

Byrd
March 1, 1939.

Mrs. Rodelle Sawyers,
Marion, Virginia.

My dear Mrs. Sawyers:

As I have been away from Washington for the past week, I have not had an opportunity until now to acknowledge receipt of the copy of your letter to Senator Byrd. I have read it with great interest for it helps to restore faith in the future when younger people examine economic problems with the sincerity and high-mindedness of your approach and with determination to ascertain facts, as distinguished from untruths or half-truths.

Your discussion of the British situation is an excellent example. Our economic collapse was, of course, far greater. Our national income fell 50 per cent while theirs fell but 10 per cent between 1929 and 1932. With their high tax rates we could have a balanced budget, if that in itself were the cardinal consideration. We entered the depression with a debt of some \$16 billions--which, as you point out, could have been paid down much more or paid off altogether but for our tax policies of the '20's--while the British national debt ever since the war has remained at very high levels. If our debt now were comparable to the British national debt, our Federal debt total would be two to three times as great as it is today. In other words, the British entered the depression with a tremendous debt and concluded that they should tax rather than add to the debt in meeting the recovery problem. We had no such reason for a policy of trying to prevent deficits. I have contended from the beginning that we should deliberately use deficit-financing as a recovery stimulant, deferring budget balancing until general economic restoration not only made it economically feasible but possibly would require it as a restraint upon a speculative boom.

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I am equally impressed with your understanding of the fact that the unborn generations--which elicit so much solicitude from some of those who seem to me to be rather callous about living generations--will not be borne down by the debt. For I doubt whether future generations will tolerate a system that does not give them a decent standard of living and a large enough national income so that they will find it no great hardship not only to service or pay the public debts but the far greater volume of private debts handed down from generation to generation. In this connection, you might be interested to read a quotation from Macaulay's "History of England" that I have long considered much in point. I am enclosing a copy.

Similarly, I am in accord with your concept of what is waste. I have said frequently that the real waste is due to our failure to use idle man power, idle natural resources and idle money in producing real wealth. This is irreparable loss.

With regard to inflation dangers, these have been conjured up so often that the general public no longer believes there is any danger. There is the danger, but inflation can be controlled by giving necessary restraining powers to the Treasury and Federal Reserve System. The danger of a general inflation, however, will not even be approached until we have reached a condition of full employment.

While I do not profess to be adequately informed about relief, I recognize that there have been political abuses. However, we should not condemn any great human effort because there are some dishonest people who take advantage of it. Senator Byrd stated in his Boston address that "millions" of ne'er-dowells were on relief rolls and should be "purged". I took exception to such a sweeping assertion, and subsequently, in his letter to me, the Senator changed the "millions" to "many".

Likewise, you perceive that a policy of forcing each community to care for its own relief problem is unrealistic for many reasons, among them being the circumstance that in some States, for example, the productive plant is largely owned, for instance, in New York, which would drain off the local resources available for relief except for a tax system that

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equalizes and tends to redistribute the funds, which in turn sustain buying power.

I agree that the best safeguard against destruction of our institutions is not by investigating "isms", but by making our system work well enough so that the overwhelming mass of our people would not want to exchange it for some other system.

I am enclosing also an extract from Sir Reginald McKenna's report to stockholders of the Midland Bank, the largest one in England. This deals realistically with the problem of deficit-financing and with inflation dangers.

Finally, I want to express again my appreciation of your thoughtful letter.

Sincerely yours,

M. S. Eccles,
Chairman.

enclosures

 ET:b

Marion, Virginia
February 11, 1939

Honorable Harry F. Byrd
United States Senate
Washington, D. C.

Dear Senator Byrd:

I am in receipt of a copy of your letter to constituents dated January 25 and Congressional Record reprint of your letter to Mr. Eccles dated January 14, for which I thank you.

I especially appreciate your expressions in the last two paragraphs of your letter to constituents and shall avail myself of the invitation extended therein.

I know in advance that this is going to be a very, very long letter. I hope and trust that you will bear with me and endeavor to read it through during your spare moments. I appreciate the fact that your time is limited and that it is valuable; however, most of the questions I have to ask are pertinent to the welfare of our country and the children that I am raising. They have not been answered satisfactorily by any of our public servants, of any party, to date. I trust that you can enlighten me through your public utterances and service. As you well know, the people of Virginia have great faith in the ability and the integrity of their two Senators and are sorely distressed when the public interests are apparently neglected or betrayed. That many Virginians feel this is often being done, there can be no doubt,- the Roanoke Times, Lynchburg Advance and Richmond Times-Dispatch to the contrary notwithstanding. This is probably due to misunderstanding and it seems to me that all factors should be made clear for the sake of the Democratic Party, our State and Nation and your own personal satisfaction.

I should like to give my background, briefly, so that you can better understand my attitude and channel of thought:

I am a housewife, 25 years old, with two children; a daughter of six years and a son of almost two years. My husband is 35. We have been married for ten years and are in very moderate circumstances. During the Hoover administration we tasted the dregs of hardship,- being forced to separate for almost a year due to unemployment. My father is a Norfolk business man and has always been an independent voter, aligning himself with no political party. He voted for President Roosevelt on both occasions. My husband's family were life-long Republicans until the end of the Hoover administration, at which time they voted Democratic and have continued to do so since. My husband cast his first vote for Al Smith,- being turned away from the family's Republican traditions by the religious intolerance of that campaign. All votes cast by myself have been for the Democratic party and I am intensely interested in the Young Democratic Clubs, doing all the work I possibly can for that organization. The future of our country rests upon the youthful training given now. So much for that !

Next, please do not construe anything I may say in this letter as criticism of yourself or anyone else. I have no "axes to grind", - I simply, honestly and sincerely seek clarifying information on the subjects I shall mention. I am not

interested in the personal power or aspirations of any man or group of men. I am intensely interested in what kind of a country the children I am raising and love with all of my heart and being will have to live in when they grow up. That is my great and only concern.

Taking the points of your letter to Mr. Eccles as they occur, I shall first refer to the Congressional Record reprint, page 1, column 2; heading, "England and America" :

I do not for a moment doubt your sincerity in these comparisons; however, I do think that your material was hastily gathered and that you failed to consider the many different factors involved.

It has not been necessary for England to borrow as we have borrowed. It is a fact that she did have deficits; in fiscal year 1931 of approximately 116 million dollars and in fiscal year 1933 of approximately 161 million dollars. Prior to those years and in fiscal year 1932 the tax rate was adjusted to meet requirements. A very important point: You failed to compare the tax rates of England and America. In the United States our statesmen tell us that high tax rates scare business and drive it to cover, thus retarding prosperity or causing further depression. In England business exists and thrives (according to your admission) on high taxes. Had we maintained our tax structure of 1920 and had not refunded millions of dollars, would we not have had a substantial surplus to meet the depression? Would we not have been as favorably situated now as England?

During the period 1932 - 1938, inclusive, the government of Great Britain spent almost 30 billions of dollars; the United States not quite 50 billions. The per capita expenditure is interesting, using your ratio of 3 to 1. While relief rolls were not greatly expanded, under that name, in England, the various social security aid activities were. In fiscal year 1934 the Educational Help Program spent almost 45 million dollars more than in 1921; unemployment insurance was over 10 times that of 1921 (amounting to over 1/2 billion dollars in 1934); National Health Insurance spent almost 35 million dollars more than in 1921; Widow, Orphans and Old Age Pensions were 312 million over 1921; Working Class Housing Benefits were 200 million over 1921. Other various expenditures were made in addition to the above. Since the above indicates an increase of over 1 billion, 151 million dollars per year over 1921 for what WE call relief, but which the English call "Social Benefits" and "Insurance", we can see that the British have not fared so badly and your statement gives a grossly false impression of the true facts. I believe the public debt of Great Britain is approximately the same as ours, 40 billion dollars, and, as you say, we have greater resources and producing power.

Most of the laws recently enacted in this country that harry and frighten business are patterned after laws that have been in effect in England and many other countries for quite a few years. I wonder if their business men are blessed with super-human ruggedness, or whether ours are simply molly-coddled into sissiness. At any rate, I think that we are unduly alarmed by the groans and howls of certain business men. If they want to close shop, I am quite sure that others will take their place and the world will roll along just the same. Perhaps a weeding out of the pampered ones would be a healthy development and the new business men would possess a greater capacity for human understanding and helpfulness.

We must bear in mind that England entered the world depression in much better condition (socially speaking) than did the United States. Her Workman's Compen-

sation Law was enacted in 1880; Old Age Benefits in 1908; Widow and Orphan Benefits in 1926. These have constantly been expanded and improved until they form a substantial cushion for business recessions. If we can expand and improve our own social security system instead of allowing it to be scuttled by short-sighted groups, we will be in much better condition for the next depression, if and when it comes.

Page 2; Column 2; Paragraph 2.

It appears to me that all of our public servants (?) are so wedded to our present financial and monetary system and its complicated ramifications that they are hopelessly blinded to the nation's true condition and needs. I do not know whether a solution to our economic ills can be worked out under our present system or not; I leave that to our highly paid political representatives of all parties and to heads of our large financial institutions. If it CAN be done, - well and good! Let them get experts to work and find a solution! If it CAN NOT be done, - then change the system! After all, it is results that I, and I believe the great mass of plain American citizens, want; we are not so much interested in procedure. There is something radically and disgracefully wrong with any system that permits conditions to develop as those stated in your letter. Pray let me ask a few pertinent questions:

Why should this generation hand down any debt or burden at all to the next generation? Our children and our grandchildren are in no way concerned, as far as I can see. Every morsel of food that has been eaten by the hungry bellies of this generation was GROWN BEFORE IT WAS EATEN. The labor, time and resources of THIS generation were used to produce it, - why should not this generation's hungry consume it? Why should our children or our grandchildren even be concerned, much less pay for it? Had it not been eaten, what would have happened to it?

Actually, there is no such thing as "Economic Law". Every economic development is the direct result of the action or will of human beings and can be changed by us at our pleasure. There is quite a distinction between the mechanics of mortal creations and Natural Laws. We make the former and we can change, modify or completely abolish them at will. The latter are made by God and we cannot change them.

One of the Natural Laws is that nothing remains static, - everything is in a constant state of change. The moment any article or thing is made or created it starts to deteriorate. Food grows until it is ripe and at that instant it starts to decay. Instead of weeping bitter tears over the "waste" of feeding hungry people with food that is already in existence, we should weep for the millions of meals that rot and decay for want of human consumption, - all because our sacred financial system, consisting of hard glittering metal and dry non-nourishing paper, will not permit the rotting food to reach the hungry people.

If our children and our grandchildren must pay for this food that has already been grown and eaten before they were born, why should we not say that they must also pay for all that rots and decays? It is a crazy and a rotten-to-the-core system that says someone must pay for food that is eaten, but that there is no loss if it rots in uselessness. In both cases it has already been produced and is in existence, - it must be consumed in some manner, - either by nature or by human beings. The same argument holds true for clothing or anything else that this generation has consumed or used. It is self-evident that ANYTHING we have used or consumed was PRODUCED BY US BEFORE WE COULD USE OR CONSUME IT. Where, then,

is the logic or justice of saying that children yet unborn are concerned, or that they must pay ?

On the other hand, we ARE leaving our children many fine improvements, buildings, restored natural resources, etc. These things we have built and done with our own hands, strength and time. They are concrete legacies that will be used and appreciated long after we are gone. This is in sharp contrast to the denuded forests, eroded lands and polluted rivers that our ancestors handed down to us.

In my humble opinion, our legislators should be required to attend a mass class in philosophy for at least one hour each morning before starting to work, making our laws and solving our problems. Perhaps they could get down to earth, to bedrock facts, and would not be lost in a maze of mechanical difficulties brought about by our present man-made "Economic Laws", "Financial Laws", etc.

Pray permit me to define a few of our necessary terms and, through my crude philosophy, to make my point clear. Economic and Financial laws will not enter into the picture since they can be made to conform to our needs,- or else abolished.

1. PRODUCTION - The growing, mining, manufacturing or creating of any article or service.
2. PURPOSE OF PRODUCTION - To supply human needs or desires.
3. COST - Time, labor and materials expended in production.
4. DISTRIBUTION - Getting the fruits of production into the hands of those who need or want them for use.
5. CONSUMPTION - Consuming, or using up, the fruits of production.
6. WASTE - THE USELESS CONSUMPTION OF ANY ARTICLE OR SERVICE THAT HAS BEEN PRODUCED.
 - (a) Articles or services are produced for use, in some manner, by human beings. Since time, labor and material are expended in production, we may say that there is A COST involved IN PRODUCTION.
 - (b) Since the articles or services cannot be used after they are produced until they are in the hands of those who need them, DISTRIBUTION must be involved. Time, labor and materials must be expended in this activity, therefore, a "cost" is involved in Distribution; however, this cost is a thing apart and cannot be charged to production, SINCE THE ARTICLES OR SERVICES HAVE ALREADY BEEN PRODUCED AND ARE IN EXISTENCE.
 - (c) Nothing remains static. The instant an article is produced it starts to deteriorate, either slowly or rapidly. IF AN ARTICLE IS USED OR CONSUMED BY A HUMAN BEING IN ANY USEFUL MANNER IT IS USEFUL CONSUMPTION. If it IS NOT USED OR CONSUMED BY A HUMAN BEING OR OTHER LIVING CREATURE, IT IS CONSUMED BY NATURE THROUGH DECAY OR DETERIORATION THIS IS USELESS CONSUMPTION, therefore WASTE, - THE ONLY WASTE POSSIBLE.
 - (d) All cost is involved in production and distribution. NO COST IS INVOLVED IN CONSUMPTION.
 - (e) Any article or service that has been produced and used by a human being

in a useful manner has served its purpose. Any article that has been produced and NOT used by a human being for a useful purpose is WASTE, because the COST has already been borne during production.

THEREFORE

THE ONLY TRUE WASTE IS ARTICLES PRODUCED BUT NOT CONSUMED IN A USEFUL MANNER. The only way to prevent waste is to enable the people to use ALL THAT IS PRODUCED, or else to RESTRICT PRODUCTION TO ACTUAL CONSUMPTION.

Under our present system we have piled up a huge national debt by trying to prevent waste in the first manner mentioned above. This is being severely criticized. The AAA attempted to prevent waste in the second manner described above and rivers of tears were shed, millions of words were uttered and thousands of pages of type were printed over the sad fate of the "poor little pigs", "idle farm lands" and "regimented farmers". It all just doesn't make sense to me!

Please believe me when I say that I am not defending anything or anybody; - I am not condemning anything or anybody. But I would like to see a little plain, ordinary horse-sense applied to our troubles.

Page 3 - Column 1 - "Our Last Depression"

National Income figures mean very little in relation to the welfare of the greatest number of people. For example: A town of 1,000 population, comprising 250 families, may have a total income of \$250,000. per year. It is possible that 249 families are existing on \$500. per year each while the remaining family has \$125,500. per year. One could not say that such a town was a prosperous community.

It is an evident fact that no real values are ever lost in a depression, such as occurs in fire, flood, tornado, war, etc. In financial depressions one man's loss is another man's gain in real value, regardless of the figures used. It is usually the "small fry" that are squeezed dry and toasted brown for the glory and benefit of the "big fish", during these periods. For instance, in 1921 when the national income went down and the Government retrenched (using your figures), there were 19,652 commercial failures in the United States. In 1922 when the national income skyrocketed to 60 billion dollars (over the 1921 figure of 53 billion) there were 23,676 commercial failures, - an increase of 4,024, or over 20%, during your so-called "good year". It is obvious that small business men and stockholders were frozen out and ruined, thus adding to the "national income" in the upper brackets.

Page 3 - Column 2 - "Inflation Dangers"

I am not qualified to discuss or pass judgement on this question; however, in justice to Mr. Hoopes, I should like to quote the immortal Ralph Waldo Emerson:

"A foolish consistency is the hobgoblin of little minds, adored by little statesmen and philosophers and Divines. With consistency a great soul has simply nothing to do. Speak what you think now in hard words and tomorrow speak what tomorrow thinks in hard words again, though it contradict every thing you said today."

A study of the life of any great man proves the truth of the quotation just used. Great leaders in any field must have a flexible mind, one that can adapt new ideas to new conditions; that can absorb and use new facts as they become evident. Otherwise, there could be no progress. It is true that the Army Mule is quite famous,- but not for being progressive.

Page 3 - Column 2, and Page 4 - Column 1 - "Relief Spending"

I do not know conditions over the entire nation. Relief is usually placed in the hands of local politicians,- at the insistence of higher officials from that state, in order to keep their "machine" well-oiled,- although the National Administration gets all blame for any abuse. This seems very unfair to me. The heads of our National Administration seem more than willing to prosecute crookedness in relief (Reference: Present New Mexico trials) if they can reach beyond the state's own representatives. If the entire function were to be turned over to local ward-healers and petty politicians, as a great many advocate, I am convinced that conditions would be much worse.

One thing strange that I have noticed: Few newspapers or public officials ever criticize their own town. The Roanoke (Va.) Times raves about graft in the WPA in Kentucky; the Philadelphia papers cite graft in California or Montana; the Louisville papers pick on Maine or Michigan. Why not air their own graft? If they are free from it, why worry about some distant point? I am tempted to believe that most of their talk is propaganda and that they pick distant points because local readers or hearers are not in a position to know or learn the truth.

The Federal Government has NOT forced any WPA jobs on Marion. We have made many splendid improvements here that were badly needed,- including a sewer system, high school, Hungry Mother State Park, many improved streets, etc. Few, if any, local citizens will criticize the projects or the work done; distant outsiders have no business doing so, as they do not know our needs or the truth of reports that they might receive. We are proud of every improvement that has been made! The only criticism that I have heard of WPA here is that there were not enough jobs to go around and some needy job-seeker would complain that WPA was no good. I do not know of any unworthy persons getting relief; although others might make this charge. In most cases of this sort, the complainers are either ignorant of the true circumstances and are more interested in their own prejudiced opinions than in true facts, or else the assertions are for political reasons and of course truth is the least desirable quality in such an instance. I have heard quite a few of the more fortunate individuals complain that the men did not work hard enough, etc., but these same individuals are the ones who work their hired help from sunrise until dark for wages of from \$5.00 to \$10.00 per month. God forbid that their kind ever return to power in our Government!

I do not know the cost of "overhead" in Government relief agencies. I wish you had mentioned this point. However, I do have before me a statement of the Roanoke (Va) Community Fund covering the period January 1 to December 31, 1938, as published in the Roanoke Times a few days ago. This statement shows that payments to participating agencies amounted to \$90,417.74 and that overhead amounted to \$15,769.89. I doubt that Government overhead figures that high, as a whole. Of course isolated individual cases may exceed, greatly exceed that figure, but it must be remembered that uniform machinery must be set up and maintained, ~~any~~ regardless of individual cases. I have read of schools being operated for the

benefit of only one pupil; of polling places on election day being fully manned from sunrise to sunset to accomodate one voter.

Page 4 - "Five Point Program"

No program can be endorsed or condemned until it is thoroughly understood. I realize that lack of space and time prohibited full discussion in your letter. I trust that you will elaborate upon these points later. It is too general to make sense at present. For instance:

Just what would be reorganized? For what reasons? What would be the long range effect of reorganization? What changes would be made? What functions would be abolished? Which ones would be curtailed? To what extent would they be curtailed? Why? Would our progressive and public protective laws be rendered inoperative or useless due to lack of funds or personnel? (I especially refer to the following acts and laws: Pure Food & Drug; Social Security; Wagner Act; Conservation & Development, etc.)

Just what is meant by economy?

To one man it might mean foregoing a trip to Europe; to another it might mean driving last year's Packard auto; to another it might mean wearing last year's suit which is becoming shabby. All of these can embrace economy according to their respective positions and are able to do so in the order named. But to the poor devil who is on WPA or poorly paid, periodic daily labor, it means no milk for the baby, insufficient food, clothing and shelter for other loved ones. Poor people have hearts as tender and sympathetic as more fortunate people, you know; in most cases they are more sensitive and responsive. It is poor policy to practice so-called "economy" at the expense of this class, in a land of fortune and plenty, and, generally speaking, "economy" means just that. When a business firm decided to "economize" they usually start by cutting wages. When Government decides to economize, it seldom starts by cutting the \$10,000 salaries, mileage allowances, secretarial help of high officials, etc., although these are the best able to bear the cuts. A man with a comfortable bank balance (or a huge fortune) can well afford to economize, but a man without food, shelter, sufficient clothing, or fire can't wait for "business to take up the slack", even if it requires only a few weeks or months; he must live every day! The amounts saved in such economy ^{are} more than spent on the resulting criminals, insane, disease, etc. Perhaps some day America will learn this. I am enclosing a letter published in the Roanoke Times on February 8, written by a nutrition worker in the Roanoke public schools. It speaks for itself. To talk of economy in the face of such conditions, in a land as rich as ours, **IF THE ECONOMIZING IS TO BE DONE AT THE EXPENSE OF THESE PEOPLE**, is disgraceful, inhuman and ungodly!

I disagree that "each community should share relief costs". That is, in effect, saying that wealthy communities should share their good fortune and that poor communities should share their poverty. Too many Wall Street owners are operating "slave factories" in poor communities (Harwood Mfg. Co., of Marion & New York, for instance) to make this plan feasible. I daresay that the relief load in some of the wealthy Long Island communities is negligible, while the load in the small towns and communities from whence cometh their wealth is excessive. Yes, let the absentee owners help bear the cost of conditions brought about by their policies!

The money recently appropriated for the infamous Dies Committee "For the Promotion of Un-American Activities" would not have been needed if conditions were as they should be. No "isms" can attract a dangerous group of men and women if they are well-fed, warmly-clothed and happy. Investigate the crowd around any soap-box agitator; those who take him seriously are the ones who have hungry loved ones or who are hungry, ragged and miserable themselves. Human beings should not be driven, against their will, to the level of desperate animals and then locked up or shot down because they protest in savage animal manner. We should spend our time, effort and money to remove the cause rather than to investigate the effects.

It is a million-to-one bet that this voluminous letter has found the waste basket long before this portion is reached,- and I can't say that I would blame you. It is too long,- but I don't know how to say what I believe in less space. If it has not, I want to thank you, honestly and sincerely, for the time you have taken to read it. As stated in the beginning, I do not mean any part of it as criticism of yourself or anyone else,- but I do criticize conditions and the lack of logic that is being displayed by all in solving our problems. I do wish that our public officials would forget their petty differences, jealousies, envy, factions, struggles for dominant power, etc., and get down to work for us and our welfare.

I hope that you will accept this letter in the same spirit in which it was written. I am just a common bewildered housewife who is interested in her children and in her country; in the whole truth on every question, and in justice for all. I honestly and sincerely seek knowledge and understanding,- that is all. If some of my reasoning seems radical, I did not get it from Karl Marx, it was drilled into me from an early age and from the teachings of Jesus Christ. I hope He is not considered a Communist or dangerous radical in this materialistic age.

A sincere and loyal constituent,

Mrs. Rodelle Sawyers.
MRS. RODELLE SAWYERS.