

Gulf Insurance Company

CAPITAL AND SURPLUS \$2,000,000.00

E. L. FLIPPEN
PRESIDENT

DALLAS

April 4, 1939

Honorable Chairman Eccles,
Federal Reserve Board,
Washington, D. C.

My dear Sir:

Senator Harry F. Byrd of Virginia advises me that upon request you would be glad to furnish me with a copy of your letter to Senator Byrd regarding the economic policy of purchasing prosperity on borrowed money. As I have a copy of Senator Byrd's answer to your open letter it would be appreciated if you would be kind enough to send me a copy of your letter.

I have been engaged in various lines of business in Texas for the last 40 years, and know thousands of Texans who are striving to pay for a modest home, educate their children, and leave a small nest egg to take care of their wife and children in the event of their passing or becoming incapacitated. The only way they know how to do this is to practice economy and pay their bills and rigidly maintain a savings account.

We would all like to know how any other plan would work, and, therefore, are greatly interested in your economic policy to purchase prosperity by borrowing. We feel there must be something about your plan that we do not understand and are open to conviction.

Awaiting your reply, I am

Yours respectfully,

Edgar L. Flippen,

Edgar L. Flippen
P. O. Box 1771,
Dallas, Texas.

April 6, 1939.

Mr. Edgar L. Flippen,
P. O. Box 1771,
Dallas, Texas.

Dear Mr. Flippen:

I have your letter of April 4, and in accordance with your request, I am glad to enclose copies of my address in New York of last December, which was the subject of Senator Byrd's attack, and my subsequent open letter to him and brief radio address following his own.

One thing about my viewpoint which I gather from your letter you do not understand is that desirable as personal thrift and frugality are, the same admirable precepts if applied to the business and banking world, would land us in complete economic stagnation. I trust that, as you say, you are open to conviction on this subject, with which I have attempted to deal, though necessarily rather briefly, in various addresses and statements.

I appreciate your interest and your courtesy in writing to me.

Sincerely yours,

M. S. Eccles,
Chairman.

enclosures

ET:b

Received in
Chairman's Office
APR 5 1939
Board of Governors
of the
Federal Reserve System