities other than as Board members. Hamlin, for instance, can and should be made a special counsel on the Board. We can give him an office in the Re-

serve Building. He needs a job, and I feel certain will take the one I suggested and be excellent in that post. As for Adolph Miller, he doesn't need the income he gets as a Board member, but his heart and soul are in the Reserve System. More particularly, he is entitled to recognition for the planning and hard work he has done on the new Federal Reserve Building. He should be kept on as chairman of the Building Committee. And once the building is finished, we can fix up an office for him in that building so that he can be on hand for advice on Federal Reserve matters. As for Thomas, we can make him chairman of the board of directors of the Kansas City Federal Reserve Bank. That's his original territory. We can make an exception in his case and pay him a salary as chairman for the three-year term."

Roosevelt tentatively agreed with this suggestion. When it was communicated to Glass, the latter interceded with Roosevelt in the specific case of Adolph Miller.

In a memorandum Glass sent to Roosevelt at this time, he wrote: "I strongly urge the retention of Dr. Miller for the present until the newer members have become acquainted with the philosophy and practices of the Federal Reserve System. I know there are some objections to this; but still think the desirability of this course outweighs the objection."

In this same letter, incidentally, Glass also recommended Joseph A. Broderick, John K. McKee, and Ronald Ransom, all of whom we had agreed before would be welcome additions to the new Board.

Roosevelt was strongly disposed to make an exception to the general policy of retirement in the case of Dr. Miller. He was unhappy and miserable about the need of making any decision at all in this matter. I therefore felt obliged to put the matter to him in these terms:

To scrap the impersonal reason of age on the question of the reappointment and to name Dr. Miller would be a terrible blow to Mr. Hamlin in particular. Both were appointed to the original Board

more than 20 years ago—Hamlin as the first Governor. He has been faithful, co-operative, a hard worker, of real ability and courage. He is admired by everyone on the staff. He has been loyal to the Administration and a true supporter of its principles. To throw overboard the faithful and beloved Hamlin, who is a poor man incidentally, and to rename Dr. Miller would be an injustice Mr. Hamlin would never get over it. Nor would those of the staff and the System generally be able to look upon it as other than a rank injustice.

Roosevelt at last returned to his original resolve to clear the slate so that an entirely new Board could be appointed. The arrangement I'd suggested to him by which this could be done without injury to the parties affected was put into effect.

While this was being done, I still had apprehensions about what might suddenly blow up in Carter Glass's corner. Despite the confident assurance I gave Roosevelt that Glass could be induced to approve the men we wanted on the Board, the ensuing contacts I had with Glass shook that confidence where I was personally concerned. I find in my files a memorandum, dated January 7, 1936, which I sent to the President and which reflects my uncertainty. It reads in part:

In connection with our conversation, I am, as a reminder, taking the liberty of suggesting that Senator Glass might be responsive to your suggestion that he refrain from renewing his fight against my confirmation. . . . You have already announced publicly your purpose to reappoint and designate me as Chairman—an announcement precipitated because a continuation of doubt as to my status and confirmation, in view of the Senator's hostility, seriously interfered with the discharge of important duties of the chairmanship prior to February 1. Presumably, the Senator will understand that if he were successful this time in encompassing my defeat, it could only be interpreted as a defeat for Administration policies with which I have been so closely identified in the public mind and, therefore, would be politically damaging. All this, of course, is wholly apart from personal considerations, and I shall not pretend that such a defeat would not be a great personal blow to me.

While I am certain that the Senator has been misled as to my banking relationships and is under misapprehension as to my economic views, I despair of finding a ground of reasonable reconciliation with him, and I am, therefore, convinced that the only appeal to be made to him is on the basis of his being willing, in deference to you and your Administration, to avoid an altogether unpleasant and, as it seems to me, needless and disruptive advertising of antagonism.

Perhaps, also, it would not be amiss to suggest to the Senator that if he is to have a voice in the selection of some members, it would be unreasonable for him to insist upon determining the entire membership against your own preferences, and that aside from the great difficulties encountered in obtaining the services of some of the outstanding men who have been sounded out, there has been, as the Senator doubtless knows, political pressure on behalf of job-hunters and second-raters who have been rejected.

The Senator might respond favorably to the view that in choosing a Board, you must consider all viewpoints and the country as a whole, rather than any individual preferences, however profound and sincere. It seems to me he would be interested to know, for example, that among the pressures there has been a considerable movement supported by the national farm organizations, on behalf of Congressman Goldsborough, among others, and that while you are desirous of deferring so far as possible to the Senator's views, he should be considerate as well of your own viewpoint and the difficulties and pressures under which you labor in connection with all these appointments.

Roosevelt talked to Glass along the lines I suggested in this memorandum. And he heard in reply a long recitation of alleged financial shenanigans in which my various companies were involved. The same questions Glass had asked me at the time I was first confirmed were repeated by him in the form of charges. These were communicated to me by Roosevelt and I faced the necessity of answering him. I did so in a memorandum sent to the President on January 11:

I do not have a single dollar of indebtedness directly or indirectly with any bank or broker, or any affiliation of any bank or broker. I

have never been connected with a bank failure, and no depositor has ever lost a dollar in any bank with which I have been connected in any capacity. No bank has ever lost a dollar as a result of credit extended to any company in which I have been active as an officer or director. All of the companies with which I was actively connected, owing any money to any of the banks with which I was formerly connected, can get such credit as they may be using at this time anywhere in the market on the basis of their financial standing due to the desirability of the credit.

That put an end to that.

But there was still the problem of getting Roosevelt to make an official announcement of the new Board members. According to the new banking law, they had to take office on February 1, 1936. Roosevelt in the meantime was busy with the State of the Union and budget messages and had no time to give close attention to the twenty-four names of possible candidates I had culled from many sources. By the third week in January my impatience for a final decision on the composition of the new Board overrode any interest in the State of the Union or the budget. Though I was in command of a small sector of the government front, it became the whole battleline in my mind. I wanted action on it, and Roosevelt himself seemed to be dawdling.

At last I put a call through to Marvin McIntyre. "Mac," I said, "we are reaching the deadline for the composition of the new Board of Governors. They've got to be appointed and confirmed quickly, so as to be on hand when the new law takes effect. But the President has done nothing further on this. I simply must see him and get him moving."

McIntyre replied that the only time Roosevelt had free was the coming Saturday afternoon. I was to come to the Executive Mansion at two thirty in the afternoon, when two hours would be set aside and the whole matter of the new appointments could be disposed of.

On that Saturday, and promptly at half past two, I called at the White House and was told to go upstairs, where the President would receive me. I followed the directions and took the elevator up to the first floor and stepped out into the elevator hall leading into the large hall. The sound of music greeted me; I looked about and saw the President seated before a radio in the large hall. His mother, Grace Tully, and Missy LeHand were with him. The President looked up. Then, in sign language, he called me forward, pointed to the seat I was to take, then put his finger to his lips indicating that I was to be very quiet.

I had come to him brimming over with banking matters, but it turned out instead that I was his very unwilling guest at the opera. The radio was tuned to the Metropolitan's performance of one of Wagner's works. Had I been the Bishop of Berlin in my young missionary days, like my good friend Lawrence Clayton, I might have acquired a taste for Wagner. Instead, I had spent those days in Glasgow. Moreover, my indifference to Wagner turned into deep resentment that his notes interfered with an immediate and direct consideration of American banking.

At various intervals in the hour and a half that I sat there listening to the radio I muttered to myself: "Well, there goes the time Roosevelt set aside to save the Reserve System." Once or twice I wanted to speak up and say that I had not been advised that my appointment had been changed into an invitation to listen to grand opera. But no convenient opportunity arose to do this. Having gestured to me to sit down and be quiet, Roosevelt listened intently to the music and seemed unaware that anyone else was in the room.

When the first act was over and the unctuous voice of Milton Cross announced that somebody or other was now out in front of the curtain taking the bows, Roosevelt applauded with gusto. At last, I thought, we would get down to cases in the intermis-

sion. There *was* talk, but not by me and not about the Banking Act and the appointments that simply had to be made. The talk was by Roosevelt, about his great love of Wagner.

It took him the whole of the intermission to explain how he had acquired that love. He explained in painstaking and (to me) painful detail—and with smiles cast in the direction of his mother—that when he was a boy he went with his father and mother to Europe almost every summer. They were, he said, great devotees of the opera, and whenever they went to one, they took him along and forced him against his will to sit quietly through the performance. This happened season after season. Like any person exposed sufficiently to the same impulse, he in this way learned to know something about opera. Moreover, he had learned the German language, and that gave him an added key to each Wagnerian performance. The result was that he had acquired a great love for Wagner and, to sum up, that was why he was sitting there on that Saturday afternoon listening to Wagner's music.

My impulse was to tell him that he was neither my father nor my mother, though he made me sit quietly through the performance; that this was Washington, D.C., in the year 1936, and not Baden-Baden in the year 1890; that I didn't know a word of German and, for that matter, didn't know the words of any song except the Mormon hymn "Come, come, ye saints"; that my taste in music never advanced beyond the bagpipes that used to be played in my father's home, though my father liked to hear "Sugar King" Havermeyer play the violin; that regardless of how much I was exposed to Wagner, thanks to the President's kind efforts, I doubted whether the treatment would take. Or, to sum up, with the utmost respect and affection, I'd be damned glad if he'd be quiet just long enough for me to ask him whether he'd made up his mind whom he wanted to appoint to the Board of Governors. But the impulse never translated itself into a spoken word. And so the opera continued through two more acts.

After what seemed like an eternity the President at last said with a sigh: "Well, I guess we had better get to work."

I also sighed—but with relief. We went into his study to go over the list of prospective appointments. There was one young member of the old Board whom I wanted to see reappointed. He was M. S. Szymczak of Chicago, for whose character and talents I had acquired a great respect. Roosevelt assented and Szymczak has served with distinction on the Board of Governors to this very day.

At one stage in the conversation on that Saturday afternoon I said: "By the way, Mr. President, I think you should know that a few days ago Vice President Garner called me. He has a man he wants placed on the new Board and wants me to support him. His name is Ralph Morrison. I've looked into his record and he's not a man I consider qualified to be on the Board. Nevertheless, I thought you'd want to know of the Vice President's interest."

"You're absolutely right in not wanting him," Roosevelt replied. "Don't pay any attention to what Garner wants you to do. I know Morrison. He's no choice of mine."

The second act of this particular story came a week later when I had another appointment with Roosevelt regarding the composition of the new Board. I had no sooner been ushered into his office than he looked up at me and said sheepishly: "Marriner, do you know what happened awhile ago? The Vice President came in here speaking on behalf of Morrison. You know what he said to me? He said: 'I've never asked a personal favor of you, but I'm going to ask my first one of you right now. I want you to appoint Morrison to the new Board of Governors, as a personal favor to me.'"

"You know," Roosevelt continued, "that was not the first favor he's ever asked. He's asked plenty of them before, and he's been given plenty of them. But, Marriner, what would you do if you were in my position and the Vice President asked you for a personal favor?"

"I'd do exactly what you are going to do," I said.

"What's that?" Roosevelt asked.

"I'd appoint Morrison as a Governor."

Roosevelt smiled gratefully, but said nothing more. Ralph W. Morrison was ultimately appointed, though the same newspapers that were later to build Garner up as the savior of the country laced into Roosevelt for having made this "purely political appointment to pay back a campaign contribution."

(Two months after Morrison was confirmed, he left suddenly for Mexico. There were unpleasant rumors about his business affairs.)

It was on the occasion of this same session with the President, one week after the Wagnerian broadcast, that Glass dropped in for a final conference on the composition of the new Board. No appointment had been scheduled for him and Roosevelt seemed to be taken by surprise when he was told that Glass was sitting in the waiting-room.

It didn't take much acumen to grasp how Glass might react if he found me with Roosevelt. The President said to me very hastily: "Marriner, I'd better not keep him waiting; you slip into that room over there and talk to Grace Tully and Missy LeHand while I see the Senator."

I quickly vanished in the direction he had indicated.

The President's secretaries kept some toys on hand against the time his grandchildren called at the White House. I found myself fumbling with those toys while next door the climax to a national effort that had begun some fifteen months before was being reached. I thought: "How ludicrous this whole thing is! After all the gall and bitterness and hot charges and counter-charges, the man in there, who has fought me tooth and nail, and whom I fought with equal intensity, is finally agreeing to what I want, not knowing I am a few feet away from him. Here I am, forced to hide from him at this critical moment, and spending that moment instead playing with toys."

But in due course this curious predicament was brought to an end. A buzzer rang and, as prearranged, I came out at its sound.

Roosevelt greeted me by pointing first to the entrance of his office and then to the room from which I had just emerged. "Marriner," he said, "you're just like a jack-in-the-box. You come in here and you pop out there." Which seemed to me to sum up fifteen months of effort.

Soon afterward Roosevelt sent to the Senate the six names on which he and Glass had agreed. They were those of John K. McKee, Ronald Ransom, Joseph Broderick, M. S. Szymczak, Ralph Morrison, and myself. The seventh member of the Board of Governors, who was to represent farm interests, was not selected at this time. The delay was due to a great controversy over who that member should be. I urged Roosevelt to defer the appointment until we could find a man who would be satisfactory to us. Fortunately, he agreed, because a few months later Chester Davis, who at the time was the head of AAA, became available for membership on the Board of Governors. This proved to be an excellent appointment and Davis served for the next five years with distinction. Despite my apprehensions, which continued down to the last moment, all the nominees were confirmed by the Senate without hearings and without a record vote.

One of the last official acts of the outgoing Board was to let the contract for the construction of the new Federal Reserve Board Building in Washington, now one of the city's most beautiful public structures and the winner for its architect, Paul P. Cret, of a first prize at the Pan American Congress of Architects in Rio de Janeiro in 1940.

There remained one last ritualistic act to be performed. It was a letter I sent to Glass on February 6, 1936. It read:

In view of the public response generally and the many letters and telegrams received from prominent men in all parts of the country, reflecting a favorable opinion of the new Board of Governors of the

Federal Reserve System, I cannot refrain from writing you this note to express appreciation of all that you have done in helping to bring about this gratifying result, which is so eminently satisfactory not only from the standpoint of the banking and business community, but from that of the Administration as well.

I should like very much to have an opportunity to discuss with you and have the benefit of your advice with reference to one or two matters of immediate importance to the Board and to the System.

Now, after fifteen years, I keep wondering whether the tensions that existed between Glass and me were not due in part to the fact that we had so much in common. We were both proud men. We were both convinced of our personal honor. We were both incapable of suppressing our convictions. At almost identical periods in our lives we had both plunged headlong into a fight against the banking crowd, to wrest the powers they held over the nation's money mechanism and to return those powers to Washington. We both found deep satisfaction in service to a particular President. We both liked to create mechanisms of one or another sort. And ironically, apart from the difference in our ages, some said we even looked somewhat alike.

I have in my possession a photograph taken at the time a bas-relief of Carter Glass was unveiled in the new Federal Reserve Building. The photo shows Glass and me in profile, looking up at the bas-relief, and with a startling effect. We seem to be father and son, which perhaps accounts for our troubles, and for the further fact that all the foregoing pages represent a transposition to my day of the story Glass wrote about the establishment of the Federal Reserve System in 1913.