

# Sears, Roebuck and Co.

Executive Offices

Chicago

R E. Wood  
President

Sept. 13, 1937.

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

My dear Governor Eccles:

I returned from a six weeks' hunting trip in British Columbia last Tuesday, and attended my first meeting of the Federal Reserve Bank here on Friday.

We discussed the general situation at our meeting, and we asked Mr. Schaller to convey to you our opinion that it would be a good plan to take the sterile gold, cancel as much of the government debt as it represents and take it out of the Federal Reserve System. I can not see the flaws in the plan and hoped you would agree with us.

From the paper this morning, it would appear that you have adopted this recommendation in part. I think the action you took was wise but I would have gone further.

I used to think that a drop in the security market had little effect on business. About all it represented was the hopes and fears of the speculators. In the last few years, I have altered my opinion. With stock market information disseminated as widely as it is today all over the United States, I believe it has quite a serious psychological effect even on persons who do not own securities. By that, I do not mean the daily fluctuations but a sustained drop as apparently we have been having for the last two or three weeks.

Early in October I expect to be in Washington. While there, I hope I may have the pleasure of seeing you.

Sincerely yours,

