

S. H. LIVINGSTON

KEYSTONE HIDE COMPANY

HIDES. SKINS. WOOL. FURS. TALLOW

804-816 So. PRINCE ST. COR. FURNACE ST.

LANCASTER, PA. December 16, 1937

Hon. Marriner Eccles
Federal Reserve Board,
Washington, D. C.

Dear Sir:

I have been reading your speeches how it was necessary to stop the boom. Mr. Roosevelt stopped it with the result that more millions are out of work, and as usual, the gamblers of the nation get rich on panics, and strong organizations working with the public's money gather together physical goods that distressed owners have to sell.

It would be well for the President and his close associates to put under his glass on his desk the prices that prevailed in 1908-'12 where he could see wheat at \$1.07, hides at 15¢ lb., copper at 13¢ plus, cotton 12¢, eggs 24¢, etc. etc. Hides, 50% of the nation's production going begging at 5 to 8¢ lb., in 1937..to-day. Of course, if he will look at the monopolies their prices on finished goods are 50% higher as in the case of steel, but what they buy scrap iron is around 40% under 1908-'12 prices, and were it not for the Japanese buying the scrap iron dealers could have thrown their goods into the Atlantic Ocean even in 1937.

Mr. Roosevelt, it seems to please Mr. Green and Mr. Lewis, made a good talk out of monopoly, how he was going to slay these giants, etc., but instead of hitting the giants he hit men like me who cannot 'pass any interests' and he hit the fellow who had a job who to-day is working 2 days a week or out of a job entirely. The Giants closed down and the men most of them will, maybe, be eating snowballs. The Giants' prices didn't change..gas is higher than in 1936,, steel is \$5.00 a ton higher than in 1936 and \$13.00 per ton more than in 1908-12.

Some fellow over in New York University wrote to the Times the other day and said that the farmers should stop belly aching as the price of wheat went from 32¢ to \$1.00, but he forgot that in 1908-12 when we had 25 millions less people wheat was \$1.07. And so with the Administration, it points with pride how they raised bankruptcy prices in 1932 to 1908-12 prices before the famous Presidential talk in the Spring-and now back to bankruptcy prices again.

If Mr. Roosevelt's shooting is so bad, i. e. his aim he'd better stop slaying the Trusts, because when he aims he slays us, not the Trusts. If the Administration does not subscribe to 'Babson' I suggest it get his 1908-12 prices. Of course, agriculture's labor and taxes and mine didn't go up, so to-day we should be selling products under the 1908-12 prices to please Union Labor, less than 5% of the nation's population. I supported Roosevelt thinking he knew where he was going...to the 1926 price level but he went to the 1932 level. Sincerely *J. W. Lawrence*

December 18, 1937.

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

Dear Mr. Livingston:

Your letter of December 16th makes some practical observations which particularly interest me with regard to the unbalanced level of prices as between various agricultural products and the incomes of the great mass of consumers on the one hand, as contrasted with numerous material and labor costs on the industrial side. Accordingly, I am venturing to enclose a copy of a talk I gave last Tuesday before the American Farm Bureau Federation in Chicago, in which I tried to bring out that these factors of disequilibrium had to be corrected if we were going to have continued and reasonably stable economic progress in this country. I am also enclosing a copy of a statement I gave out last spring when the dangers of the unbalanced condition which subsequently developed were becoming apparent.

I hope that if you find time to glance through the address delivered in Chicago you may note that I do not wish to stop any healthy progress, but I do not want to see unsound price inflation develop as it did last winter and spring because the inevitable consequence is the very kind of reaction we are going through now. You might note also that I emphasized the necessity of readjusting downward prices which are out of line with general purchasing power and readjusting upward some of the other prices, particularly as regards agriculture, which are too low. Once this readjustment is carried to the point where buying power will again be effective, I see no reason why we should not move ahead to a satisfactory general price level. But as you point out and I thoroughly agree, the important thing is the proper interrelation or balance between prices rather than the general price level itself.

I appreciate your writing and I am glad to have your views because they are realistic, particularly in regard to various rigid industrial prices, such as steel, as well as in regard to a minority of organized workers.

Sincerely yours,

M. S. Eccles,
Chairman.

ET:b