

WALTER T. DAENITZ  
135 BROADWAY  
NEW YORK

December  
5, 1940

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

My dear Mr. Eccles:

The Press advises that Our Government contemplates revision of the Johnson Act prohibiting loans to World War debt defaulters. Other reports state that our Foreign Trade becomes more and more restricted by Our rulings and those of contending countries due to their inability to meet their own demands for armament.

Our opportunity to supply the needs of non-belligerent Nations with the products of our Industries and by careful fulfillment of such requirements build and establish a permanent Foreign Trade, is relegated to the background by the Administration's requirements that we supply War needs to contending Nations at a loss to our own National Defense.

As an official of our Government, these questions are asked of you.

Should not the defense of Our Own Nation take precedence over the need of contending Nations whose Racial differences have existed through the centuries and caused War from time to time?

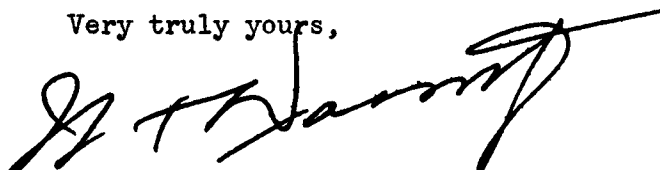
Should our Tax Payers be required to increase tax burdens to extend credits to defaulting Nations, who in previous Wars of which we were a part, took all the spoils of the Victory?

Should we now increase our Taxes to lend monies and or credits to defaulting Nations, who through the past were able to loan funds to smaller Nations as political expedients and for the extensions of their Foreign Commerce?

Should not the permanent welfare of Our Nation take precedence over the needs of Belligerent Nations whose past history shows that they have built to higher things by using other nations for their own aggrandisement.

These questions are respectfully asked by a citizen and tax payer of a Public Servant of a Nation whose interests should predominate in the policies of such public servant.

Very truly yours,



WTD:JC

December 9, 1940.

Mr. Walter T. Daenitz,  
135 Broadway,  
New York City.

Dear Mr. Daenitz:

Chairman Eccles requested me to acknowledge receipt of your letter of December 5 and to send you the enclosed text of his recent talk before the National Industrial Conference Board. This will answer your questions insofar as it is possible for him to do so. Published accounts of his address were entirely misleading.

Very truly yours,

Elliott Thurston,  
Special Assistant  
to the Chairman.

enclosure

ET:b