

McKENDRICK, BELL & CO.

IMPORTERS AND CONVERTERS

1170 BROADWAY

NEW YORK

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COMMERCIAL-BENTLEY'S
UNIVERSAL

CABLE ADDRESS:
JADRICKEN
NEW YORK

September 30, 1941

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

Dear Sir:

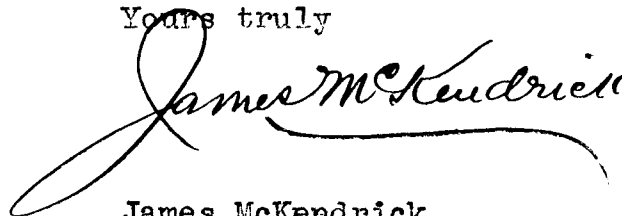
I have read with much interest the report in the morning papers of your opposition to the plan suggested by Mr. Morgenthau, of limiting profits of Corporations to 6% and feel that you are to be complimented on the stand you have taken.

I feel that the plan suggested by Mr. Morgenthau would work great hardship on thousands of people who have their lives savings invested in securities of different companies, who in the years of depression were compelled to cut their dividends or suspend them entirely for a while, and now that business has improved and the companies have an opportunity to make up for some of their losses and the stockholders perhaps get a bonus, it seems most unreasonable and unwise to even suggest such a plan as Mr. Morgenthau has set before the public. The very suggestion of it upsets the minds of the public, causes them to dispose of some of their holdings and creates cahos in general.

Why men in public office will suggest such unreasonable things is beyond conception, and in my opinion shows a lack of the sound judgment our public officials should have.

Therefore I take this opportunity of thanking you and complimenting you on the stand you have taken.

Yours truly

A handwritten signature in cursive script, reading "James McKendrick". The signature is written in dark ink and is positioned above the printed name.

James McKendrick

JMcK:g

October 3, 1941.

Mr. James McKendrick,
McKendrick, Bell & Company,
1170 Broadway,
New York, New York.

Dear Mr. McKendrick:

This is to thank you for your letter of September 30 regarding my testimony on the price control bill.

While I have not had an opportunity to discuss the matter with Secretary Morgenthau and would not venture to speak for him, it is my impression that his suggestion was misconstrued and that he was speaking to the general principle, in which I heartily concur, that corporate profits should be held down to a minimum in this emergency or that, generally speaking, Government tax policy should be so designed as to recapture a substantial part of the sums expended for defense purposes. I certainly would not wish to take the position that restraint should be exercised by or be put upon labor, agriculture and other groups unless similar limitations are put upon business profits. Accordingly, from the outset I have contended that business, itself, should take the lead because it has the most at stake and the most to defend in advocating rigid limitation of defense profits - of course, on a reasonable and equitable basis. (7)

I appreciate having your comments.

Sincerely yours,

M. S. Eccles,
Chairman.

ET cm