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E. H. Mish
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December 28, 1938.

Hon. M. S. Eccles, Chairman,
Federal Reserve Board,
Washington, D. C.

Sir:-

Believing that you really do believe in the improvement of the condition of all Americans, I cannot refrain from writing you about that letter you sent to Senator Byrd.

1 - Retrenchment, you say, and thorough-going economy proposals are "defeatist" and mean "retrogression"; that they would bring on another depression and jeopardize recovery. Can you by any stretch of the imagination prove these statements? And do you really believe them yourself?

2 - "It would not be good to have thrift unless it was also good to have some one who borrowed the savings", you say. How long would this last, if you were the ~~thrift~~ thrifty one, and the debts were never to be repaid?

3 - "Creation of debt to ~~stimulate~~ stimulate production is good", you say. Yes, but how little of the wasteful New Deal spending was ever even intended to be for such a noble purpose? How about the T. V. A.? the Bonneville Dam? and literally thousands of lesser projects, many of which were even refused by the local communities to whom they were offered?

4 - "Properly timed" spending, you mention. Do you mean the previous record of timing whereby spending has been substantially increased just prior to every important election, with especial emphasis and with out-of-all proportion amounts being allotted to those States wherein the results were deemed very doubtful for New Deal candidates?

5 - "That the last depression (I call it a Roosevelt Recession) was due to "a too sharp and rapid reduction" in Government spending in 1937.

Well, really don't you recall that no important election ever takes place in an "odd numbered" year? No votes to be influenced by largesse? Do you forget for the moment your New Deal basic ~~philosophy~~ philosophy? Have you forgotten, "We planned it that way"?

Has the great phrase, "A public office is a public trust", been so changed by the "virus" of personal glory in holding important public office that "mouthing" of words is supposed to answer every constructive argument suggested by a taxpayer?

CC - Senator Byrd.

Yours very truly,

E. H. Mish