

ROBERT LATHAM OWEN
Counsellor at Law
2400 SIXTEENTH STREET
WASHINGTON, D. C.

May 28, 1940.

Board of Governors,
Federal Reserve System,
Washington, D. C.

Gentlemen:

May I have a copy of the speech of Chairman Eccles
before the Economic Club of New York on May 9th.

Very truly yours,



Robert L. Owen.

*Sent
5-29-40
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UNIVERSITY OF MINNESOTA
SCHOOL OF BUSINESS ADMINISTRATION
MINNEAPOLIS

October 29, 1940

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

Dear Mr. Eccles:

I wonder if you would send me a copy of your address entitled "Unemployment--What Shall We Do About It?" delivered before the Economic Club in New York City May 9, 1940.

A colleague loaned me this speech but I would like to have one for my own use, because it contains some very important ideas.

One item bothers me a little. On page 15 you speak of the necessity of raising the buying power of the mass of our people. I wonder if this is not slightly a case of putting the cart before the horse. That is, I wonder if the problem is not one of low productivity and therefore low wages. If you merely raise wages you thereby also raise costs and this may not achieve the goal intended. I wonder if you have any further comment on this matter.

Yours very sincerely,


Emerson F. Schmidt

EPS DM

November 1, 1940.

Mr. Emerson P. Schmidt,
School of Business Administration,
University of Minnesota,
Minneapolis, Minnesota.

Dear Mr. Schmidt:

In accordance with the request in your letter of October 29, I take pleasure in enclosing a copy of my address before The Economic Club of New York on May 9, 1940.

With regard to your question about the discussion on page 15, it is evident, I think, that when nearly sixty per cent of families in this country have incomes of \$1,250.00 a year or less--and the average, of course, is far under the maximum of \$1,250.00--the incomes of this tremendous group must be increased by one means or another to bring up the purchasing power of the mass of our people. If that is not done through the process of private investment which creates jobs, then there is no alternative except to have the Government, through its tax powers, effect a better distribution of currently produced national income.

My contention has been all along that everything should be done to encourage the maximum of investment and employment in private activity, but that the Government must insure employment to all those willing and able to work who cannot find jobs in private enterprise, employing them in socially useful public works that are not competitive with private industry. It has been conclusively demonstrated in the past six years and is being demonstrated again in connection with the defense program today that this Government activity increases purchasing power, increases national income, and hence, tax revenues, and not only sustains existing investment but opens the way for new investment. In addition, of course, we should have adequate old-age pensions and provision for those who are unable to work--again as a means of sustaining purchasing power.

All this, it seems to me, is aside from the question you raise of wage rates. I agree, of course, that if you merely raise wages ahead of production, you increase costs and there is no gain in net purchasing power in the country. The problems of uneconomic wage levels and hours, of bottle-necks and other factors that restrict production have to be dealt with separately. My own general views with regard to wages and production were set forth in a statement I issued in March 1937, copy of which I am also enclosing.

Sincerely yours,

M. S. Eccles,
Chairman.

enclosures

COUNCIL ON FOREIGN RELATIONS, INC.

45 EAST 65TH STREET NEW YORK CITY

May 10, 1940.

Board of Governors,
Federal Reserve System,
Constitution Avenue,
Washington, D.C.

Gentlemen:

I would like to receive, if agreeable,
two copies of Governor Eccles' speech on May 8th
or 9th, given before the Economic Club of New
York City.

Would you please mail these to me at
the above address.

Very truly yours,



Arthur R. Upgren
Prof. Econ. at Minnesota
(on leave)

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Sent 5/15/40
Hed

Theodore Prince
44 Wall Street
New York

Financial Consultant

May 17, 1940

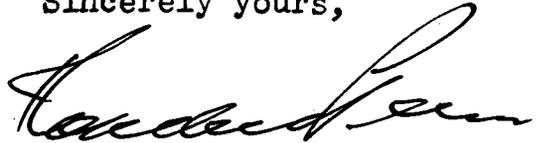
Hon. Marriner S. Eccles, Chairman
Board of Governors of the Federal Reserve System
Washington, D. C.

My dear Mr. Eccles:

I have done considerable work on the question of unemployment and have drawn up a plan by which I think a measure of stability of employment, through a definite system between labor and industry, could be set up.

Could I, therefore, ask you for a copy of your speech before the Economic Club. I should like to read it and study it.

Sincerely yours,



TP:MD

*Sent 5/18/40
meb*