



HOTEL TIOGA
MERCED
California
"The Gateway to Yosemite"

June 28, 1939

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

My dear Mr. Eccles:

I have never had the pleasure of meeting you, but a great number of my friends are your friends, and we all have great confidence in you.

In reading that very popular column, the Washington Merry-Go-Round, by Drew Pearson and Robert S. Allen, where they have quoted you in this column, in reference to your idea as to the distribution of the money collected under the Federal Social Security Act. I have always said, right from the beginning as you well expressed yourself according to this column, that this money should not be piled up or held in a huge fund, before they started any payments.

This, as I have always said, is like the poker game, the house takes a percentage, and you will soon drain all the pay-rolls of the United States, taking from each district or community thousands of dollars which would be spent regularly. You might call it pin money, luxury or whatever you want. Now, if this money was paid immediately as a revolving fund, it would mean hundreds and millions of dollars, and it would help stimulate business. I am in favor of the Act, and believe that the ones fortunate in having jobs, should help the ones who have not. If something is not done as you suggested, we are going to find the greatest tax strike that has ever happened in this country, because people can not stand this drain, particularly, the small business, which I would say, from one hundred thousand to millions of dollars are invested, and as you well know, they employ more people combined than the so called large industries. I do not believe we can spend our way to prosperity, but I do believe with legitimate spending as you proposed, and all public works and such like also the President's new proposed program of financing, will help this country of ours, and will not ever do it much harm, as we have great natural resources.

I am the one that gave the building plan to the Hoover Administration and to the fourth Home Loan Bank, they did not have time to do anything with it. I followed it up by giving it to Madame Perkins thinking the labor group would get behind it, but they have made a long drawn out affair of it.



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My plan was on the 3% amortization plan on all new and rebuilt buildings. This is a government job, and the banks will get theirs through the contractors, subcontractors and the materials by stimulating building. If you go through the government with cheap money it is always like some people I know whom you have to come in contact with, they try to be too conservative and their aim is to balance the budget, and who cares whether the budget is balanced as long as we continue within reason. We have a reasonable indebtedness, and today what you are paying for money, and what you have had to pay for it previously, with the difference you can amortize this indebtedness. I come in contact with a great number of people and in discussing these matters, I find that a great majority are in accord with this policy, what I have written in this letter.

Looking forward to meeting you some time and if I can be of assistance to you through some senator or congressman, whom I personally know, I would be very glad to do so.

My very best wishes to you.

Yours sincerely,

A handwritten signature in cursive script, which appears to read 'Archie Stevenot'. The signature is written in dark ink and is positioned below the typed name 'Archie Stevenot'.

ADS:D

July 5, 1939.

Mr. Archie Stevenot, Manager,
Hotel Tioga,
Merced, California.

Dear Mr. Stevenot:

I have your letter of June 28 and was interested to have your views with reference to the operations of our Social Security Act as well as on fiscal policy designed to stimulate business. For some years I have strongly favored the amortization principle in bank lending particularly for home building purposes.

I wanted you to know that I appreciated your interest and your courtesy in writing.

Sincerely yours,

M. S. Eccles.
Chairman.

ET:b