

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

## Office Correspondence

Date August 1, 1940To Chairman Eccles

Subject: \_\_\_\_\_

From Mr. Hansen

I regret that the manuscript by Mr. Paul, which you gave me the other day, got mixed up with other materials and I have neglected to write you about it.

There is really nothing I think that I would call attention to except the statements to which you referred orally, which appear on page 2, having reference to "Mortgage on Future Generations" and "Payments left to the Future".

As you intimated, it would certainly be well to call his attention to the fact that, in reality, no burden can be passed on to future generations as such, since the whole problem is merely a transfer problem.

By the way, it is an interesting fact that in the World War economists were continually calling attention to the fallacy that the cost of the war could be passed on to future generations, making correctly the familiar transfer analysis with respect thereto.

Strangely enough, economists have failed to see that precisely the same is true of expenditures made to fight the depression. Some time it would be a good idea publicly to call the attention of the economists to this strange inconsistency.

*ASH*