

Syracuse, N.Y. Jan. 18th, 1939.
648 South Warren St.

Mr. Marriner S. Eccles.
Federal Reserve System.
Washington D.C.

My Dear Mr. Eccles:

In my humble way, I wish to show my appreciation to the remarkable answer you have made in your letter in reply to Senator Byrd's address in Boston.

No doubt it is one of the greatest State papers ever written by a Government Official and should be read by every Citizen. I believe that after you again have answered Senator Byrd latest reply, they all should be printed together and be made available to every Citizen.

I have read your letter in the United States News, edited by David Lawrence, but it is a pity that it not could be published in all our daily papers. Of course you know as well as I do, that the American Press is closed to the Government and its supporters with very few exceptions. All they do at all times, is to snipe at a little part here and there, tear it apart and build up their straw men so they can knock them down.

You and Senator Byrd represent the two major schools of thought to day. You represent those whom want to spend whatever is necessary and maintain low commodity prices, which is logical. Senator Byrd represent those who want high prices and save, which is illogical.

The fact is, that unproductive savings, is really money taken out of circulation, makes for unemployment and more depression and therefore the Government must step in and by borrowing and taxing spend that much, by non self liquidating projects as has been taken out of circulation by all unproductive savings and other idle funds, to keep our consumption in balance with our production.

This is really no pump priming or Government investment, but simply re-balancing our National Purchasing Power which has been reduced by Our Citizens. Whatever is spend by the Government over that amount is Government investment.

As long as Our President has accepted your idea on spending and it is his wish and desire to obtain an 80 Billion Dollar National Yearly Income, I offer some suggestions to obtain this object. Massproduction, Overexpansion, Speculation and Unproductive Savings got us into the 1929 depression. Idle Savings and Funds have kept us in this depression for NINE YEARS.

In order to get out and stay out I suggest:
From now on, all of us, spend all of our income. Saving must stop at once. Spend.

All Idle Savings and Funds must be put back into circulation through commodity purchases and productive investments.

All those who can afford it and have the means should at once buy commodities they can use.

Consumers credit should be limited.

Government spending must go on until our people stop saving. Government spending must be primarily for non consumeable production.

Every Dollar saved and put with idle funds on

hand, is taking a Dollar out of circulation of our purchasing power and goods left on the shelves in stores and ware houses.

Interest payments on savings accounts should be suspended untill all idle funds are back into productive investments.

The maximum rate of interest that should be charged for Mortgages on Real Estate and Real Property should be 3% per annum.

The maximum rate of interest that should be charged by so called finance companies should be 1 percent per month on the unpaid balance or 6 Dollar per Hundred on the 12 Month payment plan.

All installment buying to be on seperate accounts or may be on one account, but in case of adverseties only that can be re posed or replevined that, which is not paid for in full.

Restrain stock market speculation by higher taxes on sales and transferres or larger margin requirements or both.

Stop selling short.

Reasonable profits have to be defined and at the same time prices will have to be adjusted and regulated voluntarily by business and industry or the Government must do so.

All taxes should be levied according to ability to pay, primarly on profits and income and the simplest method of collection and administration be adopted.

Any and all Government employes and officials should be taxed the same as any other person.

All debts, Public, Private or Corporate to be refinanced to the lowest rate of interest.

All idle funds could be used for the building of moderate priced homes on a massproduction scale, either for investment or sale to prospective home owners.

Business and Industry, where and whenever possible, to go on a FIFTY-FIFTY PROFIT SHARING BASIS. All workers and active officials beside their salaries or wages to get FIFTY PERCENT of the net profits and the stockholders the other FIFTY PERCENT.

All unvoluntary unemployed personsover 50 years old to be paid 30 Dollars per week if married, 15 Dollars per week if unmarried.

All persons over 65 years of age and the unemployeable whom have no visible means of support to get 60 Dollars per month. To remove the stigma of pauperism, they should have an exemption of 500 Dollars in life insurance and may own their home provided they live in it and do not derive any financial benefit from it.

All these suggestions need a lot of explination, but this is not the time nor place. One thing is certain, that they will help to find what we have been waiting for.

Sincerely yours,

Conrad J. Kitz

Conrad J. Kitz.

January 26, 1939

Mr. Conrad J. Kitzz
648 South Warren Street
Syracuse, New York

Dear Mr. Kitzz:

Mr. Eccles has asked me to acknowledge and thank you for your letter of January 18 commending him for his open letter of December 22 to Senator Byrd of Virginia.

Yours very truly,

Lawrence Clayton
Assistant to the Chairman

LC/fgf