

January 5, 1939

Personal

Marriner -

I have read the book "An Economic Program for American Democracy", and slept over the proposal that was suggested to you. Unless you are committed, it seems to me that it would be better to arrange for its distribution in some way other than under your sponsorship.

Here are some of the dangers, as I see them:

No matter what your accompanying letter says, unsympathetic members of Congress will represent you as endorsing, by implication, some highly controversial conclusions of the authors which are not directly included in the idea of compensatory government spending. For example, the impotence of the democratic party, with its factions "bigoted and self-seeking in the extreme" (Foreword, P. VIII); 'full return to undistributed earnings tax with more drastic rates (P. 54); implied threat that government will take over the banks if they shy away from purchase of government bonds (P. 73); that government regulate prices of "industries where free competition does not prevail" (P. 75-76-78); that the government take over the railroads (P. 62, P. 77); that "any modification * * * * of either the National Labor Relations Act or the National Labor Relations Board would be * * * * a serious setback for the orderly processes of democratic government" (P. 81); that minimum wages and maximum hours be established for farm labor (P. 87).

You may favor every one of these, but you are taking in too much territory when you attempt to instruct Congress on them.

This study will not convince any of the opponents of compensatory government spending. Their minds are set. It will simply give them the opportunity to say that all these things are involved in your program, and that what you have in mind is an extension of government controls far beyond the point to which the administration has heretofore gone in its declared policy.

Arthur E. Davis

Draft letter to be sent to Senators and Congressmen enclosing
"An Economic Program for American Democracy."

Dear _____:

I hope you will not think me presumptuous in taking the liberty of sending to you herewith a little book entitled "An Economic Program for American Democracy" written by seven Harvard and Tufts economists. I realize that there are many thoughtful books which deal with our current economic problems. And I do not by any means agree with everything which these Harvard and Tufts economists say in their book; with something¹ they say I definitely disagree. But I do think that it is difficult to find in such a succinct form a more penetrating and stimulating analysis of the nation's ^{fiscal}~~economic~~ problems. I am sure you will find some of the lines of argument on pp. 15-74 worthy of serious consideration.

Yours sincerely,