

University of North Carolina  
Chapel Hill, N.C.

October 15, 1948

Mr. Marriner S. Eccles,  
Member, Board of Governors,  
The Federal Reserve System,  
Washington, D. C.

Dear Mr. Eccles:

I wonder if you would be kind enough to write me a short note explaining what you had in mind when you said at Chapel Hill: "I am in favor of spending what is necessary for a short-term program of offense that will risk war in order to secure peace."

As a journalism "follow-up" it is my task to clear up whether you had in mind an ultimatum to Russia, a 'preventive war'-- or what.

You led many to believe that you considered some drastic action necessary on our part when you quoted the atomic scientists.

This is purely a journalism school matter, and no part of your reply will be published.

Sincerely yours,

*Norris G. Grubbs*

Norris G. Grubbs

210 Henderson St.,  
Chapel Hill, N. C.

October 19, 1948.

Mr. Norris G. Grubbs,  
210 Henderson Street,  
Chapel Hill, North Carolina.

Dear Mr. Grubbs:

In reply to your letter of October 15, I have nothing further to add to what I said. What I had in mind was an ultimatum to Russia even at the risk of war, somewhat along the line of Mr. Churchill's suggestions which I quoted.

I am enclosing a copy of the quotations from Mr. Churchill's speech.

Sincerely yours,

M. S. Eccles.

Enclosure

MSE  
VE

# Carolina Political Union

## *University of North Carolina*

CHAPEL HILL

PRES. FRANK GRAHAM, *Adm. Adviser*  
E. J. WOODHOUSE, *Faculty Adviser*  
WILLIAM P. KEMP, JR., *Former Chairman*

HERBERT E. ALEXANDER, *Chairman*

JAMES F. SOUTHERLAND, *Vice-Chairman*  
RICHARD L. SIMPSON, *Secretary*  
ERWIN M. DANZIGER, *Treasurer*

October 18, 1948

Mr. Marriner Eccles  
Member, Board of Governors  
Federal Reserve System  
Washington, D.C.

Dear Mr. Eccles:

I want to thank you, Sir, on behalf of the Carolina Political Union, and those students who were interested enough to come to your speech, for coming to Chapel Hill and speaking as frankly as you did. It was a cold, hard blow for some of us to realize that conditions are not quite so rosey as we would like to believe. The truth very often hurts - and in this case it did. But I feel that it is necessary for someone to stimulate some thought on our current problems, and that you certainly did. All the comment I have heard on your speech was favorable. Not one person has called you a "warmonger" or has said that you were creating "war hysteria." I am sure that you did not leave that impression because of your candidness and your sincerity.

I agree with you that after the election is over, our foreign policy will take a firmer stand - perhaps we will have no recourse but to send Russia an ultimatum, which is what I feel you implied. At any rate, I personally have been stimulated by your thoughts expressed here last week. It is indeed a shame that this country does not have more courageous leaders of similar integrity. Perhaps a Republican Administration will afford us better leadership, but I rather doubt it.

I am sorry that you did not have more time to spend in Chapel Hill. I would have liked to show you more of the campus. But I do want you to know that you are always welcome here, and if you ever happen to be passing through here, or you wish to speak here again, simply let us know and we will be honored to see you, and to sponsor you.

I would appreciate it if you would send me some of your material on inflation, gathered from testimony in Congress and from speeches.

Wishing you continued success in your fight against the

forces of political expediency and reaction, and hoping that some attention will be paid to those voices which show insight into the problems facing our democracy, I remain,

Sincerely yours,



Herbert E. Alexander  
Chairman

Herbert E. Alexander, Chairman  
Carolina Political Union  
Graham Memorial  
Chapel Hill, N.C.

October 25, 1948.

Dear Mr. Alexander:

I wish to thank you for your letter of October 18 with its comments on my recent address before your group. I always like to know what the general reaction has been to my speeches, and, of course, it is gratifying to learn the response was favorable.

I am pleased to enclose herewith copies of my testimony before the Senate and House Banking and Currency Committees on inflation, and also my statements before the Joint Committee on the Economic Report on November 25, 1947 and April 13, 1948.

It was a real pleasure to address the friendly and attentive audience of the Carolina Forum, and I greatly appreciate the many courtesies shown to me during my stay in Chapel Hill.

Sincerely yours,

M. S. Eccles

Mr. Herbert E. Alexander, Chairman,  
Carolina Political Union,  
Graham Memorial,  
Chapel Hill, N. C.

Enclosures 4

VLE:ra

Box 4758  
Duke University  
Durham, North Carolina  
Wednesday, October 27, 1948

Mr. Marriner Eccles  
Vice Chairman, Board Of Governors  
Federal Reserve Board  
Washington, D.C.

Dear Sir:

In connection with my law studies in money and banking here at the Duke University School of Law I am in the process of preparing a paper on the subject of Inflation in the Post War Period. I take the liberty to call on your office for information as to possible recent sources of material.

I plan to concentrate on the matter of consumer credit, how it is effected by Regulation W, and whether or not the regulation should be strengthened as to its present scope. Finally, of course, how the regulation of consumer credit could help control inflation.

Unfortunately, I missed your recent lecture in Chapel Hill at the University, due to our getting late notice of your being there. Since your lecture was on the subject of Inflation, it would certainly be appreciated if I could get a copy of same, or copies of any of your lectures bearing on the matter. Others in my class who were fortunate enough to see you at Chapel Hill are most appreciative of your help tendered as to their particular papers.

Very truly yours,

*James A. Howard*  
James A. Howard

October 29, 1948.

Mr. James A. Howard,  
Box 4758,  
Duke University,  
Durham, North Carolina.

Dear Mr. Howard:

In Mr. Eccles' absence I wish to acknowledge your letter of October 27 to him.

Mr. Eccles' speech before the Carolina Forum, at Chapel Hill was an off the record one, and we, therefore, do not have any copies available for distribution.

However, I am enclosing herewith copies of Mr. Eccles' statements before the Joint Committee on the Economic Report on November 25, 1947, and April 13, 1948. Also enclosed are copies of his testimony before the Senate Banking and Currency Committee on July 29 and 30, and before the House Committee on August 3, 1948. I hope these will be of help to you with your studies.

Very truly yours,

Secretary to Mr. M. S. Eccles.

Enclosures 2.

P.S. I am also enclosing copy of Mr. Eccles' address before the Iowa Bankers Association which he made on October 27, 1948.

Box 4832, Duke Station  
Durham, North Carolina  
December 8, 1948

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

Dear Mr. Eccles:

We wish to express to you our sincere appreciation for all of your help to us in regard to our research paper concerning supervision and examination of banks. We particularly extend our thanks for the time which you took to discuss the subject with us during your recent visit to the University of North Carolina, for your lengthy letter to us in which you gave our problem you personal attention, and for the various materials which you enclosed.

We have completed our paper. It is not to be published, as it was written primarily in connection with a two semester hour course in banking, and our findings are more suited for our own enlightenment than for distribution under the guise of a study more profound than our paper purports to be.

In spite of a certain shallowness due to restriction in the time we had available to spend on the subject, we feel that we have received a great deal of benefit from our work. Our knowledge of banking supervision and examination and the policies behind such has increased many fold. And for a large part of this we owe you our thanks.

We are making much of the material we have gathered in connection with our study available to our Law Library, as we agree with you that it is highly desirable for more students to inform themselves on this subject.

Very truly yours,

*Louis C. Allen, Jr.*  
LOUIS C. ALLEN, JR.

*Charles F. Blanchard*  
CHARLES F. BLANCHARD  
*Samuel F. Gantt*  
SAMUEL F. GANTT