

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date June 2, 1937.To Chairman EcclesSubject: TaxesFrom Lauchlin Currie*LC*

I had a very good interview with Secretary Wallace. He agrees completely that more taxes are necessary and said he thought a counter-offensive ought to be started. I made it clear to him that you did not favor increased expenditures now, and he said that was his view. He wants only a small grant to start the farm tenancy program in an experimental fashion. He said he would be glad to cooperate in any way possible.

I then saw White, of the Treasury, who is going to write a memorandum on the subject for the Secretary. I talked to Elliott when you were away and it was his view that it would be most desirable, if possible, to have any specific tax proposals come from the Treasury.

Finally, I was appointed to a sub-committee on taxation of the National Resources Committee, which expects to prepare a brief report on the matter for the Advisory Committee.

I feel now that the chances are brighter for getting in some desirable changes under the heading of evasions and loopholes. A substantial amount of additional revenue can be obtained without imposing any new taxes or increasing the stated rates.