

Brooklyn, N. Y. Jan 29/39

Mr Maximer Eccles:—
Washington D. C.

Dear Sir:—

Your address of last night on the National Radio Forum must to appeal to every unbiased thinking person.

But I would like to express my viewpoint of the philosophy back of Government spending. The Government is simply taking in the form of taxation from the financier and manufacturer and handing over to the consumer what the manufacturer should hand over to the consumer in the first place. If capital and industry wishes to balance the budget and reduce taxation they should hire more workers and principally pay higher wages, taking less profit.

In order to produce there must be sufficient funds in the hands of the consumer to purchase the production.

This can only occur when there is a proper balance between the percentage of new wealth produced retained as profit and that handed out as wages.

Industry still insists on the old percentage of days gone by, whereas with the increased production by machinery and the reduction of natural sources of wealth capital should submit to a reduction of its percentage of the return of production. Of course business will tell you it is close to the red or even it, but neglects to consider the large percentage paid for ^{large sums of} borrowed money. The financier must also take his dose until they do the government must take the excess from them and hand it over to the consumer. A cheaper method would be for the industrialist and capitalist to hand it to the

consumer direct ³ as wages or in reduced prices of commodities.

I believe that all could be put to work tomorrow if capitals would cut their percentage of returns on investments considerably ~~and~~ ^{by} either reducing prices considerably or increasing wages considerably. More money or purchasing power in the hands of the consumer would force increased production, diminish to zero, unemployment, increase the standard of living and the consumption would increase so greatly that though the percentage of profit would be smaller the gross aggregate of profit would be larger. Both parties would be happy, worker and capitalist. Henry Ford is a shining example of reduced margin of profit and higher salaries. Witness the growth of the automobile industry. ~~It~~ apply it to other lines.

LOUIS J. SCHROEDER
459 SIXTH ST
BROOKLYN, N.Y.

Yours Sincerely
Louis J. Schroeder

January 28, 1939

Mr. Louis J. Schroeder
459 Sixth Street
Brooklyn, New York

Dear Mr. Schroeder:

Chairman Eccles has asked me to
acknowledge your letter to him of January 24
in which you comment on his recent address
over the National Radio Forum.

Yours sincerely,

Lawrence Clayton
Assistant to the Chairman

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