

S. H. LIVINGSTON

SUCCESSOR TO

KEYSTONE HIDE COMPANY

HIDES, SKINS, WOOL, FURS, TALLOW

STEARINE GREASE, CRACKLINGS, GLUE & GELATINE PRODUCTS
804-816 So. PRINCE ST. COR. FURNACE ST.

LANCASTER, PA.

November 23rd. 1935

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

My Dear Sir:

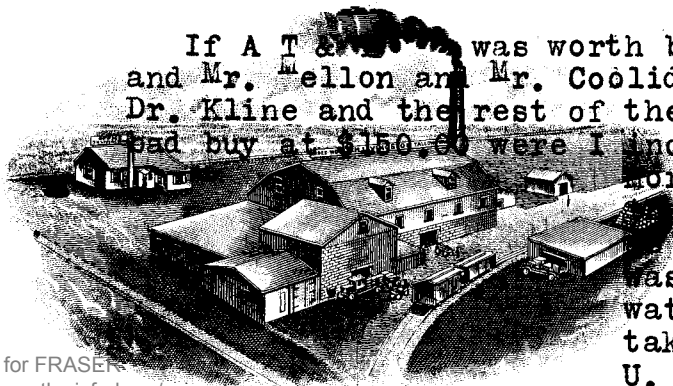
In to-day's New York Times I was happy to read that you do not agree with the head wrecker who just came back from shooting grouse in England, and from his visit to the country where they do not take eight months' work in the form of taxation, in that you are not going to apply "brakes" to the stock market.

Of course, I am a small business man who had achieved some measure of success prior to 1929 and the reason I am writing you is that having created some wealth and helping others to do so without issuing stocks and bonds and without placing an INC after my name I consider it quite an accomplishment after seeing what others did and I feel I have enough intelligence to at least write you.

To me it is strange that as head of the inflation gang back in 1927, '28 and '29 and 'way back in 1919 he did not prevent the inflation then but to-day when we are trying to stage a come back after having been placed on our back by the Wiggin's and the Mitchell's---servants of the grouse shooter---he is opposed to a revaluation of prices to some semblance of the figures at which we borrowed money. It would appear that this gentleman prefers that we take the bankruptcy route, or he wants to delay reflation until he and his gang can put back a Republican administration and then he will sell us goods and common stocks at high prices that he and his crowd pick up when the rest of us go into bankruptcy.

I am a Republican for no good reason other than that I do not subscribe to the free trade phobia of Mr. Hull and the rest of the Southerners who like the Republican big business leaders want free trade on what they buy and good tariffs on what they sell. I note that Mr. Garner never had the desire to propose free trade on wool.

If A T & T was worth buying at \$290.00 a share when Mr. Hoover and Mr. Mellon and Mr. Coolidge gave out the rosy reports through Dr. Kline and the rest of them it would seem to me that it is not a bad buy at \$150.00 were I inclined to be a stock buyer unless Mr. Morgan confesed to the Bishop of Canterbury that the whole American Capital Structure set up by his (Morgan's) late father was so watered that it is still full of water which I believe is quite true if we take the word of a past President of the U. S. Leather Co. who wrote an article



for the Feb. 1935 issue of FORTUNE wherein he states that one of the main reasons why that company is on its back is that they were operating on 2/3 capital that was water. I served that concern 20 years and I didn't know it. I thought that the millions of stocks and bonds they had out which I was tempted to buy were based on real property.

To me it is amusing that the men who throw up their hands in horror at the word inflation sat back and permitted the rest of us to try to commit suicide by loaning us money and telling us that what we were buying and going to buy was sound value because no one should think of selling America short. Brisbane helped to boost the boys' racket too through his daily column. He might have been an innocent victim though.

In all my business experience some 30 years I have not owned \$2,000.00 worth of stock but it mattered not, because values of goods followed the New York Stock Market and I and others bought on that basis, now struggling to pay back 3 dollars for 1 that I borrowed. There for awhile in 1932 and '33 I went along paying back 4 to 5 dollars for every one that I borrowed.

I used to worship at the feet of Mr. Morgan and the rest of them but after seeing what they did to us I have not made up my mind whether they were deliberate cheaters or whether they don't have any more brains than the rest of us common folk have who have faith in U. S. and we never go about telling of the wonders in other countries. I am inclined strongly to believe that the cheater label is the more appropriate one.

This is the gentleman that does not want bank insurance. He wants chain banks. He chained everything else together until now the government has to subsidize agriculture and others to keep them from going into bankruptcy.

U.S. Bond buyers on high stock markets and Common stock buyers when the rest of us are throwing things overboard seems to be the music that Mr. Morgan wants to hear. I, looking over Morgan's statement and that fellow over in Chicago (Nichols) notice that both of them are pretty well loaded with Uncle Sam's money and Bonds and I have been wondering why they don't show England's, France's bonds and money...the countries where they do everything right and where they don't tolerate Communists, or is there a law on our books that compels Mr. Morgan to buy Government Bonds and to have American money? That fellow out in Utah along with Mr. Hutton who wants to "gang" business and finance and Mr. Morgan and his clan need most a first class physic than anything else, or an hour's radio talk by F. D. to stop their present holiday of racketeering.

Maybe someone in your department can tell me and others who owe money how we are going to pay it back on a falling market when we borrowed on a rising one?

I am not interested in seeing sky rocket prices but I am interested in seeing prices at somewhere where we borrowed at and we have a long ways to go in hides when we are selling at 6 to 8¢ and borrowed money to buy 20 to 30¢ hides. In 1932 I sold hides at \$1.50 a piece that had a prewar value of \$9.00.....does Mr. Morgan want me to still sell at \$1.50 and he'll accumulate them and sell them back to me in 1937....if a Republican is elected at \$10.00?

Sincerely yours,

S. H. Livingston

Chairman
xxxxxxx

December 2, 1935.

Mr. S. H. Livingston,
804 South Prince Street,
Lancaster, Pennsylvania.

My dear Mr. Livingston:

I am in receipt of your letter of November 23d
and am glad to have your views with regard to our mone-
tary problems.

In view of your interest in the subject, I am
enclosing a stenographic transcript of the address which I
made before the American Bankers Association convention in
New Orleans on November 14th.

Very truly yours,

M. S. Eccles,
Chairman.

enclosure

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