

STATEMENT FOR THE PRESS  
BY  
CHAIRMAN ECCLES OF THE BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

For immediate release

May 3, 1938

Entirely false reports are being made daily in the press and over the radio purporting to recount what took place between Mr. Ford and myself during the recent meeting with the President. Because of the persistence and propaganda nature of these reports, I can no longer permit them to go unchallenged.

These reports are uniformly false in indicating that Mr. Ford and I discussed and differed with reference to governmental or other policies. The truth is that I had no discussion whatsoever with Mr. Ford during the entire meeting with regard to deficit-financing, the automobile business, or other subjects referred to in these accounts, nor did he undertake to engage in any discussion with me in connection with these or, for that matter, any other subjects of government or business. The conference was a most informal and friendly affair, at which there was no discussion of a financial or economic nature relative to government affairs.

My own participation was confined to giving to Mr. Edsel Ford and to Mr. Cameron, after the meeting had concluded and while Mr. Henry Ford was inspecting some of the White House rooms, two quotations which I commended as being worthy, particularly at this time, of their consideration and that of other business and financial leaders. Contrary to published reports, I had prepared no memorandum whatever for this meeting.

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The two quotations to which I refer consisted of one from Macaulay's "History of England", Vol. IV, pages 261-264, illustrating the fallacious reasoning with regard to national debt that prevailed in England more than a century ago in connection with the British debt; the other, an extract from the volume, "Income and Economic Progress", pages 156-157, by Harold G. Moulton, published by the Brookings Institution, and dealing with the diversion of corporate surpluses to stock market and other speculation in the late twenties.

Except for some purely incidental conversation, that was the extent of my participation in the meeting.