



TREASURY DEPARTMENT

WASHINGTON

March 23, 1935.

Mr. Marriner S. Eccles, Governor,
Federal Reserve Board,
Washington Building,
Washington, D. C.

Dear Sir:

The following communications received in the Treasury
are referred to your office for acknowledgment and con-
sideration:

Attila Cox
Kentucky Home Life Building,
Louisville, Kentucky
(March 14, 1935)

Criticism is made of statements made before the House
Banking Committee.

Very truly yours,

Herbert E. Gaston

Herbert E. Gaston,
Assistant to the Secretary.

Enclosures.

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ATTILLA COX
KENTUCKY HOME LIFE BLDG.
LOUISVILLE, KY.

March
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1935

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RESPECTFULLY REFERRED
FOR THE BOARD OF GOVERNORS
AND CONSIDERATION
D. W. McHenry
Secy. to B.

My dear Sir:-

That a prominent official of our Government should make the statements attributed to Mr. Marriner S. Eccles, Governor of the Federal Reserve Board, in his testimony before the House Banking Committee recently is appalling, even to the faithful. Notwithstanding the fact that Mr. Eccles said he spoke only for himself, this example of destructive radicalism in high places will inevitably be construed as the policy of the Administration. The House Committee called him in his official capacity.

Unless we accept Communism and all that it implies, men must have the opportunity to earn a living and to enjoy the fruits of their labor. Industry furnishes that opportunity but it can only exist if there is someone willing to supply the capital with which to operate. The unemployment problem is difficult enough as it is but the problem will inevitably increase as rapidly as capital is withdrawn from industry.

Mr. Eccles' argument that private incomes be taken by the Government is, apparently, not that the Government needs the money. It is rather, that it must be surrendered to the Government in order to prevent its going into industry to the end that there may not be over production. In other words, in this country, industry must be curtailed while other countries go forward industrially.

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Operating capital comes from income as well as from unemployed capital and if you destroy or curtail industry you reduce or wipe out income. There is no substantial difference between Senator Long's proposal to re-distribute capital and Mr. Eccles' plan to appropriate incomes. Senator Long would accomplish his purpose at a single stroke. Mr. Eccles' program would take a little longer as incomes will gradually diminish as industry is crippled.

Incentive to invest will be destroyed and industry will be able, no longer, to look to the private investor. It can only look, for capital to the Government. The inevitable result is that the Government will not only be engaged in business in which the public may be said to have an interest but in many other kinds of business. Uncle Sam has a man's job as it is.

Many who have been fearful of what they have called a tendency toward radicalism in the Administration have, within the last few weeks, been somewhat reassured. Mr. Eccles' pronouncement, however, can only have the effect of renewing their apprehensions and nothing we loyal spirits can say can relieve their anxiety,

In all seriousness I feel that the policy recommended in an American newspaper cartoon, which has been copied in England, sounds the proper note. A copy is attached.

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I have never before attached enough importance to my own views to inflict them upon a President of the United States but the consequences of such a statement as that made by Mr. Eccles are, in my opinion, so serious that even an obscure citizen may justly be heard to protest.

Very respectfully,
William A. Rorer

Hon. Franklin D. Roosevelt,
President of the United States,
White House,
Washington, D. C.

4-5-34

This article is protected by copyright and has been removed.

The citation for the original is:

Louisville Courier-Journal, "Eccles Would Level Incomes: Redistribution of Wealth Seen as Method of Forestalling Depression," March 6, 1935.

An editorial cartoon under copyright protection has also been removed.

The citation for the original is:

Patton, Jack. "Try a Little Tenderness." *Dallas Journal*, 1935.

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March 27, 1935.

Mr. Attila Cox,
Kentucky Home Life Building,
Louisville, Kentucky.

Dear Sir:

Your letter of March 14, addressed to the President, has been referred to this office for acknowledgment and reply.

Your letter contains various comments respecting the testimony of Governor Eccles before the House Committee on Banking and Currency. While it is not to be expected that Governor Eccles' ideas will find approval in every quarter, it may well be that your estimate of his economic philosophy is based upon meager press reports which you will admit are frequently incomplete and sometimes inaccurate. It is suggested, therefore, that if you are sufficiently interested in the matter, a request be made of your Congressman for a verbatim copy of the testimony in question. Meanwhile, in order that you may be more familiar with Governor Eccles' general ideas on the proper function of the Federal Reserve Board with reference to financial policy, I am enclosing herewith a copy of the Governor's address given before the Ohio Bankers' Association on February 12 last. If you feel the matter sufficiently interesting, I would be pleased to have any additional comments from you.

Yours sincerely,

(Signed) Lawrence Clayton

Lawrence Clayton,
Assistant to the Governor.

LC/lem
Enclosure.

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