

JANSSEN SALES CO.

SPARROWS POINT, MD.

June..17th..1938

Mr. Marriner S. Eccles
Chairman Federal Reserve Board
Washington, D.C.

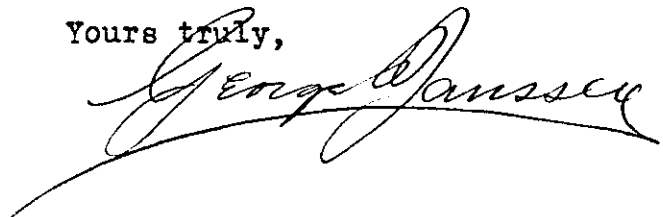
Dear Sir:

You are right in your assertion that the banks are not liberal enough in their loans to business, to make a loan at any bank, and especially a National Bank the requirements are so strict that it is almost impossible to comply with them, even after the loan is granted, the borrower is continually dunned by the bank to repay the loan before there is a turnover on the investment...so what is the use of borrowing money, paying interest on same, if the borrowed money must be paid back before you can make a turnover.

If the business man could swap places with the Secretary of the United States Treasury, Mr. Henry Morgenthau, Jr., how easy it would be for him to end all his financial worries, all he would have to do is call in one type of loan, for instance the Liberty Bonds at a high rate of interest, and replace them with a lower interest paying Government Bond, this is very easily done by the simple process of ordering the National Banks to tighten the business man's credit, thereby piling up a surplus in the banks, the result is that Mr. Morgenthau gets easy money at the business man's expense.

Take for instance the F.H.A. financing, you own a lot appraised at \$500.00, perhaps it was purchased for \$250.00 the appraisal represents a 10% down payment, which entitles you to a loan of \$4500.00, now suppose that you have an equity of \$500.00 in any other enterprise, could you get a loan for a like amount for your business, I think that Mr. Morgenthau likes to throw out smoke screens to hide his own financing, and make us believe that he is a wonderful Secretary.

Yours truly,



June 27, 1938.

Mr. George Janssen,
Janssen Sales Company,
Sparrows Point, Maryland.

Dear Mr. Janssen:

This is to acknowledge receipt of your letter of June 17th with regard to the restrictions on bank lending and investment operations and the excessive restrictions which I feel have to a large extent been removed by the agreement which has just been announced.

I was interested in having your observations, and I wanted to thank you for your courtesy in writing.

Sincerely yours,

M. S. Eccles,
Chairman.

ET:b

Received in
Chairman's Office

JUN 21 1938

Board of Governors
of the
Federal Reserve System