

February 28, 1928

MEMORANDUM

To: The President

From: William O. Douglas

Re: Financial Problems of Small Business

In my memorandum to you dated January 29, 1928, I suggested the desirability of setting up a system of industrial banks to service the capital requirements of legitimate small business.

Recently I have had occasion to discuss the general idea with John H. Fahey of Home Owners Loan Corporation. I found that his mind had been working along substantially the same lines as mine, on the basis of his experience under Home Owners Loan Corporation and of his knowledge of the needs of small business in New England.

I wanted you to know of Mr. Fahey's interest and my feeling that he would be of value in working out the details of the idea should you want to explore it further.