



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

OFFICE OF THE CHAIRMAN

*Planned for
the Coes but never
delivered to him!
mlb*
12/17/42

MEMORANDUM:

TO - The President
FROM - Chairman Eccles

If you have not already decided to do so, I hope you will consider including in your annual message a brief announcement that you intend to send to the Congress, for its consideration, a summary report, to be implemented later on, outlining in as precise terms as possible the national economic policies that this Government should follow after the war.

An American version of the Beveridge Report is urgently needed as soon as possible after the new Congress convenes, around which liberal opinion in America can rally. It will help to arrest the reactionary drift evidenced in both major parties. It should produce a sharp division, compelling all hands to stand up and be counted. It will give reality to what we are fighting for and should exert a vast influence on public morale. OWI tests of popular opinion continue to reveal apprehension about the post-war period and the fear of more breadlines and destitution when war contracts are canceled. The Beveridge Report is a liberal document only in that it is an extension of British social services, but it has the great virtue of being specific enough so that the man on the street can understand exactly what he may expect to get in pounds and shillings if he is involuntarily idle, ill or superannuated.

Responsibility for preparation of this document should be assigned to a very small group which in turn could select those best qualified to do the necessary drafting. Much preliminary study has been given to many aspects of the over-all problem, for example, to urban rehabilitation and river development planning, but all this material has never been pulled together, and individual projects are not understandable unless seen against a broad background of national purpose and policy. Such a broad background needs to be spelled out in terms not merely of adequate social services, but also in terms of Government responsibility for creating and maintaining conditions of high national income and full employment, specifically by providing jobs on non-competitive public works when private enterprise fails to provide adequate employment. The relationship of domestic prosperity and international collaboration is a vital part of the picture. Reactionary forces, opposed to Government assumption of such responsibilities, will be forced to silence or the unenviable position of opposing such a program. Liberal forces can unite on the basic assumptions even if disagreeing on details.

Memorandum to the President - (2)

In accordance with your request made orally to me many months ago, the Reserve System has initiated a series of post-war studies, engaging Alvin Hansen of Harvard, among others, for this work. If Harry Hopkins and Judge Rosenman could give their supervision to it, Dr. Hansen could help organize such a document for you in collaboration with the Budget Director's staff, including in particular Gerhard Colm, and also the National Resources Committee with which Dr. Hansen has also been working in an advisory capacity. On presentation to Congress, it would, I am confident, be hailed as a new charter of liberalism for this country. It would give further reality and meaning to the Atlantic Charter. It would necessarily foreshadow the trend of American policy at the peace table. As the recognized leader of liberal democracy throughout the world, you alone can enunciate it.
