

OTT-HEISKELL COMPANY

ESTABLISHED 1836.
INCORPORATED 1903.

WHOLESALE

W. F. KENNEDY
PRESIDENT

WHEELING, WEST VA.

May 3, 1939

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

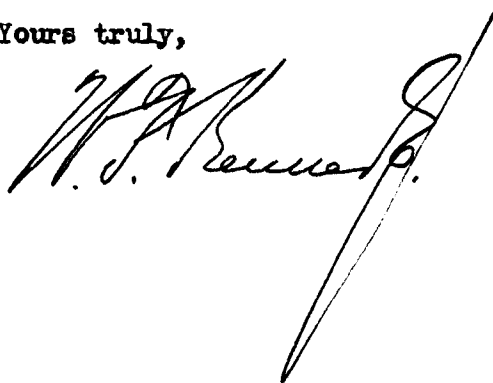
Good morning, Mr. Chairman:

I see by press accounts that Senator Byrd again pointed out yesterday just what nine years' deficits is bringing us to. Each passing year is making the burden heavier, not only for the present generation, but for my sons and my grandsons - the latter who soon will be struggling under a burdensome load, and yet our theorists at the helm are still insisting that they have the answer and the answer is more and heavier federal and public spending.

One wonders at times how long an overburdened, taxpaying public will remain patient under such leadership. To harmonize candidate Roosevelt's views of 1932 with President Roosevelt's actions of 1939 I for one find it extremely difficult to do. Candidate Roosevelt suggested that we economize and that the example be set by the President of the United States and his cabinet. President Roosevelt a few years later, when we are annually spending double what caused him concern, and when we have doubled the national debt in six or eight years, seems to be sold on the Eccles theory of debt being a blessing and spending a virtue.

Perhaps the trouble is that the individuals the length and breadth of the nation, who after all have the bill to pay, have been a little too long-suffering, have been too patient with the temporary leadership. It would seem to be high time for the man who is expected to pay the dollar to have a little more to say about how and when and for what it shall go.

Yours truly,



WFK:MN

File

Byrd Letter

OTT-HEISKELL COMPANY

ESTABLISHED 1836.
INCORPORATED 1903.

WHOLESALE

W. F. KENNEDY
PRESIDENT

WHEELING, WEST VA. February 20, 1939

Hon. Marriner S. Eccles
Federal Reserve Board
Washington, D. C.

Good morning to you;

It does seem as though public spending isn't restoring the business to anything like the degree that would result from a more healthy condition if private enterprise were doing the work. It is no answer, to my mind, to keep on saying that because Uncle Sam isn't spending more and more and going deeper and deeper into debt that business remains in the doldrums. This administration nor no other set of human beings will ever make over human nature. It can't be done by legislation. It can't be done by government. The small merchant just the same as the large operator remains hesitant about committing himself as business keeps limping and halting along.

I am aware of your public statements that 20 years of your life were spent in private enterprise and in banking. I don't know whether the suppliers of your required commodities when you were in business would continue to supply from year to year what you thought you would like to have if you never reached the point where you could pay for the goods you wanted. In banking I don't know whether you continued to make additional loans if the operating sheet of the borrower showed a continuing inability to operate at a profit or to break even.

On the other hand, we have the government. We will not say anything about the years previous to 1933 but from that time forward government has continuously gone deeper and deeper into debt despite the fact that the tax burden has been heavier, and heavier, and heavier on the taxpaying public. The tax gatherer gets his whether the worker or the investor wins or loses.

Well it is pretty tough to work from January 1 to December 31 and operate at a loss when the figures indicate that the amount paid for taxes alone would be a sizable and in many respects a satisfactory return to those investing their time and energy and resources and what limited ability they have to a calling.

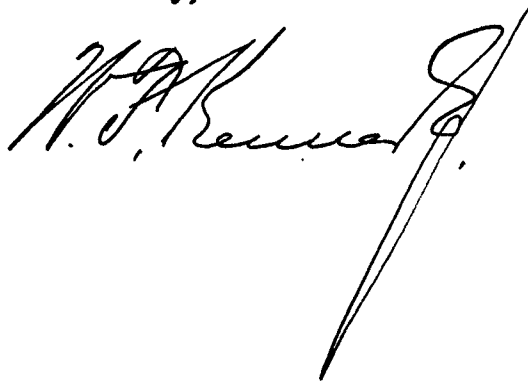
I am then just as honest in my views as you could possibly be in yours - in holding that the government is no different than a private individual. If it is obligatory on the private individual to live within his income, to make ends meet, to maintain his credit, why should it not be equally so for

Hon. Marriner S. Eccles

a group of private individuals known collectively as the government.

I hold to the view then that we are not operating on a proven plan that will eventually make success and happiness when we continue to spend more than we take in and when the public are called upon to supply the funds to meet the borrowing and the interest charges.

Most cordially,

A handwritten signature in cursive script, appearing to read "W. F. Kennard". The signature is written in dark ink and is positioned to the right of the typed name "W. F. Kennard".

WFK:MN

OTT-HEISKELL COMPANY

ESTABLISHED 1836.
INCORPORATED 1903.

WHOLESALE

W. F. KENNEDY
PRESIDENT

WHEELING, WEST VA. February 1, 1939

Mr. Lawrence Clayton
Board of Governors
Federal Reserve System
Washington, D. C.

Good morning, Mr. Clayton:

I was not privileged to hear Chairman Eccles' radio address of January 23 and appreciate very much your sending me the copy which I have read and re-read very carefully.

For myself I have been able to find nothing to make me change my own mind so I would have to be lined up with that element of society to which reference was made on page 3 of the address. It would seem that the Eccles' viewpoint was strongly opposed not only by Senator Byrd but by most of the press and by many of the bankers and the large business interests of the country today. This is what the Chairman of your Board says.

He goes on further to say that he can understand why many bankers and business men have this viewpoint for he did himself until about 1929. He then would have me believe that since he had a change of heart in 1929 that the rest of us should now have a change of heart. It is regrettable if Mr. Eccles is right that he was not able to prevail upon candidate Roosevelt in 1932 to accept the Eccles' views (which Eccles had held during the depression) because F.D.R. himself rode into power in 1932 partly, if not largely, because he told us that taxes were too high, that the debts were too great and that we were headed for the rocks.

I repeat it would have been better to have made that an issue in 1932 or even in 1936, than to stress it now. Of course I am aware that the chief new dealer has changed his mind on this spending business because within the past month in his message he has told us that it is not true that we are spending more than we should and that our taxes are not too high.

So just by way of keeping the records straight, I might suggest that along with Senator Byrd and like thinking members of the Congress, and with most of the press, many bankers, large business interests, that you would add small business interests and even F.D.R. (of 1932). I take small stock in the theory that government is different than the individual. I find rather cold comfort in the statement that as a nation we owe no more today than we did ten years ago, albeit it has been shifted from private to public debt.

Frankly, I can't be very enthusiastic after years of sacrifice and self-denial in a struggling attempt to set the individual's house in order to

Mr. Lawrence Clayton,

be told that I needn't worry because while our debt per capita is \$430.00 for every man, woman and child, that I as one of the number have \$430.00 due me. Who is going to pay me the \$430.00?

No, that isn't a very comforting thought. I am concerned over leaving to my sons, my grandsons and perhaps unborn generations the privilege of paying for debts that this generation has contracted. I am just old-fashioned enough to believe that each generation has had and will continue to have ample problems of its own to solve.

By what twist of the thinking apparatus I am led to conclude that their problems will be slight, while mine have been great, hence they will be glad to get under not only their own burdens but mine as well, I am unable to grasp or subscribe to the fairness of such a proposition.

Chairman Eccles acknowledges having spent twenty years in private enterprise in banking as well as in various business and agricultural enterprises and now occupies a public office. I never held public office, but have for 51 years struggled along in a modest, little private business. Until eight years ago Mr. Eccles probably felt like the rest of us, but what is there to make me believe that the Eccles' view of today is to be preferred to the Eccles' view prior to 1929 and what is there to make me accept his present views when after six long years of spending we find ourselves no better off so far as current affairs go, than we were when we embarked on this spending policy.

Surely if a thing doesn't work in six years is Mr. Eccles still going to hold, as does the President, that he is right? There is too much inconsistency in the policy and I rejoice that the representatives of the people have finally determined to have something to say about it, albeit the \$150,000,000 lopped off of a request is slight - must be very slight to you spenders who deal in such large figures.

Never having been a big business man we find that our business is made up of 25¢, 50¢, \$1.00 and modest transactions and our pay (if any) is slight when we make such transactions. This long since convinced me that it is one thing to spend a dollar, another thing to make it. Of course in Mr. Eccles' case he had the opportunity of business - to make or to lose. Would he in the early 20s still hold that he was right if month in and month out he turned up with a greater loss or a deeper shade of red? Well, if he would I don't suppose his sources of supply would have looked with favor on it and I don't suppose his associates would have warmly applauded his efforts.

As a house here we have struggled along for about 103 years. Fortunately we have been able to stay in the picture but I suspect one thing that has aided us to do so has been to pay our bills from day to day - bills to the manufacturers who supplied us with our wares as well as to pay modestly our associates and co-workers who labored with us. Had we failed to do either I question whether suppliers would have solicited business and I question whether our help would have remained on the job.

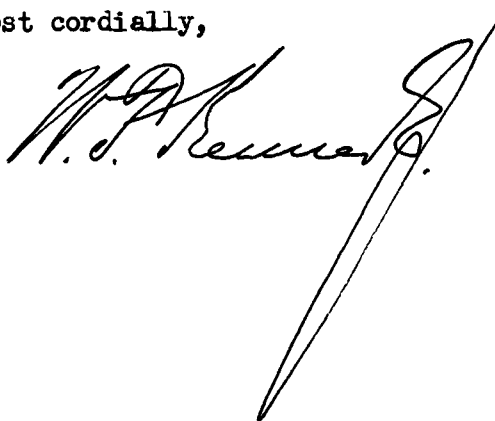
Mr. Lawrence Clayton,

No, it may be old-fashioned but we will endeavor to go the rest of the journey paying our own way in private life as long as it is possible, even though the governmental burden keeps getting heavier and heavier all the while.

In conclusion the reading of the address delivered by Chairman Eccles makes me cling more to the views so ably presented by Senator Byrd and I, for one, don't consider Senator Byrd any back number or any novice in the realm of government or public life. Thanks nonetheless for sending me copy of the address.

I doubt not that Mr. Eccles is as anxious for honest criticism as he is willing to present his views to the people who have the bill to pay. After all the customer usually has considerable to say relative to how his dollar shall be expended and it is still true that public office is a public trust.

Most cordially,

A handwritten signature in cursive script, appearing to read "W. F. Keenan". The signature is written in dark ink and is positioned to the right of the typed name. A long, thin, diagonal line extends downwards from the end of the signature.

WFK:MN

210, 2nd St. W.
Wheeling, W. Va.

OTT-HEISKELL COMPANY

ESTABLISHED 1836.
INCORPORATED 1903.

WHOLESALE

W. F. KENNEDY
PRESIDENT

WHEELING, WEST VA. January 20, 1939

Hon. Mariner S. Eccles
Federal Reserve Board
Washington, D. C.

Good morning, Mr. Chairman:

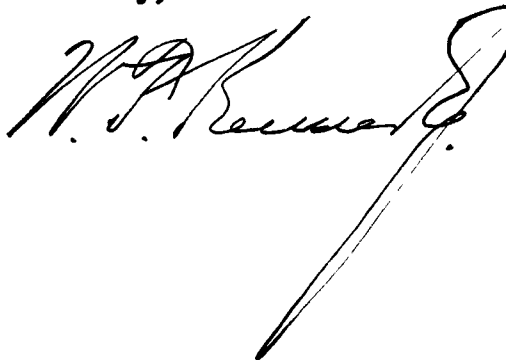
For a clear and understandable presentation of our whole spending program I am indebted to Senator Byrd.

I have only spent a little less than 51 years now in a business atmosphere but he seems to advocate what I was taught and what we continue to teach our younger associates today, and I am just old-fashioned enough to believe MacCaulay, Roosevelt Eccles, et al., notwithstanding - that the way to get along in life is to be honest and pay your debts, and if that's a wise policy for an individual, it certainly should not be unwise for government.

What is more a chosen and elected representative of the people answered about the way an appointed one should be addressed when he informed you that he was not aware - he did not know that Mariner S. Eccles and the government were one and the same.

Things have come to a pretty pass in a free country, it seems to me, when a duly accredited people's representative is addressed in the manner that you took upon yourself to answer Senator Byrd. When all is said and done I must repeat my personal feeling that Senator Byrd is right and of course since our temporary public servants are not immune from either criticism or taking counsel from other capable individuals his remarks were very much in order.

Yours truly,



WFK:MN

January 28, 1939

Mr. W. F. Kennedy, President,
Ott-Heiskell Company
Wheeling, West Virginia

Dear Mr. Kennedy:

Chairman Eccles has asked me to acknowledge and thank you for your letter of January 20, in which you comment on his views of the fiscal and monetary problems of the present day, as opposed to those of Senator Byrd. Since your letter was written, Mr. Eccles has given a radio address on the same general subject, and thinking that you might be interested in reading a copy of it, I am enclosing one for your perusal.

Yours very truly,

Lawrence Clayton
Assistant to the Chairman.

enclosure

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