

January 5, 1938.

Dear Jimmie:

Enclosed is the excerpt from Macaulay's "History of England" which I promised to send you as I departed from your hospitable office late yesterday afternoon.

I know how overloaded you are with work, but I especially commend this to your notice when and if you have time to read it. It is particularly pertinent because Macaulay's account of the typical British business man's or banker's attitude toward the national debt so exactly parallels what we have heard over here more than a century later on the same subject--and because this typical attitude has been proved so completely wrong by subsequent events in England.

It should be remembered that since Macaulay's time the British debt has increased tenfold. Naturally, I do not favor a continued expansion of the Government's debt, but it does seem to me to be important to understand that the debt is big or small relative to other things, chiefly national income, and that it cannot be regarded as it usually is and was in England as comparable with individual debt.

Let me take this occasion also to thank you for your courtesy to me at yesterday's hearing. You have always been most considerate and, needless to say, I greatly appreciate it.

Sincerely yours,

M. S. Eccles,
Chairman.

Honorable James F. Byrnes,
United States Senate,
Washington, D. C.

enclosure

ET:b

Congress of the United States
House of Representatives
Washington, D. C.

January 29, 1938.

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

Dear Marriner:


I don't know how authentic "The Merry-Go-Round" is, but it quoted you as ridiculing in a conference with Roper's 50 the idea of reducing government expenditures at this time and also the repeal of the capital gains and undistributed profits taxes. It also quoted you as saying that there had been more misinformation spread about these taxes than could have been imagined. I am very hopeful that you were quoted correctly, at least in substance.

I don't like to ask favors of any one; but I feel that right now, due to the fact that I will be passing on these questions as a legislator in the near future, I am entitled to ask you to prepare for me a brief on these questions. I realize that this is quite a sizable order, but I also feel that there is no man in the government today better informed on these questions than yourself, and in whom I have more confidence. It wouldn't be necessary for you to sign any such a brief, nor need there be any indication whatever that it came from your office; and I absolutely agree, in the use of such material as you may see fit to furnish, to keep your name and office out of it entirely. Every member of Congress is being bombarded daily by organizations spreading misinformation about the two taxes above referred to.

I hope, notwithstanding the fact that I know I am imposing on you, that you will be kind enough to help me in this matter.

With kind personal regards, I am

Yours truly,



ABE MURDOCK

AM:v

February 1, 1938.

Dear Abe:

In reply to your letter of January 29th, I am enclosing that portion of testimony which I gave recently before the Byrnes Committee on Unemployment and Relief in connection with the capital gains and undistributed profits taxes. This covers the ground, so far as I am concerned, as thoroughly as I know how, short of preparing a brief, which would take more time than I have and would not provide you with anything that, in my judgment, would be more effective than the attached. This covers the main points as I see them.

I hope this will serve your purpose. I realize that you and other members of Congress are being bombarded with propaganda on both of these taxes and that you should be in a position to expose the false premises on which most of this attack is based.

With regard to the meeting with the Advisory Council, that was entirely off the record, but, of course, I had already made known what I thought about the misinformation which was being spread as to these two taxes.

I am enclosing also a copy of an article in the New Republic of January 19th by Harold M. Groves who, you may recall, was at one time in the Treasury as a tax expert. This is an exceptionally good article, in my judgment, which you may be interested to read over.


With kindest personal regards,

Sincerely yours,

M. S. Eccles,
Chairman.

Honorable Abe Murdock,
House of Representatives,
Washington, D. C.

enclosures

 ET:b

Congress of the United States
House of Representatives
Washington, D. C.

February 4, 1938.

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

Dear Marriner:

Thank you very much for yours of February 1 and the enclosures. In using the word "brief" in my letter I didn't mean it in its formal sense, and I assure you that your enclosures are just about what I wanted. Thank you very much for your prompt response to my request.

With best wishes, I am

Sincerely yours,



ABE MURDOCK

M:v

P.S. I have just completed reading your testimony before the Senate Committee and congratulate on its clarity and comprehension.

