

May 13, 1936.

Dear Harry:

Herewith is a copy of a brief address which I gave in New York last Friday evening. Extracts appeared in the press, but I thought you might like to have the complete text in view of your continued curiosity, if not agreement, as to my viewpoint. This speech undertakes to outline briefly what I conceive to be the theory of the government's monetary and spending program and how it is working out toward a balanced budget and full restoration.

Sincerely yours,

M. S. Eccles,
Chairman.

Mr. Harry Eaton,
Munsey Building,
Washington, D. C.

enclosure

 ET:b

WASHINGTON, D. C.
MUNSEY BUILDING

LONDON, ENGLAND
DORLAND HOUSE

WHALEY-EATON SERVICE
The Standard Washington Authority
FOUNDED 1918

May 16, 1936.

Dear Marriner:

Many thanks for your note of May 13, and the enclosed copy of your speech.

As you know, our disagreement is not always as great as might appear. Furthermore, my curiosity is inspired by a very real admiration.

As to the speech itself, it is an even clearer exposition of your point of view than has been the case in some of your others. You may be interested to know that Mr. Whaley is planning to make a reference to it in his speech which he is shortly to deliver in St. Louis.

As to a balanced budget, I will make a friendly bet with you. I will agree to match the Federal budget surplus, over the next five years, if you will agree to match the deficit.

Sincerely,



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

May 18, 1936.

Dear Harry:

Thank you for your letter of May 16th with its complimentary references. Also, let me say that I appreciate your most generous offer of what you call a friendly bet. Inasmuch as the extent of the unbalance of the budget in the next year or so would logically be vastly greater than the extent to which it is balanced thereafter, perhaps for a dozen years, I think I can decline to accept your generous offer without impairing in any way my general contention that the budget will in fact balance, or at least could with proper taxation be balanced, in 1938, for instance. Nevertheless, I appreciate the sacrificial spirit which prompted your offer.

Sincerely yours,

Mr. Harry Eaton,
Whaley-Eaton Service,
Munsey Building,
Washington, D. C.

ET:b