

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.

May 20th, 1940.

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

SUBJECT: YOUR RECENT ADDRESS:-
"UNEMPLOYMENT...WHAT SHALL WE DO ABOUT IT"

Dear Mr. Chairman:

A copy of your statement made to The Economic Club of New York on May 9th has been received and carefully studied. It should convince the average reader that, finally, after seven years of muddling with pump-priming palliatives and monopoly investigations, the New Deal experimenters now have accurately diagnosed the reasons for the impending collapse of our economic structure. A continuance of the present war will so multiply the financial obligations of the debt-ridden world that the business stagnation which inevitably follows all wars will collapse the over-inflated debt structures, and sound the death knell to modern Capitalism.

You have properly recommended adequate old-age pensions and an increased public works program large enough to put every employable back to work as your solution of our unemployment problems. But you carefully avoided stating how you would finance the necessary billions of dollars such a vast program would entail. As a banker, you can only think of issuing more tax-exempt interest bearing bonds. But we are already nearing our legal debt limit, and such additional expenditures as you now propose would increase our National debt in a very few years to 75 and possibly 100 billion dollars.

Instead of continuing to pyramid our National debt to an amount that will confiscate all National wealth, why dont you recommend to the present Congress that we begin now to get out of debt by issuing sound "Constitutional Money" in amounts sufficient to pay for the two programs you now propose. The three billion dollars already authorized under the Thomas Amendment will make a good start, and will accomplish wonders in providing employment for our idle money and men.

You should also prevail upon the President and the Democratic National Committee to place a million copies of your scholarly address in the voters hands before the Democratic National Convention meets in July. The average voter will read it if given the opportunity. It will make a powerful and effective piece of campaign literature. In any event, you should mail a copy to the 2,500 monetary reform students whose names and addresses appear in the HONEST MONEY YEAR BOOK & DIRECTORY-1940, a copy of which was purchased recently by your library.

Respectfully Submitted,

HONEST MONEY FOUNDERS, INC.,


James E. Bistor, Pres.

JEB/B
COPY TO THE PRESIDENT.

May 24, 1940.

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

Dear Mr. Distor:

This is to acknowledge receipt of your letter of May 20 with reference to my recent discussion before The Economic Club of New York.

While your complimentary remarks are appreciated, I cannot let the conclusion you draw go unchallenged. I am emphatically opposed now, as I always have been, to a resort to "greenbacks". My address indicated very clearly my views on the necessity for a tax program based on the principle of ability to pay and combined with a revised old age pension and unemployment insurance system. As I was at pains to say, the program outlined in the address is in my judgment one that will assure employment, bring about the ultimate balancing of the budget, and avoid the necessity for continual increase in the public debt.

Very truly yours,

M. S. Eccles,
Chairman.

ET:b

filed

RESPECTFULLY REFERRED
FOR ACKNOWLEDGMENT
AND CONSIDERATION

W. M. Dwyer

Secretary to the President

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

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