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Dallas, Texas, April 14, 1941.

Honorable Tom Connally,  
Washington, D.C.

Dear Senator Connally:

I wish to express to you my sincere regret at the passing of Senator Shppard, your most worthy colleague. A greater responsibility rests on you now than ever before to uphold the prestige of the greatest State in the union, of the greatest country of the world, in the greatest deliberative body on earth. Judging from the past I am sure it will be most ably upheld.

This letter has a two-fold purpose, and I am enclosing herewith two clippings from the Dallas Morning News, which are self explanatory. They relate to the most important subject that the Congress of the United States can possibly consider- The financing of the great defense program, and also the best method of financing the great business interests of our country.

In one clipping Hon. Harriner S. Eccles, Chairman of the Federal Reserve Board, bitterly arraigns Hon. Wright Patman, for advocating the issue of new money by the government, instead of increasing taxes and issuing bonds. also the other clipping one of the editors of the New York Herald Tribune, very bitterly criticizes Mr. Patman. Neither Mr. Eccles, nor the Editor, seems to have ever heard of Jefferson, Jackson, Lincoln, and a host of other great Americans, including Mr. Edison, all of whom advocated the issue of money by the government, not only in times like these, but at all times. The failure of the Congress to follow the Constitution and the teachings of these great Americans is the main cause of our present distress.

Mr. Eccles seems to think that even the Dictator nations borrow money instead of issuing it. He is no doubt correct, and it is very likely that Hitler and Mussolini both stand in with the bankers of their respective countries for their mutual benefit. I have never yet believed that either Hitler or Mussolini are as great statesmen as those mentioned above, and I am willing that Mr. Eccles and the Editor follow Hitler and Mussolini, if the Congress will just follow our own great statesmen.

The idea that our government with \$81,000,000,000 (gold) and \$2,000,000,000 silver, and only about \$8,000,000,000 money of all kinds in circulation must ask the bankers of the United States for the use of the public credit is absolutely ridiculous, and should not be tolerated. With such a great emergency as exists at present I imagine that Jefferson, Jackson, and Lincoln, have turned over in their graves several times the past few months, if those who have passed over the river are concerned for the welfare of those left behind.

For the benefit of Mr. Eccles, and the New York Editor, I will say that Mr. Patman is absolutely correct in trying to get the government to exercise its own sovereign authority, and is backed by such eminent statesmen as Jefferson, Madison, Franklin, Jackson, Webster, Calhoun, Lincoln, and Bryan, and the great scientist Thomas A. Edison, Americans, and Disraeli, Blackstone, and Gladstone, of England, and a great host of other great Americans. If Mr. Eccles and the New York Editor wants to line up with Hitler and Mussolini just let them do so, but that should not have any effect on the Congress of the United States that should represent the 130,000,000 people of the United States and not special interests.

For more than fifty years I have been a careful student of the science of money, and more especially the past few months. I have looked up the teachings of the greatest statesmen of the world on the science of money, including Franklin, Washington, Adams, Jefferson, Hamilton, Madison, Jackson, Webster, Calhoun, Lincoln, Judge Joel Tiffany, Alexander Del Mar, Sherman, Wilson, and we all know what Bryan stood for, and Edison, of America, and Disraeli, Blackstone, and Gladstone, of England. Mr. Gladstone says that he tried on four occasions to get Parliament to gradually retire the notes of the bank of England from circulation, and substitute government currency.

John C. Calhoun, Thomas A. Edison, and Judge Joel Tiffany have made as good arguments in favor of government control of money as I have ever read, in all my more than fifty years of investigation. There is simply no answer to their arguments. Mr. Calhoun made an address on money in the Senate September 28, 1837, also on December 18, 1837, and is simply unanswerable, it would be well to look both addresses up if you have not already done so, not only Mr. Calhoun but all the above named great statesmen are in line with Mr. Patman's views on money, except Alexander Hamilton, the Wall Street banker, and Wall Street lawyer, with office at 57 Wall Street, in 1785 when he helped to organize the Bank of New York.

The great tragedy is that the Congress of the United States has followed the teaching of Alexander Hamilton on money and banking instead of all the other great statesmen above mentioned. Mr. Hamilton, as the first Secretary of the Treasury, in December 1790 proposed and had Congress to establish the United States Bank to be under private and not a public direction - under the guidance of individual interest, not of public policy. His proposal was bitterly opposed by both Jefferson and Madison, but unfortunately several Congressmen owned stock in the bank and it was established, but what Jackson had to say in his veto of its recharter in 1832 should be known of all men, for what he said was a plenty.

On December 15, 1931, the late Hon. Louis T. McFadden, made an address in Congress charging that during the twelve years since the world war, that the Federal Reserve Board, and the Wall Street Bankers, had loaned to Germany \$30,000,000,000 (billions) in addition to the German bonds that had been sold in this country. That Germany had loaned part of the money to Russia, and that Russia had built munition plants, that Germany had 9000 officers in Russia training soldiers. The great war now raging indicates that the charge of Mr. McFadden must have been correct. If so, the Federal Reserve Board and the Wall Street Bankers have committed a great crime, not only against the people of the United States but of all the world. This is sufficient evidence that Mr. Patman's proposal for the government to take over the Federal Reserve system is absolutely imperative. For the Federal Reserve Board, and the Wall Street bankers to use the credit of the United States to finance a militaristic country like Germany is unthinkable and one of the greatest crimes of all ages. The charge of Mr. McFadden should be thoroughly investigated.

I have compiled the teachings of all the above named statesmen and many others on money, and I am sure if followed by Congress there would be no need to further burden the people with taxes, nor bond issues, but issue and properly regulate the value of money and control prices and prosperity will prevail, and all owners of government securities can be taken care of without loss to them, and to the benefit of all.

Copy to Mr. Eccles, the New York Editor, and to Mr. Patman.

Very sincerely yours,  
*C. L. A. Jeffers*

*6925 Edgerton Ave  
St. Louis, Mo*