

J. RUPERT MASON
SAN FRANCISCO

1920 Lake Street.
Feb. 4, 1939.

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

Dear sir:

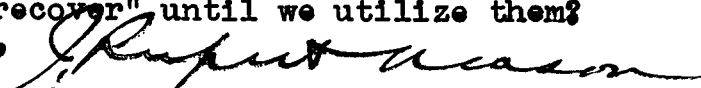
In your broadcast of the 23rd ultimo you spoke of "fundamental changes that have come over our economy", which you explained you would not have the time to explain over the air, might I respectfully inquire just what you meant?

Is it not a fact, that no matter how complex or intricate our industrial system may appear, it all still resolves itself in the end, into the application of labor, with or without the aid of capital, in transforming the natural resources (in land) into the things that man desires?

I do agree that our people, including many of those in high places usually fail, refuse or neglect to realize or recognize this fundamental fact, which is, I submit, just as important to our economy and existence as it ever was.

You say the day has passed when people can "go west". Surely you do not believe the west is overpopulated? The opportunities to establish homes, farms and industries in the west is surely not inferior to that in the east? The era of railroad expansion may have come to an end, but did you mean to imply that the west has room for no more people, and that those who are now jobless, homeless and landless in our cities who have little or no hope of ever getting their old jobs back, must be "given" a job, or failing that, must be given money, so they can buy things and pay rent? In England, the leaders do not give their people the idea the "government" can afford to support all who need aid. You say "the right to work must also be preserved", but I submit "the right to work must be RESTORED". We have many millions of acres of good land, now idle & being hoarded by busted or frightened holders. The slump has left much of this on the doorstep of the states for unpaid taxes. As long as the states can get money from Congress, they are not as diligent in collecting the taxes past due from these lands, or in selling them for unpaid taxes. Thus, the land has largely quit circulating, and the deeper in debt our National Government gets, the less incentive there will be among the land holders to improve or sell their land. We have not fairly begun to utilize the resources in land, nor are we ever going to "recover" until we utilize them?

Very respectfully,



February 11, 1939

Mr. J. Rupert Mason
1920 Lake Street
San Francisco, California

Dear Mr. Mason:

Mr. Eccles has asked me to acknowledge and thank you for your letter of February 4 in which you comment on his recent radio address. You question his statement that the day has passed when millions can follow Horace Greeley's advice and go West when they fail to find employment or opportunity in the populous Eastern centers. You have perhaps misunderstood his meaning in using this expression. It may well be that there is still more opportunity for young men in the West than in the East. In the earlier times however, whenever there was a depression large numbers of the population in the Eastern cities went West and took up free land of which there was, of course, a great abundance. That was a part of our frontier economy. The free land offered a means of absorbing people thrown out of jobs in industrial centers. Today, of course, the Western States do not want the unemployed from the East unless they arrive with sufficient means to support themselves for some reasonable period.

I think Mr. Eccles and yourself are in substantial agreement that our economic system must find a way to keep our natural resources, our man power and our capital accumulations occupied in production if it is to survive.

Yours very truly,

Lawrence Clayton
Assistant to the Chairman

LC/fgf