

Petersburg, Va. Dec. 29th 1938.

Hon. M. S. Eccles, Chairman Federal Reserve Board,

Washington D.C.

Sir-;

While I am a private citizen and spend most of my thought on matters pertaining to dentistry, yet I think on finance and economics also. Was director of a bank for 19 years.

My financial code runs this way.

Every debt that is made has to be paid. Either by the debtor or by the creditor.

Every dollar that is spent has to be earned. Either before it is spent or afterwards.

A debt is a contract, usually expressed in terms of money. (but not necessarily so.)

A debt may be an investment, if the signer keeps his contract.

My grand Father's estate was largely invested in Confederate bonds.

In the recent 20's, some 12 or 15 millions of dollars of foreign bonds were sold in this country. Most of these have defaulted.

(Paid by the creditor, and this payment helped to bring on our financial crisis.)

Our State of Virginia, in the 1850's felt well off and sold \$50,000,000. of bonds and built roads, rail roads and a canal.

The Civil war came on and Va. losing one third of her territory, and nearly everything else she had, could not meet the interest payments on these bonds. Had to get a compromise on interest, and unload one third of principal on to West Va.

Australia tried the plan we seem to be following. You know what happened to Australia. She had to seek a compromise on interest. ###

She has Britton for a "Big Sister" too.

From the information I have acquired on finance and economics/ I am amazed at your criticism of Sen. Byrd, in the paper Dec. 26th.

You look upon him as defeatist. How strange? I look upon him as a prospective saviour of our country. And your program as a preparation for a major defeat.

If when involved in a large internal debt, we are forced into a Major war, we will not be able to sell bonds as we did in 1916-18.

We will be come a dictatorship from which it will be difficult to emerge.

Debts enslave people. Bonds in time, become "Bondage"

I regard Mr. Byrd as one of our great and sound leaders.

More power to him.

Very truly yours,

Wm Filcher
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