

GEORGE H. ALLEN
Electrical Contractor

PHONE ~~■~~

Richmond,
WEST VIRGINIA
Jan 23/39

Mr. M. S. Eccles.

Chairman. Federal Reserve Board.

Washington, D.C. —

Dear Mr. Eccles —

I have just listened, with a great deal of interest, to your radio talk in answer to Senator Byrd —

While we in Virginia feel that Senator Byrd knows what he is talking about when he makes a public statement, that does not blind us to the appreciation and pleasure we get in hearing an answer from one as sincere and capable as you.

I do think though, that you picked a heck of an example to justify large government borrowing, when you used the World War as an analogy to prove your case. Practically every one now realizes that of all the foul things we as a nation are guilty of, our war experience takes the prize.

GEORGE H. ALLEN
Electrical Contractor

PHONE 81

~~FRASER ST. LOUIS~~

I am certain that the Federal Government cannot continue to remain on a glorious financial drunk much longer. Pay day will have to be reckoned with sooner or later.

The individual must return to those qualities of self-reliance and personal stamina which have ever been the foundation of American greatness and progress. America cannot remain a nation worthy to be called such, when every citizen has a wet nurse in Washington -

In conclusion, the soundness of your financial policies will be determined by the length of your stay in Washington. If they are sound, you will get disgusted with being in company of a bunch of socialized crack-pots and resign. If they are unsound, no doubt you will have an extended welcome.

With kind personal regards -

George H. Allen

3222 Cliff Ave

January 30, 1939

Mr. George H. Allen
3222 Cliff Avenue
Richmond, Virginia

Dear Mr. Allen:

Mr. Eccles has asked me to acknowledge and thank you for your letter of January 23 which he read with interest. It is noted that while you compliment Mr. Eccles for his answer to Senator Byrd you feel that in mentioning the World War as an example of our ability to spend for a national purpose, he did not make a happy selection. You feel this is so because "everyone now realizes that of all the fool things we as a nation are guilty of, our war experience takes the prize."

I think it fair to say that Mr. Eccles was not holding up the World War as an example of wise national decision, but rather as an example of the inherent ability of the government to carry out a national policy in the face of greater financial difficulties than we are facing today. In fact, the example is even more forceful from one standpoint. If the nation can successfully carry a tremendous burden for a wasteful purpose there would seem to be even more justification for its assuming a burden to improve the lot of our domestic population. Even with the allowances which must be made for the relative inefficiencies of WPA construction as against private construction, the spending does result in many tangible accomplishments which add to the social well-being of the country, such as improved highways, better schools, better water supply, better sanitation, better health facilities, better flood control and many other types of socially beneficial works. It is well also to remember that a great many of these things have a distinct commercial aspect also, such as improved highways.

Perhaps you will get a better idea of Mr. Eccles' philosophy respecting the functions of government as related to private investment and enterprise from the enclosed copy of his address before the New Jersey Bankers Association on May 13, 1938.

Yours very truly,

Lawrence Clayton
Assistant to the Chairman

enclosure

LC/fg