

R. W. STEWART
116 JOHN STREET
NEW YORK

March 24, 1939

Dear Mr. Eccles,

You will not remember me but I was one of the surety men with whom you talked in San Francisco when Six Companies Inc. was being formed. Naturally I have followed your public life since then with considerable interest.

May I now applaud your statement to the Silver Committee and your letter in January to Senator Byrd? You alone, even in the Administration, seem to have the courage of plain speech. Certain things must be said and any attempt to say them politely or diplomatically is immediately misconstrued by headline writers and readers. Courtesy seems to defeat its own purpose.

This economy and budget balancing talk is sheer emotionalism. It must be met head-on. The Republican campaign of 1936 broke down completely because it was impossible to make a coherent statement of that so-called point of view. I am satisfied you can get the same results now and in 1940.

Any rational person knows that what business we have will collapse if government spending is stopped. There is no large field for the productive investment of private capital. Why pretend there is? Taxes must be increased. Why talk of reduction? Business confidence is a myth. The word business men must learn is not cooperation nor appeasement but submission. Let's say so and stop trying to sugar coat the pill.

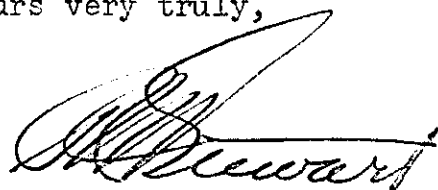
It is suggested that you consider resigning. I hope you will not do so although I appreciate that you may be disgusted with newspapers and Congressmen. I think it is your duty to stay in there and pitch.

You are my candidate for President in 1940. When the time is ripe, I want to do my small part to promote that candidacy. Please let me know when and how I can help.

Yours very truly,

RWS:T

Honorable Marriner S. Eccles,
Federal Reserve Building,
Washington, D.C.



March 31, 1939.

Dear Mr. Stewart:

Your letter of March 24, recalling that you were one of the surety representatives with whom I met when Six Companies Inc. was being formed in San Francisco and commenting upon my recent statements, is very much appreciated.

I am glad to have your flattering references to my views and your encouragement, even though you carry it to a preposterous conclusion. Nevertheless, I wanted you to know that I appreciated your interest and your thoughtfulness in writing to me.

Sincerely yours,

M. S. Eccles,
Chairman.

Mr. R. W. Stewart,
116 John Street,
New York City.

FT:b

Received in
Chairman's Office

MAR 25 1939

Governors
The
Federal Reserve System