



# First Security Bank of Idaho

POCATELLO BRANCH

Pocatello, Idaho

April 3, 1937

PERSONAL

Mr. M. S. Eccles, Governor  
Federal Reserve Board  
Washington, D. C.

Dear Mariner:

Want you to know that I very much appreciate your letter of December 10, 1936 enclosing copy of your Boston Address. After studying the paper myself, passed it on to some of my friends including Tom Jones, Dean Nichols of the University of Idaho, Judge Baum, Guy Bowerman and others.

Have also taken the liberty of explaining to my friends that your present proposal to balance the budget by increasing taxes and to commence to reduce the federal debt is not a new idea with you, but was included in the original plan as explained in your numerous utterances, both private and public, dating back to the Senate hearing during the Hoover Administration.

Am thoroughly in accord with your recent statements. Certainly, now is the time to begin to lay plans to "lower the sails" in order to avoid a re-occurrence of 1929. Unless this is effectively and courageously done, we shall eventually find ourselves again in a similar or worse position than we did in 1929 and the early 30's.

If I have understood your theory clearly, it has been that the Government should use its credit freely beginning during the early stages of recessions to provide employment in order to take up the slack, thereby preventing deflation from going too far. Also and equally as important, when prices and business have again recovered, in order to keep so-called prosperity from going too far and into dangerous inflation, the Government should proceed to balance the budget and reduce the federal debt by increased taxes and the curtailment of federal projects.

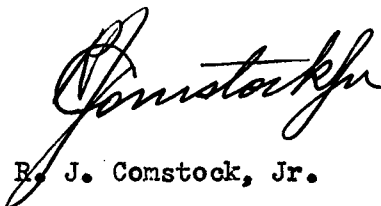
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Mr. M. S. Eccles, #2

I understand we are now in the position where it is necessary to apply the brakes by balancing the budget and reducing expenditures for governmental projects in order to avoid treacherous inflation followed by another "nose-dive." In my opinion this program will not be popular with the people or with the common rank and file or politicians because of their lack of understanding of its necessity and therefore the courage of those at the head of the Government and upon whose shoulders rests the responsibility of guiding the destiny of the Nation will be tried to the limit.

I have the deepest respect for the courage you have shown in presenting your opinions to the people and to those in power.

Yours very sincerely,

A handwritten signature in cursive script, reading "R. J. Comstock, Jr.", written in dark ink. The signature is fluid and stylized, with a large initial "R" and a long, sweeping underline.

RJC:BJ