

filed

223 Glenwood Ave.
Leonia, New Jersey
April 13, 1939

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

My Dear Mr. Eccles:

I greatly appreciate your letter of April 6, together with copies of your address in New York and your latest radio address on the same subject. It was not my intention to enter into a discussion between you and Senator Byrd but since you say that my understanding of your viewpoint is entirely erroneous, it is necessary for me to state that as far as I can understand from the various statements made by you, you have entirely changed your viewpoint during the last 10 years; whereas the same cannot be said about Senator Byrd.

I quote from your radio address - "I can see no practical alternative except to sustain purchasing power through public employment until private employment substantially increases." Now, Mr. Eccles, one of the principal reasons why we have so many unemployed is fear or lack of business confidence. You will never restore this confidence as long as you continue to spend money and increase the deficit. The fact that we have been doing this for the last six years without any tangible benefit, indicates that there is something wrong in the theories expounded by you and others in high governmental positions who should know better. I agree with you that the right to work should be preserved, but there must also be a will to work and a will to adjust the demand to what industry is able to offer.

Considering the fact that industry and agriculture are looked upon today as the backbone of the country, it is surprising how little help and assistance industry has been given by the government or governmental agencies. Isn't it a fact that industry has been kicked around for the last six years until today it just doesn't "have the nerve" to come back and provide employment as it should do. Unemployment will never be eliminated or even minimized until people in government positions change their attitude toward industry.

I have read Senator Byrd's address on the subject and I am forced to conclude that his idea about the profit motive in our industrial system is sound, workable, and so far has not been replaced by anything better. It is too bad that two men of your capabilities are not able to get together and find a solution.

Respectfully yours



D. Serbell

VS:ME