

Form F. R. 511

Mr. Thurston

TO

Dr. E. W. Edwards

FROM

REMARKS:

If you have a few spare moments (which, of course, you don't) you might glance at this — It looks like the usual array of generalities to me in rather plush language

It rates only a perfunctory approval
Chairman's Office



EXECUTIVE OFFICE OF THE PRESIDENT
NATIONAL RESOURCES PLANNING BOARD

WASHINGTON, D. C.

December 10, 1942

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

My dear Mr. Eccles:

Here is a document which I have prepared as a possible pamphlet in the Board's postwar series. I should deeply appreciate it if you would read it over and give me your reactions, verbally or in writing as you may prefer. You will see that it deals with a big problem. Please treat it as confidential.

Sincerely yours,



Ralph J. Watkins
Assistant Director

Attachment

December 23, 1942.

Mr. Ralph J. Watkins,
Assistant Director,
National Resources Planning Board,
Washington, D. C.

Dear Mr. Watkins:

As Mr. Eccles is making a hurried trip to Utah to spend Christmas with his family, he turned over to me your letter of December 10 together with the confidential draft of your proposed pamphlet on "The Framework of an Economy of Plenty". After reading it, I passed it along to Dr. Goldenweiser and his staff. Your statement of the general picture seems to us to be a correct one. Because of the heavy demands on the time of the economic staff these days, it is difficult to undertake any minute reading or criticism, but it seems to me that the document does not call for it.

My own feeling frankly is that what is needed to overcome opposition and prejudice, to say nothing of ignorance, is a simple explanation not merely of what can be accomplished in the way of full production and employment by a capitalistic democracy which is prepared to supplement private employment with public employment where and when necessary, but how it can be accomplished. I have had some correspondence, for instance, with Stuart Chase who has ably presented the potentialities without giving the working mechanisms of it, the financing, etc. In other words, what you continually encounter is the question, "How can we afford it?", or the statement that it all involves a continued rise in the public debt until the end is "bankruptcy". Seldom have I seen an understandable explanation of how the Government, through proper tax and fiscal policy, can contribute to the maintenance of full production and employment without constantly rising debt and, in fact, without creating an inflationary volume of money.

However, this is a booklet by itself and pamphlets such as yours help to lay the groundwork. I do feel strongly that the time is overripe for laying some of the ghosts of so-called orthodoxy that haunt this picture but can and should be banished.

Sincerely yours,

Elliott Thurston,
Special Assistant
to the Chairman.

ET:b

EXECUTIVE OFFICE OF THE PRESIDENT
NATIONAL RESOURCES PLANNING BOARD
WASHINGTON, D. C.

FEB 27 1943

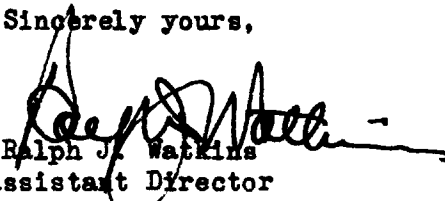
Mr. Elliott Thurston
Special Assistant to the Chairman
Board of Governors of the Federal Reserve System
Washington, D. C.

Dear Mr. Thurston:

I hope you will pardon me for this long delay in thanking you for your critical comments on that exhortatory document which I sent Mr. Eccles last December. Because of a loan assignment at the War Department, which had me on a night and day schedule for some weeks, and an extensive trip out of town, I have simply had to neglect my correspondence. Please be assured, however, of my high appreciation of your comments. They will be helpful to me.

Since I plan to make drastic revisions in this document and therefore do not want to have any copies of the present draft floating about, I shall appreciate it if you will return to me the copy I sent Mr. Eccles.

Sincerely yours,


Ralph J. Watkins
Assistant Director

March 1, 1943.

Mr. Ralph J. Watkins,
Assistant Director,
National Resources Planning Board,
Washington, D. C.

Dear Mr. Watkins:

In accordance with your letter of February 27, I am returning herewith the copy of your draft on "The Framework of an Economy of Plenty".

If you find time with all your added duties to revise it, I should be interested to see the finished product. I appreciate your comments on my letter to you of last December 23.

Sincerely yours,

Elliott Thurston,
Special Assistant
to the Chairman.

Enclosure

ET:b