

2400 SIXTEENTH STREET
WASHINGTON, D. C.

May 19, 1938

My dear Marriner:

Thank you very much for sending me a copy of your Atlantic City address. I am impressed, as I always have been, by the clarity and logic of your position. The labor comment took real courage.

It is becoming increasingly clear to me that one of the major difficulties which we are running into is our inability to act with sufficient promptness and vigor in meeting the emergencies that are continually arising. Laissez-faire has completely broken down, and we have not as yet sufficient controls to make a compensated economy function properly. Whether we can obtain those controls without nationalizing several fundamental services, such as the railroads, remains the all important question.

Sometime when you can spare a luncheon hour, I should like to discuss this aspect of the matter with you.

Personal regards.

Very sincerely yours,



Preston Delano

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

May 23, 1938.

My dear Preston:

Your note of May 19th and its flattering commentary on my recent effort is very deeply appreciated.

I agree that we lack adequate controls to make a compensatory economy function properly, and this lack is due in turn, of course, to the fact that the methods, while by no means new, are not widely comprehended. For myself, I am not prepared to concede that nationalizing fundamental services, such as the railroads, is necessary, unless it is assumed that there is no way in which the managers of both capital and labor can be made to understand that policies which result in economic unbalance are shortsighted and recoil not only upon the whole economy but also upon those who may gain a temporary advantage thereby.

I should enjoy having a luncheon discussion with you at some mutually convenient time on this extensive and complex subject.

Sincerely yours,

M. S. Eccles,
Chairman.

Honorable Preston Delano, Governor,
Federal Home Loan Bank System,
Washington, D. C.

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