

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON

JEROME N. FRANK
COMMISSIONER

April 21, 1939

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

Chairman:
Dear Chairman Eccles:

Personal

As you are no doubt aware, the Temporary National Economic Committee has directed this Commission to prepare certain studies dealing with the problem of capital formation and public financing. The Commission's Investment Banking Section will shortly present these data in public hearings before the Committee. Our first witness will be Professor Alvin Hansen of Harvard University with whose recent work "Full Recovery or Stagnation" you are familiar. Dr. Hansen will present the thesis that we are today confronted with a matured economy and there are no longer available to us the same areas for capital investment which accompanied the industrialization of the American continent (and a large part of the rest of the world) during the 19th and early 20th centuries. He will also discuss the serious implications of our approaching stationary population which, when coupled with the fact that capital replacement today occupies a large part of gross investment, is directly affecting the avenues available for new capital outlays. Hansen will also present the need for developing new financial mechanisms for expanding capital investment.

In connection with Hansen's testimony, we should like to avail ourselves of the technical knowledge of Mr. Lauchlin Currie to supply certain factual data which will lend additional support to various aspects of the Hansen testimony. Mr. Currie is the one economist in Washington who is equipped to furnish the Committee with this essential factual material. We should all of us, who are concerned with the work of the Committee, deem it a distinct privilege to have Mr. Currie appear before the Committee.

In addition to Professor Hansen, we shall be calling, among others, upon the following witnesses: Professor Donald Davenport of the Harvard Business School; Mr. Henry Dennison, President, Dennison Manufacturing Company; Mr. Edward Stettinius; Mr. Owen D. Young as well as other outstanding representatives of the business and financial world.

Discussed with Mr. Frank by telephone on April 27
and at luncheon on May 3.

Honorable Marriner S. Eccles
April 21, 1939

I should be more than delighted if you could spare a few moments and let me go over with you our whole program; I am certain that you will have some valuable suggestions for us.

With kindest regards.

Sincerely yours,


Jerome N. Frank
Commissioner