

WELLESLEY COLLEGE
WELLESLEY, MASSACHUSETTS

DEPARTMENT OF
ECONOMICS AND SOCIOLOGY

December 26, 1938

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

My dear Mr. Eccles:

The better part of thirty years ago, when you were in short pants and I was a young professor at Columbia, we threw a grand party in New York and got together all the bankers in the country (largely at our expense, needless to say) to "educate" them to the necessity for some kind of centralized banking institution. I sort of gave out hat-checks to the boys, so I got well acquainted with all the thirty or forty thousand we had around for several days. I discovered that there were two of them- and just two, as far as ~~if~~ I could make out- who had the remotest idea what banking is all about, anyway. They are both dead, unhappily- Paul Warburg and Barton Hepburn. Now, by an odd coincidence, I happen to hold here the professorship named for the latter, one of the few bankers, dead or alive, with whose name any intelligent person would allow himself to be associated, in my judgment. Well, when you first hove in sight down in Washington and began opening your mouth I shouted for joy and went around among my friends pointing out to them that the number of intelligent bankers visible on the American continent had just been increased in infinite ratio.

This letter has just one purpose, to tell you how you have enlarged and deepened my joy by your reply to Senator Byrd. It's one of the most valuable Christmas presents the American people could have, and God rest you merry, gentleman, for making it, even if we do have to do a little ^{violence} to the old song in making the wish. Of course you can't educate Byrd, even if he wanted to learn anything, which he does n't. I know, because I once tried the job in a similar case. A very handsome cigar-store Indian stood near to my father's grain elevator in our Illinois village back in the nineties. I spent all my spare time for eighteen months trying to teach him something, but he could n't learn a thing. Then I discovered that his head was made of wood, so I gave up, advising him to move to Virginia and run for the Senate, but he would n't even do that. I'm sorry, because he would have raised the level of Virginia intelligence in the Senate so markedly if he could only be there in place of the junior Senator.

Seriously, your letter is, in my judgment, an extremely valuable document, admirable alike in content and temper, and will contribute materially to the process of understanding that must go forward if we are to get rid of the financial superstitions that are preventing us from making and distributing goods, and living accordingly. To ~~have~~ have somebody sitting in the banking seats of the mighty who understands something of the nature of debt, and who understands that banking is a means to the production of goods, and that production is a means to living- it's just too good to be true. There ain't no such animal.

Very truly yours,

J.R. Mussey

Will you have half a dozen copies of your letter sent to me? Right good for student.

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Federal Reserve Bank of St. Louis

January 3, 1939.

Mr. H. R. Mussey,
Department of Economics
and Sociology,
Wellesley College,
Wellesley, Massachusetts.

Dear Mr. Mussey:

Of all the large volume of letters precipitated by my recent letter to Senator Byrd, none has amused me or pleased me more than yours.

While I have little hope that any large number of our population at this stage of evolution can be made to understand the nature of debt and that banking is a means to production of goods and thus to a means of living, I did feel that the stimulation of controversy might be worthwhile. However, it is refreshing and reassuring to hear from those like yourself who have comprehension.

In accordance with your request I am very glad to send under separate cover copies of the letter. I am also sending copies of the address I gave in New York which was the basis for Senator Byrd's broadside.

Sincerely yours,

M. S. Eccles,
Chairman.

ET:b