

COPY

R. S. HECHT  
Business and Financial Consultant  
Hibernia Bank Building  
New Orleans 12, U.S.A.

March 6th, 1946.

Dear Martha:

Pardon me for not returning to you the attached file on the subject of the British loan. I wish I could make some helpful suggestions to you but you really have such a clear and complete understanding of the problem that there is little I could add.

There is no doubt that England will always be a keen competitor of ours in world trade but she is also our best customer and without a strong British Empire to stand with us the world will not be very safe for democracy!

Far from being a gift I look upon the granting of this loan as an act of intelligent self-interest on our part and that opinion is undoubtedly shared by an overwhelming percentage of our business leaders.

I hope you will keep up the good work in supporting those who favor making the loan.

Cordially,

(signed) Rudolf S. Hecht.

LOUISIANA LEAGUE OF WOMEN VOTERS

26 Audubon Place,  
New Orleans 15, La.

March 14, 1946.

Hon Allen J. Ellender,  
Senate Office Building,  
Washington, D. C.

My dear Senator Ellender:

In answer to your letter of February 23, 1946, and the statistics that you quoted in your speech before Congress, all that you say of our national debt is true, but this is an internal debt, not a foreign debt. We owe this money to ourselves, not to other nations. If we keep up a high level of production with a consequent high level of employment; if we can sell our manufactured goods and our surplus farm products abroad; in other words, if we can maintain a high national income, we do not have to worry about our internal debt; it will take care of itself. I'm no economist - don't take my word for this. Ask Marriner Eccles and see if he does not substantiate it. But if we cannot sell our manufactured goods and our surplus farm products, we will have manufacturers and farmers going broke and thousands of unemployed. Then we will have to worry a great deal about our internal debt, because we will be in another depression. The only way we can avoid a falling national income is by an expanded world trade. The only way we can expand our world trade is to have trade barriers done away with.

Britain and her Dominions control trade in about one-third of the world's area. Under the terms of the proposed British Loan, Britain agrees to abandon Empire preference, modify cartel practices, and relax control of dollars in the nations of the sterling bloc.

I submitted the excerpt from the record you sent me to an authority on international finance. This is what he says;

"I do not see what real bearing the Senator's <sup>arguments</sup> ~~agreements~~ have on the question of the advisability of making the loan to Britain. To be sure our debt is extremely heavy but it is not hurtful to our economy because it is almost exclusively a domestic debt.

"The proposed credit to Britain is no gift. It will add no burden to the American taxpayer. It will pay interest, except under most unusual conditions. It will stabilize currencies and stimulate international trade. It will promote American foreign trade, create more jobs and augment our income. It will not really take money out of this country but will stimulate American exports to many markets which are and will remain closed to us as the buyers in the so-called 'Sterling area' can only get goods in England because they have no 'dollars' but only 'sterling'.

"It is important to our farmers as well as our manufacturers to keep the world's markets open for American goods because many times in the past the approximate 10% of our production which went for export has meant the difference between prosperity and depression in this country. While at the moment we can sell here at home practically everything we make, this condition will not last for all time.

"It is definitely good business for us to make the proposed loan."

Senator Allen J. Ellender

March 14, 1946.

You wouldn't consider a banker very astute if his vaults were full of money and he did not lend it out at interest to finance the production of more real wealth. Economists consider world prosperity indivisible. If we, the great Creditor nation, to whom all countries owe money, are to expect debt payment, we will have to keep these countries going concerns so they can export to us the goods for which alone they can obtain dollar credits to pay us.

I think the figures you have compiled and presented to the Senate very interesting, but I contend, Sir, that you are arguing from a false premise. You conclude that because we have a large per capita internal debt, we must not venture any money as loans to other nations whom your figures would prove have smaller per capita national debts. But your figures do not specify as to whether these national debts are internal or foreign. We know our debt is internal. As most nations are indebted to us to greater or less extent, it would be logical to conclude that a considerable part of their debt is foreign and owed to us. The question resolves itself into whether or not we will help them to pay us; into whether we would not be wiser to risk some money to make more. I am afraid you are not seeing the forests for the trees.

I do not suppose that any argument I advance will convince you but I do appreciate your being willing to give consideration to my views and the courtesy you have shown me. This whole thing is bigger than dollars and cents. Senator Ellender, it is a gamble for the continuation of our civilization which another war will destroy. I not only advocate this loan to Britain in our own interest, but I think it would be to our interest to help France and Russia, if it is essential to recovery of their economic well being, over and above the aid which they can secure from the International Bank and Fund provided for in the Britton Woods Agreements.

As I write to you, I have in mind those lines from Luke 12:48 - "For unto whomsoever much is given, of him shall be much required." Much has been given us, Senator Ellender, much is required of us. Not as you say in closing your remarks before the Senate, for "the United States Government to let the world at large know that we are no longer playing Santa Claus," but to let the world know that we will assume our responsibility for moral leadership and will try to play Savior.

Sincerely,

Martha G. Robinson,  
President.

# LOUISIANA LEAGUE OF WOMEN VOTERS



Affiliated with the  
National League of Women Voters

26 Audubon Place  
New Orleans 15, La.

March 14, 1946.

Members of the Louisiana Congressional Delegation.

My dear Congressman:

The members of the Louisiana League of Women Voters would appreciate hearing from you as to your stand on the proposed British Loan. The League of Women Voters is advocating this loan as part of the program for expanded world trade.

I enclose copy of a letter sent me by Mr. R. S. Hecht whom I consulted in this matter to make sure that my understanding was based on sound economics. Mr. Hecht is a recognized authority on international finance and I feel sure you will appreciate the soundness of his views. I also enclose copy of a letter I am sending Senator Ellender with whom I have had an extended correspondence on the subject.

Trusting that I will hear from you shortly, and asking that you give this matter most serious consideration, I am

Sincerely,

Martha G. Robinson,  
President,  
Louisiana League of Women Voters.

Encls.

# LOUISIANA LEAGUE OF WOMEN VOTERS



Affiliated with the  
National League of Women Voters

26 Audubon Place  
New Orleans 15, La.

March 28, 1946.

Hon. Marriner Eccles, Director,  
Federal Reserve Bank,  
Washington, D. C.

My dear Mr. Eccles:

I am taking the liberty of sending you copy of a letter sent to the Louisiana Congressional delegation, enclosing copy of a letter from R. S. Hecht on the matter of the British Loan. I used your name in writing to Senator Ellender.

I heard you speak to the American Association of Bankers here in New Orleans when we were just emerging from the depression, and I will never forget the impression of ability and sincerity that you made upon me. I wish you could advance some argument that would make the Junior Senator from Louisiana see the errors of his economic thinking.

Sincerely,

Martha G. Robinson,  
President,  
Louisiana League of Women Voters.

Encl.



April 1, 1946.

Miss Martha G. Robinson,  
President, Louisiana League  
of Women Voters,  
26 Audubon Place,  
New Orleans 15, Louisiana.

Dear Miss Robinson:

On behalf of Chairman Eccles who is out of the city for a few days, I wish to acknowledge your letter of March 28 enclosing copies of letters to members of the Louisiana Congressional delegation and to Senator Ellender, as well as one from Mr. Hecht.

I know Mr. Eccles will be interested to see this correspondence and will appreciate your courtesy in sending it to him. It should be helpful in accomplishing this very necessary purpose.

Sincerely yours,

Elliott Thurston,  
Assistant to the Chairman.

ET:b

April 4, 1946.

Miss Martha G. Robinson,  
President,  
Louisiana League of Women Voters,  
26 Audubon Place,  
New Orleans 15, Louisiana.

Dear Miss Robinson:

On my return from a short visit in the West, I found your letter of March 28 in regard to the British loan. It occurred to me that you might be interested in seeing a copy of a memorandum which I sent to Senator Murdock on the same speech by Senator Ellender to which you rightly took exception. Accordingly, I am enclosing a copy of the memorandum.

I appreciated seeing the letters you sent to members of the Louisiana Congressional delegation and to Senator Ellender, and also the one from Mr. Hecht.

May I add that I am gratified that you have such kindly memories of the speech I gave at the ABA Convention in New Orleans a decade ago.

Sincerely yours,

M. S. Eccles,  
Chairman.

Enclosure

ET:b  


# LOUISIANA LEAGUE OF WOMEN VOTERS



Affiliated with the  
National League of Women Voters

26 Audubon Place  
New Orleans 15, La.

April 19, 1946.

Mr. Marriner S. Eccles, Chairman,  
Board of Governors, Federal Reserve System,  
Washington, D. C.

My dear Mr. Eccles:

I thank you greatly for your letter of April 4th, enclosing a copy of the memorandum which you sent to Senator Murdock, and which I hope was published in the Congressional Record. I will try to give these figures as wide publicity as possible.

Sincerely,

Martha G. Robinson,  
President.

RECEIVED  
FEDERAL RESERVE BANK OF ST. LOUIS  
APR 20 1946  
OFFICE OF THE  
TREASURER