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515 Madison Avenue
New York City

June 22, 1936.

His Excellency,
The President of the United States,
Washington, D. C.

My dear Mr. President:

I have requested Mr. McIntyre to permit me to bring to your attention a suggested plank for the Democratic Platform. It is as follows:

The Federal Reserve Board shall be empowered and equipped to regulate and coordinate the National flow of money to the end that there shall continuously be a sufficient flow of money to distribute at a profit the goods produced by agriculture and industry.

This plank is innocuous enough, I hope, to escape the disapprobation of such monetary "conservatives" as, for instance, Senator Glass, yet the word "coordinate" could be interpreted with a liberality that would exceed the demands of Father Coughlin.

You have been kind enough to display an interest in my suggestion for re-employment and recovery by means of "Inducement Loans for Increasing Commercial Production." Mr. Rosenblatt tells me that he informed you of the fact that this suggestion is the nucleus of a scientific analysis of the functioning of money in our modern capitalistic economy. This analysis will be approximately 50,000 words in length; it is nearing completion and will be published in September under the title of "In Defense of Capitalism."

I do not for a moment anticipate that you could find the time to read this book or that you would coincide 100 percent with my contentions. The recommendations it contains are quite generally contrary to the policies advocated by your economic advisers. The fundamental difference is that your advisers seek to increase the flow of money by public spending and taxation, thereby forcing recovery, whereas my plan is to induce recovery by subsidizing profits.

Mr. President, admiring as I do your understanding of human relationships, I feel confident that, if granted the opportunity, I could convince you that in the realm of monetary economics, just as in the realm of human relationships, "more flies can be caught with honey than with vinegar." It is for this reason that I respectfully urge you to include the above plank in your 1936 platform. Should my hopes of convincing you be fulfilled this plank would permit a strong campaign for private re-

employment and reduced taxation through monetary measures. On the other hand if you should decide against my recommendations nothing would have been lost.

I have been closely associated with Father Coughlin and have vainly endeavored to divert his efforts from attacks upon bankers and others to the fundamental defects in the economic system itself. May I point out, Mr. President, that inasmuch as the platform announced by Mr. Lemke is incorrectly based upon the principles I recommend, the advocacy on your part of the correct principles would be tantamount to your sailing to windward of the new "Union Party."

Respectfully,

(Signed) James Cromwell.