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April 29, 1935.

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Mr. Klair Klearsight,  
P. O. Box 131,  
Cincinnati, Ohio.

Dear Sir:

I have yours of April 17 in answer to my letter of April 12. As requested, I am sending under separate cover two copies of the Banking Bill of 1935 in the form in which finally reported out by the House Committee. I am also sending along two copies of Governor Eccles testimony given before the House Committee. You will note in his testimony some discussion of the question of business stability and the three instrumentalities for attaining it according to Governor Eccles' philosophy. These three factors are:

1. Taxation
2. Government spending
3. Monetary control to be exercised by
  - (a) Open market operations
  - (b) Changing the reserve requirements
  - (c) Control of rediscount rates.

Very truly yours,

(Signed) Lawrence Clayton

Lawrence Clayton,  
Assistant to the Governor.

LC/lcm

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