

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date February 6, 1939.

To Chairman Eccles

Subject: Letter from Professor

From Lauchlin Currie

Hansen

I think you will be interested in the attached letter from Hansen.

Harvard University
Graduate School of Public Administration

232 Littauer Center
Cambridge, Massachusetts

2 February 1939

Dr. Lauchlin Currie,
Federal Reserve Board,
Washington, D. C.

Dear Lauchlin:

Many thanks for your comments on my Presidential address. With respect to the President on the budget, I should prefer to make a much fuller statement than is possible in a letter, which I hope to have the occasion to do sometime later.

The Treasury conference last week I think was none too successful. At any rate everyone, (except Riefler who thinks we need the additional savings to make our country more productive. He is for full Reserve Plan.), has agreed that the big reserve should go, but there is less agreement with respect to upping the tax rates in 1940. In fact of the outsiders who were present Viner, Riefler, Brown and Mrs. Burns all favored upping the tax rates despite all the arguments which I tried to make. I have a feeling that, unless new shifts occur with respect to employer and employee sentiment, the President will support the increase in the tax rates. From the standpoint of his past connection with the present act I can see that from a practical viewpoint this is much the easiest thing for him to do.

Very sincerely yours,

(Signed) Alvin H. Hansen