

1932 Gates Ave.

Box 471 B

Redondo Beach, Calif

Nov. 15-1935

Dear Sir -

After reading your "parting shot" to American Bankers Assn, I must tell you that you certainly told them just the truth.

The banks have enjoyed many privileges in the past from the government, and have always dictated until now. It is time they put their shoulders to the wheel. Bankers are regulating the value of money, and according to the Constitution (Sec. 8, par 5) this function belongs to the Congress. They want the government to guarantee their loans, so why not let the government have the income derived from its currency on loans it guarantees?

2. This would produce an enormous revenue for the government, would get those loans to the business firms that are holding things back at present.

The banks would invest their money only in government bonds, and with the government guaranteeing their commercial loans, the entire surplus could be put into bonds. A glance at their present balance sheets will show that this would work no great hardship upon them. Their money will go into bonds unless a means is found to make them let go. We would then have the soundest banking system in the world, the bonds would be paying their own way and instead of being a millstone around the neck, they would become a bulwark of the nation's finances, controlled by the proper authority, the government.

The banker would still be able to make plenty, with his currency privileges, exchange, safe deposits &c. His main income to come from U.S. bonds.

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I should appreciate it if you would put this letter in the proper channel and please tell the president that we are all for him out here in Southern California and he will surely be our next president.

Yours respectfully  
Leopold R. Walton

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Chairman

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November 21, 1935.

Mr. Leopold H. Walton,  
1932 Gates Avenue,  
Box 471B,  
Redondo Beach, California.

My dear Mr. Walton:

I have your letter of November 15th  
and am glad to have your views on money and bank-  
ing.

In view of your interest in the sub-  
ject, I am enclosing a stenographic report of the  
speech which I made before the American Bankers  
Association in New Orleans.

Very truly yours,

M. S. Eccles,  
Chairman.

enclosure

MSE:VE:b