

Shawston

WALTER KUTZLEB
NEW YORK, N. Y.

92, Liberty Street, Room 612,

December 6, 1940.

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

My dear Mr. Eccles:-

Yesterday's New York Times printed a despatch from Washington reporting an interview with you.

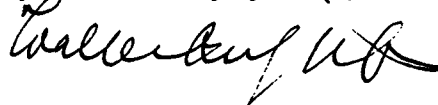
I was mighty glad to read your 13 points for monetary policies. They are sound and practical, and should be given all possible prominence forthwith so as to provide for urgently needed improvement in our economic set-up to carry through the Defense program.

Loans or credits to Great Britain, I am sure, we shall have to grant. The matter of collateral ought to be a detail only; the main thing should be that advances in any form are on long term, and through private channels rather than through inter-governmental agencies. It has never worked out satisfactorily when inter-governmental obligations had to be contended with.

It also seems to me a great fallacy to permit the borrowing of money for a period of 10 years at $2\frac{1}{4}\%$ p.a. by a Finance Corporation which in turn loans it to the public at $1\frac{1}{2}\%$ per month, or thereabouts. It is a frightful burden on our industry and economy in general. On that basis American industry has a great handicap to overcome in its endeavors for foreign markets as well as more steady employment when obliged to provide for competition with low living standard countries. It is bound to affect Labor as well as all social advantages for which the country has been fighting.

Please accept my compliments on your far-sighted and constructive program, and be assured of my high esteem.

Very sincerely yours,



*This is an announcement and is not to be construed as an offer to sell or as a solicitation of an offer to buy the securities herein mentioned.
The offering is made only by the Prospectus.*

\$10,000,000

BENEFICIAL INDUSTRIAL LOAN CORPORATION

Ten Year 2¼% Debentures

Dated December 1, 1940

Due December 1, 1950

Interest payable June 1 and December 1

Price 100½% and accrued interest

Copies of the Prospectus are obtainable from the undersigned.

EASTMAN, DILLON & Co.

SMITH, BARNEY & Co.

BLAIR & Co., Inc.

E. H. ROLLINS & SONS
Incorporated

LADENBURG, THALMANN & Co.

RITER & Co.

check this man

WALTER KUTZLEB
NEW YORK, N. Y.

Room 612, 92, Liberty Street,

December 31, 1940.

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

My dear Mr. Eccles:-

When I was in Washington the other day,
I should have liked to thank you in person for your letter
of December 13, and for the enclosures.

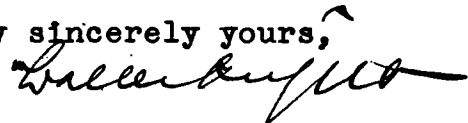
Your secretary informed me of your crowded
calendar, and I abandoned the thought.

However, I should like to renew my acquaintance
with you one of these days in the near future, and perhaps
find occasion to discuss some of the items of your recent
address, especially those of particular importance in the
present situation.

I expect to be in Washington next week.
Possibly your calendar will permit a few minutes for me.

With compliments of the Season,

Very sincerely yours,



not interested

December 13, 1940.

Mr. Walter Kutzleb,
Room 612,
92 Liberty Street,
New York City.

Dear Mr. Kutzleb:

This is to thank you for your letter of December 6 with regard to my recent talk before the National Industrial Conference Board. I appreciate your very kind comments.

I was interested in the advertisement you enclosed and in your remarks with regard to the low rate at which this finance corporation is borrowing in contrast with what it probably gets on the loans it makes. I do not know a more effective remedy for such a situation than the tax mechanism which, if properly applied, would prevent the retention of excess profits made by this great spread and might tend in the direction of narrowing it.

As the newspaper accounts of my talk were necessarily very brief, I am enclosing a copy of the actual text in case you might be interested in having it.

Sincerely yours,

M. S. Eccles.
Chairman.

enclosure

ET:b