

Chairman
XXXXXX

November 20, 1935.

Mr. Lyman Hyde, Manager,
Stoddard Lumber Company,
Ogden, Utah.

Dear Lyman:

I thought you might be interested in reading the authentic report made by the Association's reporter of the address which I made last week before the American Bankers Association at New Orleans, in view of some of the garbled accounts carried and the wrong impressions given by the press. I did not prepare a written speech, but spoke from some notes which I wrote after I got to New Orleans and had read and listened to the reactionary and trite addresses of some of the previous speakers.

I got a much more favorable response from the bankers assembled than the press would indicate or than I had expected.

With kind regards,

Sincerely yours,

enclosure

MSE:VE:b

Same letter sent to: Mr. Wm. T. Nardin, Mr. S. P. Harter, Mr. James Grant, Mr. L. S. Corey, Mr. H. A. Benning, Mr. Robert H. Hinckley, Mr. Horace Havermeyer, Mr. S. J. Quinney, Mr. W. W. Anderson and Mr. Stephen L. Richards, Mr. P. L. Mulcahy, Mr. Barnaby Conrad, Mr. Wilson McCarthy.

Chairman
~~xxxxxx~~

November 20, 1935.

My dear Mr. Fahey:

In view of the interpretation placed by certain sections of the press upon my remarks before the American Bankers Association in New Orleans last week, I thought you might be interested in having a copy of just what was said, as taken down by the Association's reporter. I am, therefore, enclosing a copy with the hope that you may find time to read it.

I did not prepare a written address, but talked from some notes which I made after I got to New Orleans.

Sincerely yours,

M. S. Eccles,
Chairman.

Honorable John H. Fahey, Chairman,
Home Loan Bank Board,
Washington, D. C.

enclosure

The above letter sent to Mr. Preston Delano, Governor Myers, Mr. Oliphant, Mr. Coolidge, Secretary Wallace and Mr. Hopkins, ~~Mr. Tugwell~~, MSE:VB:b Attorney ~~General~~ Cummings.

Sent to: Senators LaFollette, Harrison, Robinson of Arkansas, and McNary.

Chairman
XXXXXX

November 21, 1935.

My dear Senator:

Last week I spoke before the American Bankers Association at New Orleans and I am sending you herewith a copy of what I said, as taken down by the Association's reporters. I thought that you might care to have a copy of just what was said, inasmuch as the speech, which was given from notes and not from a prepared manuscript, undertook to deal in a fairly comprehensive way with subjects in which I know you are much interested, and some of the reference to it in the press may, I feel, have given a misleading impression. I am, therefore, taking the liberty of sending stenographic copies to a few of my friends who might wish to see it.

Sincerely yours,

M. S. Eccles,
Chairman.

Honorable Charles L. McNary,
United States Senate,
Washington, D. C.

enclosure
ET:b

Chairman
xxxxxx

November 21, 1935.

My dear Senator:

Last week I spoke before the American Bankers Association at New Orleans and I am sending you herewith a copy of what I said, as taken down by the Association's reporters. I thought that you might care to have a copy of just what was said, inasmuch as the speech, which was given from notes and not from a prepared manuscript, undertook to deal in a fairly comprehensive way with subjects in which I know you are much interested, and some of the references to it in the press may, I feel, have given a misleading impression. I am, therefore, taking the liberty of sending stenographic copies to a few of my friends who might wish to see it.

I have encouraging reports of your recovery and, needless to say, that is very cheering news to those of us here who, like myself, have had and count on having the benefit of your advice and counsel.

Sincerely yours,

M. S. Eccles,
Chairman.

Honorable James Couzens,
Arizona-Biltmore,
Phoenix, Arizona.

enclosure

Chairman
XXXXXX

November 21, 1935.

Mr. Allan Smith,
Attorney at Law,
Baker, Oregon.

Dear Allen:

I thought you might be interested in reading the authentic report made by the Association's reporter of the address which I made last week before the American Bankers Association at New Orleans, in view of some of the garbled accounts carried and the wrong impressions given by the press. I did not prepare a written speech, but spoke from some notes which I wrote after I got to New Orleans and had read and listened to the reactionary and trite addresses of some of the previous speakers.

I got a much more favorable response from the bankers assembled than the press would indicate or than I had expected.

You might let Joe and Guy Hill read the speech if they are interested.

With kind regards,

Sincerely yours,

enclosure

MSE:VE:b

Chairman
~~xxxxxx~~

November 22, 1935.

My dear Mr. President:

Enclosed are the copies which you requested of the speeches delivered before the American Bankers Association convention by Harper Sibley, president of the Chamber of Commerce of the United States, Lewis H. Brown, president of Johns-Manville Corporation, and Orval W. Adams who was elected second vice president of the American Bankers Association and who, as you will note, proposed that the bankers should "declare an embargo" against Government bonds. I have marked various paragraphs in which I think you might be interested.

If you have an opportunity to read these speeches, I hope you will also find time to read the one which I gave at the closing session. I am enclosing a finally revised copy of my speech as taken down by the convention's reporter. My speech was given from notes rather than from a prepared manuscript and I felt that it was imperative for me to make it in the nature of a reply, following such violently critical speeches as had gone before. I therefore sought, speaking extemporaneously, to meet as forcefully as possible, the important issues which had been raised, while at the same time maintaining the impartiality which is expected from those who speak for the Federal Reserve System.

While most of the bankers appeared to have an extremely hostile attitude towards the Government and I had serious misgivings about the reception which would be accorded anything I might say, I was more than surprised and pleased by the

favorable response evoked by my speech. From this response and from similar ones from smaller groups to which I spoke off the record during the summer, I am strongly of the opinion that the general presentation which I undertook at each instance and as embodied in the enclosed speech, provides a rather comprehensive survey and rationalization of Government action in an effective way with bankers, business men and others who have been looking at fragments of the picture rather than at the whole perspective. And I have had a good many hostile bankers and business men tell me that this has given them a better understanding and a far greater confidence than they had previously in the broad significance of what has been and is being done.

Respectfully yours,

M. S. Eccles,
Chairman.

The Honorable,
The President of the United States,
Washington, D. C.

enclosures
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Chairman
XXXXXX

Sent to all members of both Committees,
with the exception of those members to
whom letters had previously been sent.

November 22, 1935.

My dear Senator:

Enclosed is a stenographic transcript
of the speech which I delivered last week before
the American Bankers Association at New Orleans. I
am taking the liberty of sending it to members of
the Banking and Currency Committees of the Senate
and House because of their interest in the subjects
discussed.

Sincerely yours,

M. S. Eccles,
Chairman.

Honorable Carter Glass,
United States Senate,
Washington, D. C.

enclosure
ET:b

Sent to Attorney General Cummings; Senators Byrns, Wagner, and Fletcher; and Congressmen Steagall and Goldsborough.

Chairman
XXXXXX

November 22, 1935.

Dear Rex:

Last week I spoke before the American Bankers Association at New Orleans and I am sending you herewith a copy of what I said, as taken down by the Association's reporters. I thought that you might care to have a copy of just what was said, inasmuch as the speech, which was given from notes and not from a prepared manuscript, undertook to deal in a fairly comprehensive way with subjects in which I know you are much interested, and some of the references to it in the press may, I feel, have given a misleading impression. I am, therefore, taking the liberty of sending stenographic copies to a few of my friends who might wish to see it.

Sincerely yours,

M. S. Eccles,
Chairman.

Honorable Rexford G. Tugwell,
Assistant Secretary of Agriculture,
Washington, D. C.

enclosure

Chairman
xxxxxx

November 23, 1935.

Mr. Charles Michelson,
Director of Publicity,
Democratic National Committee,
National Press Building,
Washington, D. C.

Dear Charlie:

Steve Early yesterday asked Chairman Eccles to send you, and I am therefore enclosing, copies of the speech he gave to the American Bankers Association convention at New Orleans. Steve thinks, and so do I, that it is a remarkable, comprehensive survey of the government's broad action in turning the tide of deflation and restoring stock, bond, real estate and all other values by so many billions of dollars that the cost of intervention — and the net cost is but three billion dollars — is insignificant. This was the last speech given to the convention and followed a series of more or less violent attacks upon the government. Mr. Eccles sought, of course, to maintain the impartiality expected of spokesmen for the Federal Reserve System. In other words, this was not intended to be a political speech, but an appraisal by banker and business man of the broad meaning and factual tangible results of government intervention to bring about general recovery.

I have not yet seen anywhere any such effort to survey the entire picture. The effect, in my opinion, is highly reassuring, particularly in the face of the pumped-up hysteria about the government spending and deficit, and the superficial talk about "balancing the budget" and "restoring confidence".

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A huge audience of bankers, manifestly extremely hostile, listened with the most careful attentiveness to this speech, and many afterward said that it gave them an entirely different and altogether reassuring estimate of what was being done and what has already been accomplished. Steve thought you should have this for your own "satanic" purposes.

I wish that I could have an opportunity to spend an evening with you and will do so any time that you appoint.

Faithfully,

Elliott Thurston,
Special Assistant
to the Chairman.

enclosures

ET:b

Chairman
~~xxxxxxxxxx~~

November 28, 1935.

My dear Mr. Secretary:

I am transmitting for your information a copy of a statement which I gave to the press yesterday and which I think will be of interest to you, dealing with excess reserves and the powers of the Federal Reserve System with respect to the stock market or other inflationary movements.

I hope you may find time to read it, since it undertakes to allay some of the public uneasiness which has been stirred up by overemphasis or wrong emphasis on current conditions, with resultant criticism directed at the System or the Government for not intervening.

Respectfully yours,

M. S. Eccles,
Chairman.

The Honorable
The Secretary of the Treasury,
Washington.

enclosure

Chairman
XXXXXX

November 23, 1935.

My dear Mr. Delano:

Last week I spoke before the American Bankers Association at New Orleans and I am sending you herewith a copy of what I said, as taken down by the Association's reporters. I thought that you might care to have a copy of just what was said, inasmuch as the speech, which was given from notes and not from a prepared manuscript, undertook to deal in a fairly comprehensive way with subjects in which I know you are much interested, and some of the references to it in the press may, I feel, have given a misleading impression. I am, therefore, taking the liberty of sending stenographic copies to a few of my friends who might wish to see it.

Sincerely yours,

M. S. Eccles,
Chairman.

Honorable Frederic A. Delano,
Washington, D. C.

enclosure

Chairman
XXXXXX

November 25, 1935.

Mr. Frank Hogan,
Attorney at Law,
Colorado Building,
Washington, D. C.

Dear Frank:

Because of your cheering interest and enthusiasm about the speech that Chairman Eccles gave before the American Bankers Association, I am sending you a copy as finally revised and mimeographed here from the stenographic transcript taken down by the convention's reporter.

I wish you would apply your justly celebrated intellect to this reasoning and if you can detect any flaws in it, we would like to know about them without delay. As you know, my idea is that if this so-called capitalistic system is to be rescued from the cranks and demagogues, those who have won through to the top, like yourself, must take the trouble to ponder the problems and the possible solutions.

Bill Lewis once referred to the bankers just before the holiday as "God's frozen people". He alluded to their assets, but sometimes I think he might have included their minds, speaking of them as a class. Anyway, I know that your mind is far from frozen. Hence, your opinions on the enclosed subject matter are solicited as no mere polite gesture, but for real value.

Faithfully,

Elliott Thurston,
Special Assistant
to the Chairman.

Chairman
XXXXXX

November 25, 1935.

My dear Mr. Coolidge:

I am enclosing for your information a copy of the statement I gave to the press on Friday. I thought in view of the wrong interpretation placed upon it by the New York Times headlines - although most of the papers, including the Herald Tribune and Wall Street Journal presented it accurately and fairly - that you might wish to have at hand the actual text which, I think you will agree, is a factual statement of the case from the Board's standpoint.

Sincerely yours,

M. S. Eccles,
Chairman.

Honorable T. J. Coolidge,
Under Secretary of the Treasury,
Washington, D. C.

enclosure