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United States Senate

COMMITTEE ON
IRRIGATION AND RECLAMATION

ARTHUR SARTAIN, CLERK

October 19, 1939

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

Dear Marriner:

A month or so ago, Hugh Russell Fraser sent me a copy of his new book, "Democracy in the Making." It is an excellent work and he has received extremely favorable comments from the reviewers.

While reading it, I came across parts of a letter from Professor Nathaniel Beverley Tucker to President Tyler, written in 1841. Apparently, Professor Tucker was one of the ablest students of his day and a close advisor of President Tyler. It occurred to me that this letter, written so long ago, contained at least the germs of your theory of compensatory spending, even at the expense of deficit financing. At any rate, it is a good letter.

Mr. Fraser was kind enough to send me a copy of the letter in its entirety, and also another letter from the Professor which he thought interesting. I am sending these to you, and, if you have time to read them, you might find them of some interest.

I would like to keep these letters permanently, so, sometime after you finish with them, I would appreciate their return.

With kindest personal regards,

Sincerely yours,


D. WORTH CLARK

DWC:ap

October 25, 1939.

Dear Worth:

Thank you for your letter of October 19 and for the copies of Professor Nathaniel Beverley Tucker's letters to President John Tyler, which, as you noted, are particularly interesting to me.

The case he mentions with reference to Missouri is especially striking and accords with my own general viewpoint. Of course, my own views as to compensatory functioning by the Government in its fiscal and monetary policies are by no means new. I am not optimistic enough to hope that they have gained any greater acceptance today than in the past, and I gather from Professor Tucker's letters that the whole subject was befogged by politics, superstition and ignorance in those days just as it is now.

It occurred to me that you might be interested in glancing over Lord Macaulay's discussion of the public debt problem in England a century ago. Very likely the learned Professor Tucker was familiar with Macaulay. Anyway, I am enclosing an extract from his "History of England". I have referred to it a number of times in the past when there has been an outcry about Government expenditures ruining the country and putting intolerable burdens upon posterity. It is quite in line with Professor Tucker's viewpoint.

I am also returning herewith the copies of the Professor's letters in accordance with your request.

With best regards,

Sincerely yours,

Honorable D. Worth Clark,
United States Senate,
Washington, D. C.

enclosures

WJ:b