

Honest Money Founders, Inc.

111 W. Washington St. • CHICAGO • Franklin 5225

JAMES E. BISTOR, PRES.
JAMES D. STOVER, SECY.

GEORGE W. REINECKE, V. PRES.
WILLIAM WALLER, JR., TREAS.

Informed Americans demand that Congress now provide sufficient *Constitutional Money* to restore and stabilize a price level adequate to sustain existing debt structure and thereby re-establish mass purchasing power.

November 16, 1939.

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

My dear Mr. Chairman:

We have read with great care the transcript of your address to the bankers of the Eighth Federal Reserve District at St. Louis on November 9, 1939. You must have read THE TRUTH ABOUT MONEY booklet and learned what causes all wars. The statements made to your banker colleagues were so enlightening and encouraging to us that we want you to forward a copy to everyone of the 2500 leaders in the monetary reform movement whose names and addresses appear on pages 187 to 214 of the HONEST MONEY YEAR BOOK AND DIRECTORY FOR 1940, a copy of which was recently purchased by your library. They will appreciate your educational contribution.

We are in complete accord with the following statements taken at random from your speech:

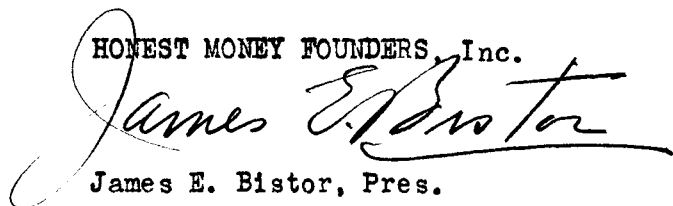
"We have been unwilling to exchange goods for goods. *** Our country would be far better off if *** foreign purchases were to be paid for out of the sale of their goods in this country, *** rather than through further acquisition of foreign gold and silver for which we have no present or prospective use. *** Even the present volume of excess reserves, if used as a basis for credit expansion, would create a dangerous inflationary situation entirely beyond the present powers of the Federal Reserve to control. *** The time is here, if not overdue, to take certain steps that will increase domestic consumption. *** I favor increasing domestic purchasing power by decreasing consumption taxes. *** WE CANNOT PROFIT FROM DISASTER TO OTHER PEOPLES."

The next Congress can accomplish much needed monetary reform by (1) nationalize the Federal Reserve System; (2) mandate the new monetary authority to maintain a predetermined price level; (3) require all banks to maintain 100% reserves of cash and direct government obligations for all demand deposits; (4) pay into use sufficient debt-free Constitutional Money in the form of National Pensions to provide adequate security to elderly citizens.

These four fundamental changes in our money system will take us far toward the goal of providing an honest scientific and constitutional money system, without which our Democratic liberties cannot long endure.

Respectfully submitted,

HONEST MONEY FOUNDERS, Inc.



James E. Bistor, Pres.

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COPY

October 16, 1939.

Mr. John G. Scott,
Editor "Money" Newspaper,
280 Madison Ave.,
New York, N. Y.

Dear Mr. Scott:

RE: National Monetary Conference

Your letter of October 12th suggesting that Henry Ford be approached to sponsor or finance a National Monetary Conference to be held in Washington, D. C. has been received.

Why should Mr. Ford sponsor or finance such a conference with another world war in the offing? As our outstanding industrialist, he must be well informed as to the real causes which underlie this and most other wars, viz: the battle of power politics for world domination and control. The pseudo democracies of the gold bloc or sterling group are already lining up against the dictator controlled nations who have little or no gold and who must barter in order to provide their people with the bare necessities of life.

If the impending conflict gets out of control, it may well destroy all the nations of the Christian world now attempting to operate under Finance-Capitalism. Business, politics and religion should be working together to protect the world's man power and wealth from being consumed in another world war; instead they are fighting like cats and dogs in their attempt to undermine each other and are thereby only adding to the chaos.

So long as America has the slightest chance of becoming embroiled in the war in either Europe or Asia, we feel that the holding of a National Monetary Conference will be a waste of time and money. Congress is now attempting to provide a workable neutrality law, and we will probably jump from the frying pan into the fire. We did it before and will probably do it again. The greed of our industrialists for profits will finally overcome the seasoned judgment of the few real statesmen remaining in Congress.

Therefore, after conferring with the Trustees of Honest Money Foundation, we have concluded that the holding of a National Monetary Conference during the next six months will not further the cause of monetary reform.

Cordially and sincerely yours,

HONEST MONEY FOUNDERS, Inc.

James E. Bistor, Pres.

JEB:B.

November 17, 1939.

Mr. James E. Bistor, President,
Honest Money Founders, Inc.,
111 W. Washington Street,
Chicago, Illinois.

My dear Mr. Bistor:

On behalf of Chairman Eccles, who
is temporarily absent in the West, I wish to
acknowledge receipt of and to thank you for
your letter of November 16 with enclosure.

Very truly yours,

Elliott Thurston,
Special Assistant
to the Chairman.

ET:b