

April 2, 1938.

Mr. Ralph E. Flanders, President,
Jones & Lamson Machine Co.,
Springfield, Vermont.

Dear Mr. Flanders:

This is to thank you for your letter of March 29th. It is gratifying to know that you go along with the Chairman's views, even though you do not follow him on the matter of the undistributed profits tax. I have an idea, however, that if you talked with him you would find that you are not far apart.

We all consider ourselves fortunate in the appointment of Mr. Draper, who, among other things, is by heritage a New Englander and also a yachtsman. I have a weakness for both.

I hope you will let us know when you are again in Washington, for I know the Chairman would be interested in talking with you.

Sincerely yours,

Elliott Thurston,
Special Assistant
to the Chairman.

ET:b

JONES & LAMSON MACHINE CO.
SPRINGFIELD
VERMONT

RALPH E. FLANDERS
PRESIDENT

March 29, 1938

Mr. Elliott Thurston
Board of Governors
Federal Reserve System
Washington, D. C.

Dear Mr. Thurston:

Thank you for your letter of the 21st with its accompanying transcript which I have examined with a great deal of interest.

I testified also before the Byrnes' Committee a few weeks ago and found myself unable to support Mr. Eccles' belief that the undistributed profits tax is an effective instrument for increasing the velocity of circulation. There are, however, very few other points on which I disagree with him. I am hoping for another chance to talk with him.

I presume you have had a chance to get acquainted with Ernest Draper, your new member of the Board. You may have known him from previous contacts but if not, I am sure that you will be delighted with his ability and with his personality.

Here's hoping that Mr. Eccles returns with renewed health and vigor.

Best wishes to Mrs. Thurston and yourself.

Sincerely yours,

Ralph E. Flanders

REF:M

March 21, 1938.

Mr. Ralph E. Flanders,
Box 477,
Springfield, Vermont.

Dear Mr. Flanders:

The Chairman is temporarily absent, partly due to the insistence of his associates that he was worn out and needed a respite.

Before he left, he referred to our economics division your letter of December 7th. It should have had an acknowledgment before now, particularly because you ask whether the question of exemptions for capital expenditures might be brought before the Business Advisory Council. Mr. Eccles has very strongly favored a modification of the tax in this general direction. He discussed this at some length before the Senate Committee on Unemployment and Relief, and on the chance you may not have seen this, I am enclosing a copy of the transcript of this testimony.

In the meantime, I hope that you will afford us the opportunity to see you if you are in Washington. I expect that Mr. Eccles will be back a week from today or if not, then within the next ten days.

Sincerely yours,

Elliott Thurston,
Special Assistant
to the Chairman.

enclosure

ET:b