

filed Chicago -

Marshfield, Wisconsin.
March 4, 1939.

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

Dear Sir:-

Recently in a speech before an audience of Chicago business men, you said that the economic affairs of the United States had become so confused that you were not sure that they could be straightened out under the traditional democratic system of government. You said that our form of government was set up on the basis of a different world than that in which we find ourselves to-day - that in those days it was not a world of which a large proportion was ruled on the principle of the totalitarian state. You also expressed your opinion that the United States could not return to prosperity by saving, but could only hope to return to prosperity by spending.

We come to the conclusion that you are right; the economic ills of the United States cannot be cured so long as the type of democratic government that he represents continues in power. One of the reasons that you and your kind will be unable to bring about a return of prosperity in this country is that you are either unable or unwilling to recognize facts and either unable or unwilling to recognize the fundamental laws of economics.

You would consider brushing aside our whole form of government for the reason that Europe had no totalitarian states when our constitution was adopted. Perhaps there was no Fascist party and no Nazi party at the time, but if we remember our history book France was then under the last of the Bourbons, absolute autocrats; Russia, Prussia and Austria were absolute monarchies; the rest of Germany was governed by a disunited group of autocratic kings; practically all of continental Europe was under the control of tyrannical despotisms, very little different, so far as we can discover, from the totalitarian and authoritarian governments of the present time. If we assume that conditions in Europe have any bearing upon the fitness of our form of government, then, since those conditions have today returned to where they were in Washington's time, our American form of government is just as necessary for our protection as ever.

Your "spend yourself into prosperity" program, likewise, is evidence of an absolute refusal to recognize those old tried-and-tested economic laws, which no form of government has yet been able to repeal. No business and no government ever lasted long on the theory of spending more than it made.

National prosperity can never return until you and I and all the other individuals, corporations, municipalities and states in this country, as well as the Federal government itself, each gets our house set in order and lives within our income. That is the sound common sense economic theory that you refuse to recognize. Spending ourselves into prosperity is akin to lifting ourselves by our bootstraps, and until we learn that nothing can be accomplished in that manner, we cannot progress out of our depression.

We are afraid that both in his history and in his economics Mr. Eccles fails to recognize the facts as they are. Our need is not for new governmental machinery, but public officers with sound economic viewpoints who are determined to make the American form of government successful.

The writer recently saw a check (vote buying money) of \$235.00 to a well-to-do farmer, and before long this money was converted into Travelers Checks, and his family is now in Florida, at our expense.

However, the country will probably stand it till the 1940 election, when we will make a start at replacing incompetent managers in our government.

Two copies of this letter are sent along. Please distribute a copy to the President, and another to Mr. Morgenthau.

Yours very truly,

